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Steam and Power Generation

February 26, 2014

Debra Howland, Esq.
Executive Director and Secretary
Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301

Re: Revised February 2014 monthly cost of energy over/under report (DG 13 – 255)

Dear Ms. Howland,

Enclosed is the February 2014 over/under report with revisions. The revised February 2014 report is hereby filed to reflect the actual fuel costs from November 2013 through January 2014 with revisions to the January natural gas costs. The projected costs from February 2014 through October 2014 remain unchanged. This revision is necessary due to unforeseen higher than normal cost of gas adjustments by our supplier. The colder weather combined with some operational difficulties with our wood system caused CSC to use approximately 40% more natural gas than we would have otherwise. That additional gas was purchased in a market that was unusually expensive and therefore we must seek a slight increase in our Coe of energy for March 2014 through the end of the COE year in October 2014

The unanticipated natural gas costs have resulted in a 250% increase in the cost of gas for the month of January and an overall increase in the cost of energy of 9%. The February reconciliation as originally submitted stated a COE end of year under-collection of approximately \$(8,706). The revised February reflects an under-collection of \$(94,786). Because this under-collection is 3% of the overall expected fuel costs for the year and we will need to recover the under-collection during the winter period, we are requesting an \$1/Mlb adjustment to the COE rate at this time. The adjustment to the COE will result in a overall under-collection for the COE year of \$(49,187).

The February 2014 tariff is \$20.83/mlb the proposed March 2014 rate is \$21.83.

If there are any questions please call me.

Yours Truly,

Mark E. Saltsman
Vice President