

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** 10/28/08

**AT (OFFICE):** NHPUC

**FROM:** Robert Wyatt



**SUBJECT:** Northern Utilities, Inc.  
DG 08-115 Revised Winter Cost Of Gas Final Review

**TO:** Commissioners  
Rorie Hollenberg (OCA)  
Edward Damon (Staff)  
Patricia French (Northern)

In my testimony during the Northern Utilities, Inc. cost of gas hearing on October 22, 2008, I stated that due to the limited time available to review Northern's revised COG filing prior to the hearing, a cursory review of the revised filing had been done. The Commission reserved Exhibit 7 for my report on Staff's final review and requested that the report be filed by today. This memorandum is offered as Exhibit 7.

In my subsequent review of the revised filing I discovered an error in how Northern is reporting the value of the PNGTS "payment-in-kind" volumes associated with the metering error resolution.

On page 13, line 93 of the revised filing, Northern is incorrectly applying a credit for the "payment-in-kind" commodity which should have a value of \$0.00. The credit would only be appropriate if Northern had applied an equal but offsetting expense for this commodity in a separate line item elsewhere on the schedule.

I have spoken to Ronald Gibbons at Northern about this discovery and he agreed it is an error. He suggested that it be corrected in the December 1 monthly over/under adjustment. Based on the \$683,246 credit on page 13 of the revised filing, the portion of the December COG rate adjustment to correct this error will be an increase of approximately \$0.02 per therm ( $\$683,246 / 33,459,085$  therms (Dec.-Apr. forecast) = \$0.0204).

Staff recommends that the Commission approve the revised filing as presented at the hearing, that the above error be corrected in Northern's December 2008 Cost of Gas over and under projection report and that December rates be adjusted accordingly. The adjustment represents less than 2 percent of the 20 percent increase allowed through the monthly adjustment mechanism.

cc: Stephen Frink  
Ronald Gibbons

RICHARD CENCINI  
NISOURCE CORPORATE SERVICE COM  
300 FRIBERG PARKWAY  
WESTBOROUGH MA 01581

JOSEPH A FERRO  
NORTHERN UTILITIES INC  
300 FRIBERG PARKWAY  
WESTBOROUGH MA 01581-5039

PATRICIA FRENCH  
NISOURCE CORPORATE SERVICE COM  
300 FRIBERG PARKWAY  
WESTBOROUGH MA 01581

RONALD D GIBBONS  
NORTHERN UTILITIES INC  
200 CIVIC CENTER DR  
PO BOX 117  
COLUMBUS OH 43216

MEREDITH A HATFIELD  
OFFICE OF CONSUMER ADVOCATE  
21 SOUTH FRUIT ST STE 18  
CONCORD NH 03301

SUSAN KULLBERG  
BAY STATE GAS  
300 FRIBERG PKWY  
WESTBOROUGH MA 01581

KEN E TRAUM  
OFFICE OF CONSUMER ADVOCATE  
21 SOUTH FRUIT ST STE 18  
CONCORD NH 03301-2429

Docket #: 08-115      Printed: October 28, 2008

**FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),**  
**WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:**  
DEBRA A HOWLAND  
EXEC DIRECTOR & SECRETARY  
NHPUC  
21 SOUTH FRUIT STREET, SUITE 10  
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

EDWARD DAMON  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

STEPHEN FRINK  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

ROBERT WYATT  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

AMANDA NOONAN  
CONSUMER AFFAIRS DIRECTOR  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429