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Professional Association

One Eagle Square, P.O. Box 3550, Concord, NH 03302-3550
Telephone 603-224-2381 • Facsimile 603-224-2318
www.orr-reno.com

May 30, 2007



Malcolm McLane
(Retired)

Via Hand Delivery

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

**Re: DG 07-033, Northern Utilities, Inc.
Summer Cost of Gas**

Dear Ms. Howland:

Enclosed for filing with the Commission in the above-referenced docket please find an original and 7 copies of Northern Utilities, Inc.'s Motion to Designate Staff Advocates.

Please let me know if there are any questions about this matter. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Susan S. Geiger".

Susan S. Geiger

Ronald L. Snow
William L. Chapman
George W. Roussos
Howard M. Moffett
James E. Morris
John A. Malmberg
Martha Van Oot
Douglas L. Patch
Connie L. Rakowsky
Jill K. Blackmer
James P. Bassett
Emily Gray Rice
Steven L. Winer
Peter F. Burger
Lisa Snow Wade
Jennifer A. Eber
Jeffrey C. Spear
Connie Boyles Lane
Todd C. Fahey
Vera B. Buck
James F. Laboe
Robert S. Carey
John M. Zaremba
Maria M. Proulx
Jessica E. Storey
Justin M. Boothby
Heidi S. Cole

Susan S. Geiger
Judith A. Fairclough
(Of Counsel)

cc: Service List
Enclosure
442363_1.DOC

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Docket No. DG 07-033

**NORTHERN UTILITIES, INC.
SUMMER 2007 COST OF GAS**

MOTION TO DESIGNATE STAFF ADVOCATES

NOW COMES Northern Utilities, Inc. (“Northern”), by and through its undersigned attorneys, and, pursuant to NH RSA 363:32, I., respectfully moves the New Hampshire Public Utilities Commission (“the Commission”) to designate Attorney F. Anne Ross and Commission Staff member George McCluskey as staff advocates in the above-captioned matter. In support of this Motion, Northern states as follows:

1. An adjudicative hearing on the merits of Northern’s summer 2007 cost of gas (“COG”) filing was held by the Commission on April 23, 2007. Prior to the hearing, Commission Staff member George McCluskey prefiled testimony which challenged Northern’s long-standing methodology for calculating the over/undercollection of gas costs for the prior winter and summer periods and further challenged Northern’s carrying charge rate used to calculate Northern’s supply-related working capital. Staff also propounded data requests upon Northern which called for responses that were not due until after the merits hearing.

2. In a written motion filed with the Commission on April 18, 2007, Northern requested that the Commission defer ruling upon the issues raised by Mr. McCluskey and that it open a separate proceeding to consider those issues as the Commission had for KeySpan in docket DG 07-050. On behalf of Commission Staff, Attorney Ross objected

to Northern's Motion. The Commission denied Northern's motion for a separate docket without prejudice via secretarial letter dated April 19, 2007.

3. On April 20, 2007, Northern prefiled rebuttal testimony of Mr. Joseph Ferro which countered Mr. McCluskey's prefiled testimony. At the merits hearing, Mr. McCluskey provided oral testimony in support of Staff's position on these issues, and Mr. Ferro testified in support of Northern's position on these issues.

4. In Order No. 24,743 issued April 27, 2007, the Commission approved as just and reasonable Northern's proposed summer COG rates (subject to possible revision) and deferred ruling on the two issues raised by Mr. McCluskey. In addition to determining that it needed additional information from Northern, the Commission provided Staff and the parties the opportunity to submit briefs by May 25, 2005 on the two issues raised in Mr. McCluskey's testimony.

5. On May 11, 2007, KeySpan filed a motion in the instant docket to consolidate the issue of interest on supply working capital with its docket DG 07-050 on the same issue. On May 22, 2007, KeySpan filed a letter with the Commission withdrawing its motion to consolidate indicating, *inter alia*, that "there are significant differences between the Commission staff and KeySpan regarding certain procedural matters in DG 07-050...as well as the information need to resolve the issues in DG 07-033...". Letter from Attorney Steven V. Camerino to Debra A. Howland, May 22, 2007, p. 1.

6. By secretarial letter dated May 23, 2007, the Commission notified the parties in the instant docket and in DG 07-050 that it will open a separate investigation to resolve for both Northern and Keyspan the issue of an appropriate interest rate to be charged for gas supply cash working capital. The secretarial letter also stated that the briefs due on

May 25, 2007 in the instant docket were not to include arguments on the interest charged on cash working capital.

7. On May 25, 2007, Northern filed its brief on the methodology for calculating its over/undercollections relating to prior period gas supply costs, and Staff filed a brief on that issue jointly with the Office of Consumer Advocate (OCA).

8. RSA 363:32, I. (a) provides that “[w]henver the commission conducts an adjudicative proceeding in accordance with the provisions of RSA 541-A:31 through RSA 541-A:35, the commission shall designate members of its staff as staff advocates and decisional employees, if requested by a party with full rights of participation in the proceeding...” under certain circumstances which are set forth in RSA 363:32, I. (a) (1) through (4).

10. It is undisputable that this case involves an adjudicative proceeding under RSA 541-A:31 and that Northern is a party with full rights of participation. Therefore, the Commission must grant a motion for designation if Northern establishes any of the criteria under RSA 363:32, I. (a) (1) through (4).

11. RSA 363:32, I. (a) (2) requires designation when “[t]he docket concerns an issue or matter which is particularly contentious or controversial and which is significant in consequence”. It is clear from the record in this proceeding that the issues in this docket are particularly contentious and are significant in consequence. Staff has disagreed with Northern over almost every procedural and substantive issue in this case. Staff has opposed Northern’s written and oral requests that the Commission defer a decision on Staff’s issues and open a separate docket to consider those issues for both Northern and KeySpan. Northern and Staff disagree over which party bears the burden

proof as well as various aspects of the methodology used by Northern to calculate its over and under collections, a methodology that has been in place for approximately thirty years and which is integral to the stability of Northern's billings and revenues. If Staff's position prevails, Northern will suffer significant financial consequences as its supply working capital will be greatly diminished, thereby affecting the manner in which the company obtains funds to meet its supply payments and also creating a confiscatory effect upon Northern.

12. In addition, it is clear from the positions taken by Staff member McCluskey in his testimony and Staff member Ross in Staff's brief and in opposition to Northern's motions to defer and to open a separate docket, that these staff members have committed to highly adversarial positions which may preclude them from being able to fairly and neutrally advise the Commission on all positions in this proceeding. Moreover, the procedural and substantive issues in this docket are so contested as to create reasonable concern on Northern's part about Staff's role in Commission decision making. Thus, Northern meets the criteria under RSA 363:32, I. (a) (1) and (3) to have Staff members McCluskey and Ross designated as Staff advocates.

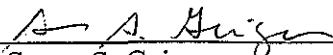
WHEREFORE, in view of the foregoing, Northern respectfully requests that the Commission:


- A. Designate Staff members George McCluskey and Attorney Anne Ross as staff advocates under RSA 363:32; and
- B. Grant such further relief as it deems equitable and just.

Respectfully submitted,

NORTHERN UTILITIES, INC.

By its attorneys,
Orr & Reno, P.A.
One Eagle Square
Concord, NH 03302-3550
Telephone: (603) 223-9154
E-mail: sgeiger@orr-reno.com

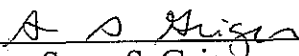
By: 
Susan S. Geiger


Patricia M. French (SSA)
Lead Counsel
NISOURCE CORPORATE
SERVICES
300 Friberg Parkway
Westborough, MA 01581
(508) 836-7394
fax (508) 836-7039
pfrench@nisource.com

Dated: May 30, 2007

Certificate of Service

I hereby certify that a copy of the forgoing Motion has on this 30th day of May, 2007 been sent by electronic mail and hand delivered to persons listed on the Service List.


Susan S. Geiger