



July 30, 2010



Ms. Debra Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit St. Suite 10  
Concord, New Hampshire 03301-2429

Re: Northern Utilities, Inc. – New Hampshire Division, Docket DG 09-167,  
2009-10 Winter Period Cost of Gas (COG) Adjustment Reconciliation

Dear Ms. Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. -- New Hampshire Division's ("Northern" or "the Company") 2009-10 Winter Period Cost of Gas Adjustment Reconciliation (Form III). The objective of this reconciliation is to present the details of Northern's winter period 2009-10 under-collection.

Form III, Schedules 1 through 5, of the attached reconciliation contain the accounting of six months of recoveries and costs assigned to the winter period. The schedules illustrate the Company's under-collection of \$2,525,366 as follows:

Schedule 1 provides the summary of the winter period ending balance;

Schedule 2 shows the deferred gas cost activity, allowable costs and revenues for the period May 2009 through April 2010, including interest;

Schedule 3, shows the summary of winter period gas cost collections for the period May 2009 through April 2010;

Schedule 4 (2 pages) presents the monthly detail of purchase gas costs allocated to the winter period; and

Schedule 5 contains the purchased and made volumes, the sendout metered at Northern's NH gate stations, and volumes by Residential and Commercial & Industrial customer classifications for the period, May 2009 through April 2010.

Attachment A presents the reconciliation of the working capital allowance and recoveries. The over-collection of \$83,069 will be reflected on Revised Page 39 of Northern's Tariff No. 10 as a reduction to the costs used to calculate the COG rate.

Attachment B shows the reconciliation of the bad debt allowance and collections. The over-collection of \$2,655 will also be reflected on Revised Page 39 of Northern's Tariff No. 10 as a reduction to the costs used in calculating the COG rate.

Attachment C reconciles the Environmental Response Costs as well as a true-up of the estimates used for July - October 2009 and an estimate for July - October 2010. Attachment D shows the RLIAP program costs and recoveries. The projected over-

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recovery of (\$27,180) will be reflected in a revision to the RLIAP recovery rate of \$0.0055 per therm.

Attachment E details the winter period sales variance analysis.

If you have any questions regarding this reconciliation or if you require any further information, please let me know.

Very truly yours,



Frederick J. Stewart

Enclosure

cc: Matthew Fossum, Staff Counsel  
Meredith Hatfield, Consumer Advocate  
Susan Geiger, Esq.