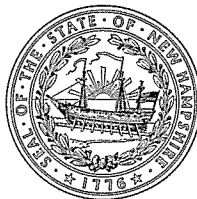


THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
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ORIGINAL	
N.H.P.U.C. Case No.	DG 08-009
Exhibit No.	#64
Witness	Chattopadhyay Parthip
DO NOT REMOVE FROM FILE	

February 3, 2009



Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DG 08-009 – EnergyNorth Natural Gas, Inc. d/b/a National Grid NH
Record Request Reserved as Exhibit 64

Dear Ms. Howland:

Attached please find a Record Request Reserved as Exhibit 64 for the above referenced docket.

Thank you for your attention, and please let me know if you have any questions.

Sincerely,

Edward N. Damon, Esq.
Director, Legal Division

Attachments
cc: Service List

**EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH
DG 08-009**

Record Request Reserved as Exhibit 64:

Describe the Staff's calculation of its point estimates and ranges of reasonable estimates for both its pre-filed direct testimony and its update provided at hearing.

Response:

See Attachments 1 (pre-filed direct testimony) and 2 (hearing update).

Attachment XI

DCF ROE Estimates			
Company	Average of EPS, DPS, and BPS growth rates	br and sv	EPS growth rates
Atmos Energy	8.72%	8.87%	10.20%
Laclede Group	7.96%	13.37%	9.29%
Nicor Inc.	7.37%	9.39%	9.22%
Northwest Nat. Gas	7.99%	9.57%	9.40%
Piedmont Natural Gas	8.43%	7.63%	10.33%
Southwest Gas	8.24%	8.91%	10.52%
WGL Holdings Inc.	8.99%	9.33%	9.82%
<i>Average</i>	8.24%	9.58%	9.82%
Average plus 2*SD	9.31%	13.16%	10.89%
Average minus 2*SD	7.17%	6.00%	8.76%
Cost of Equity estimate	8.24%	8.95%	9.82%

A shaded cell identifies an outlier (see the testimony for the criteria)

Average of the three estimates 9.01%

Market to Book Ratio ROE Estimate			
Company	Internal cost of equity	external component	Cost of equity: Mkt./Book method
Atmos Energy	9.10%	0.00%	9.10%
Laclede Group	7.63%	5.23%	12.86%
Nicor Inc.	8.85%	0.00%	8.85%
Northwest Nat. Gas	7.96%	1.44%	9.40%
Piedmont Natural Gas	7.80%	-0.55%	7.25%
Southwest Gas	8.73%	0.24%	8.97%
WGL Holdings Inc.	8.85%	0.12%	8.98%
<i>Average</i>			9.34%
Average plus 2*SD			12.74%
Average minus 2*SD			5.94%
Cost of Equity estimate			8.76%

A shaded cell identifies an outlier (see the testimony for the criteria)

Attachment XI with updated numbers

DCF ROE Estimates			
Company	Average of EPS, DPS, and BPS growth rates	br and sv	EPS growth rates
Atmos Energy	9.03%	9.75%	10.53%
Laclede Group	8.11%	12.42%	9.44%
Nicor Inc.	8.50%	10.12%	9.97%
Northwest Nat. Gas	8.81%	9.75%	9.93%
Piedmont Natural Gas	11.11%	8.63%	17.29%
Southwest Gas	8.73%	8.76%	10.61%
WGL Holdings Inc.	8.72%	8.93%	9.55%
<i>Average</i>	9.00%	9.77%	11.05%
Average plus 2*SD	10.95%	12.37%	16.62%
Average minus 2*SD	7.05%	7.16%	5.47%
Cost of Equity estimate	8.65%	9.32%	10.01%

A shaded cell identifies an outlier (see the testimony for the criteria)

Average of the three estimates 9.33%

Market to Book Ratio ROE Estimate			
Company	Internal cost of equity	external component	Cost of equity: Mkt./Book method
Atmos Energy	8.89%	0.48%	9.37%
Laclede Group	8.06%	4.14%	12.20%
Nicor Inc.	9.63%	0.00%	9.63%
Northwest Nat. Gas	8.25%	1.19%	9.44%
Piedmont Natural Gas	8.86%	-0.19%	8.67%
Southwest Gas	8.54%	0.15%	8.69%
WGL Holdings Inc.	8.56%	0.11%	8.67%
<i>Average</i>			9.52%
Average plus 2*SD			12.02%
Average minus 2*SD			7.03%
Cost of Equity estimate			9.08%

A shaded cell identifies an outlier (see the testimony for the criteria)

Updated numbers as reported in the hearings

Point Estimates	Method	Estimates
Point Estimate 1 (Staff's preferred approach)	Average of the three DCF ROE Estimates	9.33%
Point Estimate 2	Average of the three DCF ROE Estimates and the Market to Book ROE Estimate	9.26%
Point Estimate 3	Average of the three DCF ROE Estimates, the Market to Book Ratio ROE Estimate, CAPM Method 1 estimate and CAPM Method 2 Estimate	8.77%
<i>Range of Reasonable Estimates</i>	<i>Based on the three point estimates</i>	<i>8.77% to 9.33%</i>

CAPM Method 1 7.08%
 CAPM Method 2 8.48%

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Docket #: 08-009 Printed: February 03, 2009

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