

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

INTER-DEPARTMENT MEMORANDUM

Date: April 20, 2012

TO: Commissioners
FROM: F. Anne Ross, Hearing Examiner
RE: DG 12-067, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH
2012 Summer Period Cost of Gas Adjustment

HEARING EXAMINER'S REPORT

At your request, I presided over the April 16, 2012 hearing in the above referenced case.

On March 15, 2012, Energy/North (Company) filed an estimate of its 2012 Summer Period Cost of Gas (COG) Adjustment together with the testimony of Ann E. Leary and Theodore Poe, Jr. and a motion for confidential treatment of certain material in the filing. The Company's proposed COG rate for the Summer of 2012 with a proposed effective date of May 1, 2012 is: \$0.5118 per therm for residential customers; \$0.5103 per therm for commercial/industrial low winter use customers; and \$0.5126 per therm for commercial/industrial high winter use customers.

Appearances

Patrick H. Taylor for EnergyNorth
Alex Speidel for Commission Staff

Intervention Requests

None

Hearing

Exhibits marked for identification and admitted as full exhibits at the close of hearing:

1. EnergyNorth's Affidavit of Publication showing publication on March 28, 2012
2. EnergyNorth's March 15, 2012 filing marked as confidential
3. EnergyNorth's March 15, 2012 filing with confidential material redacted

The Company presented its two witnesses as a panel and presented its pre-filed written testimony with certain corrections:

Ms. Leary had numerous corrections to Bates page 1 of Hearings Exhibit 2 titled Summary Page.

Line 46, column (a) should read "Total Unadjusted Direct Cost of Gas"

Line 47, column (a) should read "Lead Lag Days/365"

Line 49, column (b) should read "per GTC 16 (f), ln 47 x ln 48"

Line 51, column (b) should read "Schedule 3 Column (d), ln 78"

Line 56, column (a) should read "Total Unadjusted Direct Cost of Gas"

Line 60, Subtotal in column (c) was corrected to \$10,695,643 to include the TGP refund credit from line 57. The correction also impacts subsequent cost figures on the summary page including the bad debt allowance in line 63, corrected to \$253,489 and also carried forward to line 64. Line 77 changes to \$270,310 and line 79 will change to \$10,946,239.

Ms. Leary concluded by stating that the EnergyNorth Compliance Tariff filing at page 86 would include all the above corrections. Tariff page 86 is identical to the Summary Page, minus the line numbers.

Both Ms. Leary and Mr. Poe were cross examined by Staff.

Closing Statements

Based upon its review of the Company's filing and responses to Staff data requests, Staff recommended that the Commission approve the cost of gas rates requested. Staff indicated that the sales forecast was consistent with past experience and gas costs were based upon hedged supply and recent NYMEX futures prices. According to Staff, the Company has made all adjustments requested by Commission audit staff following their audit of the 2011 Summer cost of gas reconciliation. Staff noted that any concerns relating to gas planning and dispatch could be addressed in the subsequent 2013 Cost of Gas proceeding. Finally, the Staff found the proposed customer refund for the estimated Tennessee Gas Pipeline rate case has proven to be equal to the actual refund received by the Company. Staff noted that it would review a reconciliation of refund amounts to allocated amounts when the data is available.

The Company concluded by stating that its COG rates are reasonable and asked that the Commission approve the filing for rates effective on May 1, 2012.

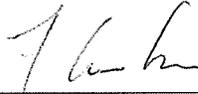
Motion for Confidential Treatment

EnergyNorth seeks protection from disclosure of information in its filing identifying specific suppliers and setting forth commodity and demand charges, or information leading to such charges for the identified suppliers. The Company claims that release of such information could lead to less advantageous or more expensive gas supply contracts in the future due to competitors becoming aware of the Company's expectations regarding supply costs or other contract terms.

Recommendations

I recommend that the Commission grant the Company's motion for confidential treatment.

I recommend that the Commission approve the Company's proposed cost of gas for the 2012 Summer Period with the corrections presented by Ms. Leary at hearing made to the summary sheet in the compliance tariff.

By 

F. Anne Ross, Hearing Examiner

cc: Service List
Docket File