

Northern Utilities, Inc.  
DG 10-050  
Redacted Response to Staff's First Set of Data Requests

Date Request Received: 4/13/10  
Request No. Staff 1-11

Date of Response: 4/16/10  
Witness: Francis X. Wells

REDACTED RESPONSE

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**Request:**

Re. schedule 14. The schedule suggests that Tennessee storage inventory will be empty coming into the injection season. Also, the Washington 10 inventory appears high coming out of the winter period. Briefly explain how Northern utilizes its underground storage. Are there other factors, beyond weather, that influence storage use?

**Response:**

Northern intends to utilize its major underground storage resources, Washington 10 and Tennessee, to serve the majority of Northern's sales service customer's winter season city-gate requirements. Storage resources are used to mitigate customer's exposure to winter season price spikes and to provide operational flexibility necessary to stay in balance with pipelines upstream of Northern. The Washington 10 storage resource can be delivered to either the Westbrook or Newington interconnects between PNGTS and Granite. The Tennessee storage resource can be used to deliver to either the Pleasant St. interconnection between Tennessee Gas Pipeline and Granite or the Bay State city gates on Tennessee Gas Pipeline.

ADDITIONAL RESPONSE

Pursuant to N.H. Admin. Rule Puc 203.08 (d) and (e), Northern requests that the information below be kept confidential. Northern has a good faith basis for believing that this information qualifies for protective treatment and will therefore be filing a motion for a protective order with the Commission at or before the commencement of the hearing in this docket.

The major non-weather factor influencing Washington 10 storage use this past winter [REDACTED] 2010, [REDACTED] Deliveries by [REDACTED] offset volumes needed by Northern at the Westbrook and Newington interconnects. [REDACTED]

[REDACTED] by utilizing its PNGTS transportation capacity to deliver Washington 10 storage inventory to the interconnection of PNGTS and Tennessee at Dracut, Massachusetts. From [REDACTED]

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Dracut, Northern was able to either sell the delivered Washington 10 storage inventory for resale when economic or utilize Tennessee interruptible transportation to move gas from the interconnection of PNGTS and Tennessee pipelines to the interconnection of Granite and Tennessee at Pleasant St.

[REDACTED]

[REDACTED] Northern will also continue to utilize both sales for resale and interruptible transportation service when economical and operational conditions are favorable and in the best interests of consumers.

Other non-weather related factors, which impact underground storage withdrawals, are current spot market prices [REDACTED]. When the current spot market prices are lower than the delivered cost of withdrawn storage, Northern may back off the withdrawal of storage inventory and replace such withdrawal with spot natural gas purchases.

[REDACTED]