

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

DG 10-230

ENERGYNORTH NATURAL GAS, INC. D/B/A NATIONAL GRID NH

2010-2011 Winter Period Cost of Gas Adjustment

ORDER OF NOTICE

On September 1, 2010, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH (National Grid NH), a public utility engaged in the business of distributing natural gas in 28 cities and towns in southern and central New Hampshire and the city of Berlin in northern New Hampshire, filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2010 through April 30, 2011, and local delivery adjustment clause (LDAC) charges and certain supplier charges for the period November 1, 2010 through October 31, 2011. National Grid NH also filed a motion for confidential treatment with respect to certain gas supply-related information.

The proposed residential COG rate is \$0.8220 per therm (FPO rate \$0.8420 per therm), a \$0.1196 per therm decrease compared to the weighted residential COG rate of \$0.9416 per therm for last winter. The proposed changes to National Grid NH's residential COG rate and LDAC charges, offset by the increase in base distribution rates approved by Order No. 25,127 (June 30, 2010) in Docket No. 10-139 and the implementation of temporary rates approved by Order No. 25,104 (May 14, 2010) in Docket No. 10-017, are expected to decrease a typical residential heating customer's winter bill by approximately 4.4 percent.

The proposed commercial/industrial low winter use COG rate is \$0.8186 per therm (FPO rate \$0.8386 per therm) and the proposed commercial/industrial high winter use COG rate is

\$0.8234 per therm (FPO rate \$0.8434 per therm). The changes in commercial/industrial low and high winter use rates are commensurate with the changes in the COG rate of a residential heating customer. The proposed firm transportation COG rate is a \$0.0009 per therm charge, compared to a (\$0.0003) per therm credit last winter.

A variety of charges and rates comprise the LDAC charges applicable to the different customer classes. The proposed charge to recover environmental remediation costs is \$0.0000 per therm, which is a continuation of the current environmental charge, with the result that there is no recovery of such costs during this period. The proposed energy efficiency/conservation charge for residential customers is \$0.0525 per therm, an increase of \$0.0059 per therm from the current rate. The proposed energy efficiency/conservation charge for commercial and industrial customers is \$0.0306 per therm, an increase of \$0.0056 per therm from the current rate. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is \$0.0116 per therm, an increase of \$0.0017 per therm from the current rate.

National Grid NH is also updating its supplier balancing charges, the charges that suppliers are required to pay National Grid NH for balancing services as National Grid NH attempts to meet the shifting loads for the supplier's customer pools. The proposed balancing charge of \$0.11 per MMBtu is a reduction of \$0.01 per MMBtu compared to the current balancing charge and the proposed peaking demand charge of \$18.48 per MMBtu of peak maximum daily quantity is an increase of \$2.05 per MMBtu compared to the current rate. The charges are based on an update of volumes and costs used in calculating the charges. The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment,

required for firm transportation service, have also been updated to reflect National Grid NH's supply portfolio for the upcoming year.

The filing raises, inter alia, issues related to: RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of over and under recoveries, the reconciliation of prior period costs and revenues, and the prudence and recovery of environmental remediation costs. 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 hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 12, 2010 at 10:00 a.m.; and it is

FURTHER ORDERED, that National Grid NH, Staff of the Commission and any intervenors hold a technical session at the Commission on September 27, 2010 at 9:00 a.m.; and it is

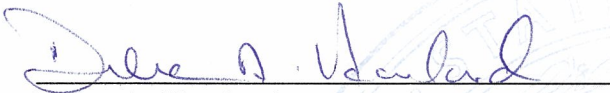
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, National Grid NH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 14, 2010, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 12, 2010; 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 National Grid NH and the Office of the Consumer Advocate on

or before October 7, 2010, 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 October 12, 2010.

By order of the Public Utilities Commission of New Hampshire this eighth day of September, 2010.


Debra A. Howland
Executive Director

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.