



April 3, 2012

BY OVERNIGHT MAIL and E-MAIL

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



RE: Docket No. DG 11-069, Northern Utilities, Inc. New Hampshire Division, Reconciliation of Permanent Changes in Delivery Rates and Rate Case Expense Filing (Revised)

Dear Director Howland:

Enclosed for filing on behalf of Northern Utilities, Inc. ("Northern") are revised copies of Northern's Reconciliation of Permanent Changes in Delivery Rates, Attachment 1 (Revised). This attachment is intended to replace the original attachment filed by Northern on March 16, 2012. No changes are being filed for Rate Case Expenses, Attachment 2. The revisions to Attachment 1 are being made in accordance with the settlement agreement in this proceeding filed on March 23, 2012.

As provided in Section 2.2 of the Settlement Agreement, the recoupment of the difference between temporary and permanent rates, consistent with RSA 378:29, shall be recovered over a twelve month period beginning May 1, 2012 through an equal per therm charge for all classes, in accordance with the provisions of Northern's Local Delivery Adjustment Clause ("LDAC") tariff. The proposed charge for the Reconciliation of Permanent Changes in Delivery Rates ("RPC") is \$0.0123 per therm.

Description of Attachment 1

Page 1 of Attachment 1 provides the calculation of the proposed RPC rate. Page 2 reflects the actual customers and therms delivered from the time temporary rates went into effect, August 1, 2011 up to the most recent data for this filing, February 29, 2012. The period March 1, 2012 to April 30, 2012 reflects the Company's most recent forecast. The forecasted period will be adjusted to reflect actuals in the Company's reconciliation filing due on or before July 31, 2013. This filing will also include a recommendation for the treatment of any under- or over-recovered balances at the end of the twelve month period. Page 2 also contains the permanent rates for effect May 1, 2012 (pursuant to the settlement agreement), excluding the step adjustments. On page 3, the permanent rates are multiplied by the customers and therms to determine the amount of revenue that would have been collected had the

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permanent rates been in effect since August 1, 2011. The actual revenue from August 1, 2011 through February 29, 2012 and the forecasted revenue from March 1, 2012 to April 30, 2012 (without permanent rates) are then subtracted from the calculated revenue at permanent rate levels to calculate the recoupment (Recoupment (Permanent Revenue-Actual Revenue)).

In addition to the Recoupment (Permanent Revenue-Actual Revenue), the recoupment also reflects lost low income revenue calculated on pages 5 and 6. This recoupment is attributable to lost low income revenue as derived by taking the low income customers and corresponding usage, applying the permanent rates, and then subtracting out the revenue collected at the current rates. The lost low income revenue from the low income classes was divided by the total therms billed in each month to calculate a per-therm factor for the lost income from low income discount customers. On page 4, this per-therm factor is then applied to each class to calculate the lost income revenue attributable to each class. This amount is then added to the Recoupment (Permanent Revenue-Actual Revenue) to determine a total of \$759,078 (Total Recoupment (Permanent Revenue-Actual Revenue+Lost Income)).

As a result of this proposed rate change and Northern's proposed Rate Case Expense rate of \$0.0046 per therm (filed on March 16, 2012), a residential heating customer on rate R5 using 104 therms per month will see an increase of \$1.76 per month, or 0.9% from current bills.

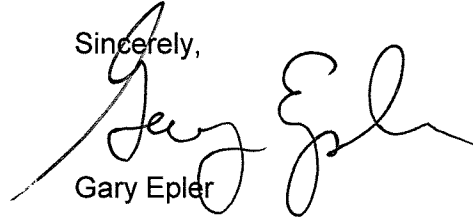
Bill impacts for general service customers are summarized in the table below:

Rate Class	Monthly Usage	\$ Impact	% Impact
G40	167 therms	\$2.82	1.0%
G50	167 therms	\$2.82	1.1%
G41	1,752 therms	\$29.61	1.1%
G51	1,752 therms	\$29.61	1.3%
G42	25,000 therms	\$422.50	1.1%
G52	25,000 therms	\$422.50	1.3%

Please do not hesitate to contact me if you have any questions regarding this filing.

Thank you for your assistance with this matter.

Sincerely,



Gary Epler

Enclosures

cc: Rorie Hollenberg, Office of the Consumer Advocate
Service List