

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

**DG 07-050**

**ORDER OF NOTICE**

The New Hampshire Public Utilities Commission (Commission) hereby gives notice that it is opening a formal investigation pursuant to RSA 365:5 in connection with the appropriate reconciliation methodology for EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England's ("KeySpan") gas costs as well as appropriate levels for certain indirect gas costs.

In Order No. 24,688, the Commission reserved pending further inquiry a decision on the methodology to determine over/under collections and the interest costs on cash working capital, as well as the appropriate bad debt percentage used for cost of gas calculations. On March 29, 2007, Staff filed a memorandum with the Commission pursuant to the Commission's order in *EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England 2006-2007 Winter Costs of Gas*, Order No. 24,688 (October 27, 2006). In its memorandum, Staff reported on the results of its discussions with KeySpan regarding the reconciliation methodology, associated interest and the bad debt percentage applied to gas costs. Having failed to reach an agreement on these issues, Staff recommended the Commission open a new docket and include as part of its investigation of supply- related working capital costs, the lead/lag study used by KeySpan to calculate its cash working capital requirement and the interest rate applied to that requirement.

Inasmuch as Order No. 24,688 invited the parties to identify issues in addition to the reconciliation calculation for further inquiry, we will include the updated lead/lag study and the

interest rate applied to cash working capital requirement as issues for consideration in this proceeding. KeySpan shall be made a party to this proceeding.

The filing raises, inter alia, issues related to KeySpan's direct and indirect gas costs filed as part of the 2006-2007 winter cost of gas docket; whether those rates are just and reasonable, pursuant to RSA 378:7; and, whether interest recovery on reconciliation, the interest rate applied to cash working capital, the lead/lag study used to calculate cash working capital and the bad debt allowance are just and reasonable. Each party has the right to have an attorney represent them at their own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 3, 2007 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15 shall be considered; and it is

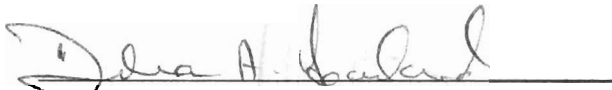
**FURTHER ORDERED**, that, immediately following the Prehearing Conference, KeySpan, the Staff of the Commission and any Intervenors hold a Technical Session to review the Report and Recommendation and allow KeySpan to provide any response to Staff's filing; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, KeySpan shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than April 16, 2007, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 3, 2007; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to KeySpan and the Office of the Consumer Advocate on or before April 30, 2007, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before May 3, 2007.

By order of the Public Utilities Commission of New Hampshire this tenth day of April, 2007.

  
Debra A. Howland  
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.