

**Northern Utilities  
Natural Gas**

A NiSource Company

300 Friberg Parkway  
Westborough, MA 01581-5039  
(508) 836-7000  
Fax: (508) 836-7070

November 12, 2004

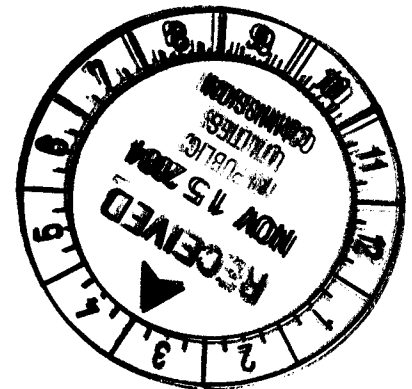
Debra Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord NH 03301

Re: Northern Utilities, Inc., NH Division Winter Period 2004/2005 Cost of Gas  
DG 04-162

Dear Ms. Howland:

Enclosed for filing in the above-referenced docket are the annotated tariff pages of Northern Utilities, Inc. NH Division ("the Company"), as required by NHPUC Order No. 24,389, dated October 29, 2004 (DG 04-162). The following pages are included herein:

Eleventh Revised Page 38  
Eleventh Revised Page 39  
Seventh Revised Page 56  
Sixth Revised Page 94  
Sixth Revised Page 95  
Sixth Revised Page 96  
Fourth Revised Page 154  
Third Revised Page 169



Please do not hesitate to contact me at (508) 836-7273 on any matters concerning the Company's filing.

Sincerely,

*Joseph A. Ferro / SBK*

Joseph A. Ferro  
Manager, Regulatory Policy

cc: Kenneth Traum, Office of the Consumer Advocate  
Patricia M. French, Esq., for Northern Utilities, Inc.  
Jeannette McArthur, NHPUC

**CALCULATION OF COST OF GAS ADJUSTMENT**  
Period Covered: November 1, 2004 - April 30, 2005  
Anticipated Cost of Delivered and Produced Gas

Delivered:	Therms	Rate	Amount
<b>Product: - Commodity</b>			
GSGT: DEM	1,082,682	\$ 0.780	\$ 844,655
GSGT: Supply via Iroquois	1,052,310	\$ 0.763	\$ 803,272
GSGT: Progas	248,516	\$ 0.772	\$ 191,763
Encana	652,323	\$ 0.837	\$ 545,947
Canadian	935,046	\$ 0.767	\$ 716,969
Domestic	9,350,213	\$ 0.865	\$ 8,087,811
Distric Gas	4,029,943	\$ 0.489	\$ 1,970,642
Spot PNGTS			
TGP FS STG WD	1,399,111	\$ 0.563	\$ 788,064
TETCO STG WD	26,817	\$ 0.423	\$ 11,340
TGP FS STG WD IT			
MCN Storage	19,520,876	\$ 0.587	\$ 11,463,071
Duke	162,295	\$ 1.044	\$ 169,419
Propane	4,791	\$ 0.785	\$ 3,763
LNG Boil-off/Production	156,795	\$ 0.887	\$ 139,063
Hedging (Gain)/Loss			\$ (1,026,225)
<b>Product: - Demand</b>			
GSGT: DEM	36,133	\$ 1.521	\$ 54,953
GSGT: Supply via Iroquois	209,477	\$ -	\$ -
Encana	75,332	\$ 0.039	\$ 2,958
Canadian	31,262	\$ 3.200	\$ 100,038
Domac	430,160	\$ 2.234	\$ 960,870
Duke	645,240	\$ 0.432	\$ 278,744
<b>Pipeline Reservation</b>			
Granite State	1,915,169	\$ 0.126	\$ 242,058
Texas Gas Transmission	31,843	\$ 0.911	\$ 28,998
Transcontinental Pipe Line	9,227	\$ 0.291	\$ 2,685
National Fuel Gas Supply	31,907	\$ 0.404	\$ 12,891
Texas Eastern Transmission	33,036	\$ 0.622	\$ 20,551
Iroquois Gas Trans	211,929	\$ 0.693	\$ 146,930
Tennessee	739,864	\$ 1.195	\$ 884,115
Algonquin	176,215	\$ 0.622	\$ 109,638
PNGTS	35,488	\$ 2.585	\$ 91,752
Trans Canada Pipeline	32,262	\$ 1.150	\$ 37,101
<b>Storage Demand</b>			
Tenn FT-A (SSNE)	246,385	\$ 0.205	\$ 50,413
GST-FT	836,673	\$ 0.198	\$ 165,701
FS-MA Capacity	136,888	\$ 0.113	\$ 15,478
FS-MA Deliverability	3,952	\$ 3.983	\$ 15,742
SS-1 Space	678	\$ 0.075	\$ 51
SS-1 Reservation	10,324	\$ 0.036	\$ 372
FSS-1 Space	2,065	\$ 0.065	\$ 133
FSS-1 Reservation	2,065	\$ 0.090	\$ 185
TETCO	887,205	\$ 0.001	\$ 1,081
PNGTS	887,205	\$ 4.912	\$ 4,358,208
TranCanada	914,090	\$ 1.339	\$ 1,224,343
MCN	1,064,646	\$ 1.485	\$ 1,581,010
Capacity Release			\$ (31,714)
	38,621,717	Total Anticipated Cost of Gas	\$ 35,064,842

Issued: November 12, 2004

Effective Date: November 1, 2004

Authorized by NHPUC Order No. 24,389 in Docket No. DG 04-162, dated October 29, 2004

Issued by  
Title:

Stephen H. Bryant  
President

**Calculation of Anticipated Indirect Cost of Gas**

**Working Capital Calculation**

Total Anticipated Direct Cost of Gas	\$	35,064,842
Summer Deferred	\$	1,525,683
Interruptible Profits	\$	(2,099)
Total Direct Cost of Gas (including Deferred)	\$	36,588,425
 Total Direct Gas Costs-including Summer Deferred	\$	36,588,425
Working Capital Percentage (NHPUC No. 10 Section 4.06.1)		0.19%
Working Capital	\$	69,518
plus: Working Capital Reconciliation	\$	3,210
Total Working Capital Allowance	\$	72,728

**Bad Debt Calculation**

Total Anticipated Direct Cost of Gas	\$	36,588,425
plus: Total Working Capital	\$	72,728
	\$	36,661,154
Bad Debt Percentage (NHPUC No. 10 Section 4.06.1)		0.45%
Total Bad Debt Allowance	\$	164,975
plus: Bad Debt Reconciliation	\$	10,957
Total Bad Debt Allowance	\$	175,933

Working Capital Allowance	\$	72,728
Bad Debt Allowance	\$	175,933
Miscellaneous Overhead-78.2% Allocated to Winter Season	\$	97,234
Production and Storage Capacity	\$	686,673
Prior Period Over Collection	\$	(311,393)
Refunds	\$	-
Interest	\$	12,507
	\$	733,682
Total Anticipated Indirect Cost of Gas	\$	733,682
Total Anticipated Direct Cost of Gas	\$	36,588,425
Total Anticipated Period Cost of Gas	\$	37,322,107

Total Anticipated Indirect Cost of Gas Rate	\$	0.0193
Total Anticipated Direct Cost of Gas and Summer Deferred Rate	\$	0.9605
Total Anticipated Cost of Gas Adjustment	\$	0.9798

Forecasted November 2004 - April 2005 Therms

38,094,890

**Forecasted Residential Winter Season Cost of Gas Rate**

Minimum	\$	0.7838
Maximum	\$	1.1758

COGwr	\$	0.9798 / therm
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**Forecasted C & I Winter Season Low Winter Cost of Gas Rate**

Minimum	\$	0.5650
Maximum	\$	0.8475

COGwl	\$	0.7063 / therm
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Low Winter F	0.72633
Correction F	0.9924

**Forecasted C & I Winter Summer Season High Winter Cost of Gas Rate**

Minimum	\$	0.8369
Maximum	\$	1.2554


COGwh	\$	1.0462 / therm
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High Winter I	1.07588
Correction F	0.9924

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Local Delivery Adjustment Clause

Rate Schedule	RPC	DSM	ERC	ITM	WLNG	CCE	RCE	LDAC
Residential Heating	\$ -	\$ 0.0003	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0176
Residential Non-Heating	\$ -	\$ 0.0003	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0176
Small C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
Medium C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
Large C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
No Previous Sales Service								

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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION  
WINTER SEASON RESIDENTIAL RATES

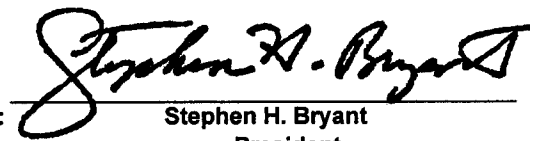
Winter Season November 2004 - April 2005		Tariff Rates	Total Delivery Rates (Includes LDAC)	Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas
Residential Heating	<b><u>Tariff Rate R 5:</u></b>			
	Monthly Customer Charge	\$9.50	\$9.50	\$9.50
	First 50 therms	\$0.4102	\$0.4278	\$1.4076
	All usage over 50 therms	\$0.2990	\$0.3166	\$1.2964
	<b>LDAC</b>	<b>\$0.0176</b>		
	<b><u>Gas Cost Adjustment:</u></b>			
	Cost of Gas	<b>\$0.9798</b>		
Residential Heating Low Income	<b><u>Tariff Rate R 10:</u></b>			
	Monthly Customer Charge	\$6.90	\$6.90	\$6.90
	First 50 therms	\$0.2825	\$0.3001	\$1.2799
	All usage over 50 therms	\$0.2064	\$0.2240	\$1.2038
	<b>LDAC</b>	<b>\$0.0176</b>		
	<b><u>Gas Cost Adjustment:</u></b>			
	Cost of Gas	<b>\$0.9798</b>		
Residential Non-Heating	<b><u>Tariff Rate R 6:</u></b>			
	<b>Bi-monthly Customer Charge</b>	\$19.00	\$19.00	\$19.00
	First 20 therms	\$0.4067	\$0.4243	\$1.4041
	All usage over 20 therms	\$0.3082	\$0.3258	\$1.3056
	<b>Monthly Customer Charge</b>	\$9.50	\$9.50	\$9.50
	First 20 therms	\$0.4067	\$0.4243	\$1.4041
	All usage over 20 therms	\$0.3082	\$1.2880	\$2.2678
	<b>LDAC</b>	<b>\$0.0176</b>		
	<b><u>Gas Cost Adjustment:</u></b>			
	Cost of Gas	<b>\$0.9798</b>		
Residential Non-Heating Low Income	<b><u>Tariff Rate R 11:</u></b>			
	<b>Bi-monthly Customer Charge</b>	\$13.80	\$13.80	\$13.80
	First 20 therms	\$0.3084	\$0.3260	\$1.3058
	All usage over 20 therms	\$0.2335	\$0.2511	\$1.2309
	<b>Monthly Customer Charge</b>	\$6.90	\$6.90	\$6.90
	First 20 therms	\$0.3084	\$0.3260	\$1.3058
	All usage over 20 therms	\$0.2335	\$0.2511	\$1.2309
	<b>LDAC</b>	<b>\$0.0176</b>		
	<b><u>Gas Cost Adjustment:</u></b>			
	Cost of Gas	<b>\$0.9798</b>		

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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION  
WINTER SEASON C&I RATES

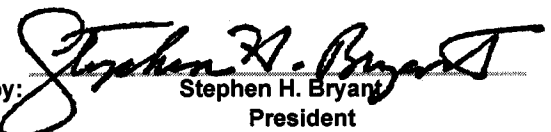
Winter Season November 2004 - April 2005		Tariff Rates	Total Delivery Rates (Includes LDAC)	Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas
C&I Low Annual/High Winter	<b><u>Tariff Rate G 40:</u></b> Monthly Customer Charge First 75 therms All usage over 75 therms LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$18.70 \$0.3077 \$0.2007 \$0.0115  \$1.0462	 \$18.70 \$0.3192 \$0.2122  	 \$18.70 \$1.3654 \$1.2584  
C&I Low Annual/Low Winter	<b><u>Tariff Rate G 50:</u></b> Monthly Customer Charge First 75 therms All usage over 75 therms LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$18.70 \$0.3018 \$0.1969 \$0.0115  \$0.7063	 \$18.70 \$0.3133 \$0.2084  	 \$18.70 \$1.0196 \$0.9147  
C&I Medium Annual/High Winter	<b><u>Tariff Rate G 41:</u></b> Monthly Customer Charge  All usage (Winter) LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$60.30  \$0.1942 \$0.0115  \$1.0462	 \$60.30  \$0.2057  	 \$60.30  \$1.2519  
C&I Medium Annual/Low Winter	<b><u>Tariff Rate G 51:</u></b> Monthly Customer Charge First 1300 therms All usage over 1300 therms LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$60.30 \$0.1862 \$0.1467 \$0.0115  \$0.7063	 \$60.30 \$0.1977 \$0.1582  	 \$60.30 \$0.9040 \$0.8645  
C&I High Annual/High Winter	<b><u>Tariff Rate G 42:</u></b> Monthly Customer Charge  All usage (Winter) LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$254.00  \$0.1725 \$0.0115  \$1.0462	 \$254.00  \$0.1840  	 \$254.00  \$1.2302  
C&I High Annual/Low Winter	<b><u>Tariff Rate G 52:</u></b> Monthly Customer Charge  All usage (Winter) LDAC <b><u>Gas Cost Adjustment:</u></b> Cost of Gas	 \$254.00  \$0.1262 \$0.0115  \$0.7063	 \$254.00  \$0.1377  	 \$254.00  \$0.8440  

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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION  
WINTER SEASON DELIVERY RATES

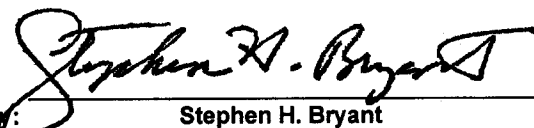
Winter Season November 2004 - April 2005		Tariff Rates	Total Delivery Rates (Includes LDAC)
C&I Low Annual/High Winter	<b><u>Tariff Rate T 40:</u></b>		
	Monthly Customer Charge	\$18.70	\$18.70
	First 75 therms	\$0.3077	\$0.3192
	All usage over 75 therms	\$0.2007	\$0.2122
	<b>LDAC</b>	<b>\$0.0115</b>	
C&I Low Annual/Low Winter	<b><u>Tariff Rate T 50:</u></b>		
	Monthly Customer Charge	\$18.70	\$18.70
	First 75 therms	\$0.3018	\$0.3133
	All usage over 75 therms	\$0.1969	\$0.2084
	<b>LDAC</b>	<b>\$0.0115</b>	
C&I Medium Annual/High Winter	<b><u>Tariff Rate T 41:</u></b>		
	Monthly Customer Charge	\$60.30	\$60.30
	All usage (Winter)	\$0.1942	\$0.2057
C&I Medium Annual/Low Winter	<b><u>Tariff Rate T 51:</u></b>		
	Monthly Customer Charge	\$60.30	\$60.30
	First 1300 therms	\$0.1862	\$0.1977
	All usage over 1300 therms	\$0.1467	\$0.1582
	<b>LDAC</b>	<b>\$0.0115</b>	
C&I High Annual/High Winter	<b><u>Tariff Rate T 42:</u></b>		
	Monthly Customer Charge	\$254.00	\$254.00
	All usage (Winter)	\$0.1725	\$0.1840
C&I High Annual/Low Winter	<b><u>Tariff Rate T 52:</u></b>		
	Monthly Customer Charge	\$254.00	\$254.00
	All usage (Winter)	\$0.1262	\$0.1377
	<b>LDAC</b>	<b>\$0.0115</b>	
C&I Interruptible Transportation	<b><u>Tariff Rate IT:</u></b>		
	Monthly Customer Charge	\$170.21	\$170.21
	First 20,000 therms	\$0.1299	\$0.1299
	All usage over 20,000 therms	\$0.1108	\$0.1108

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## **VII. DELIVERY SERVICE TERMS AND CONDITIONS**

### **APPENDIX A**

#### **Schedule of Administrative Fees and Charges**

**I. Supplier Balancing Charge:**      **\$0.75 per MMBtu** of Daily Imbalance Volumes

- Updated effective every November 1 to reflect the Company's latest balancing resources and associated capacity costs.
- Daily Imbalance Volumes represent the difference between ATV and ATV adjusted for actual EDDs.

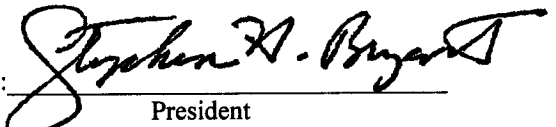
**II. Peaking Service Demand Charge:**      **\$18.00 per MMBtu** per MDPQ per month for November 2004 through April 2005.

- Updated effective every November 1 to reflect the Company's Peaking resources and associated costs.

**III. Supplier Services and Associated Fees:**

<b><u>SERVICE</u></b>	<b><u>PRICING</u></b>
Pool Administration (required) <b>Non-Daily Metered Pools only</b>	<ul style="list-style-type: none"><li>• \$0.10/month/customer billed @ marketer level</li></ul>
Standard Passthrough Billing (required)	<ul style="list-style-type: none"><li>• \$0.60/customer/month billed @ marketer level</li></ul>
Standard Complete Billing (optional – Passthrough Billing fee not required if this service is elected)	<ul style="list-style-type: none"><li>• \$1.50/customer/month billed @ marketer level</li></ul>
Customer Administration (required)	<ul style="list-style-type: none"><li>• \$10/customer/switch billed @ marketer level</li></ul>

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**VII. DELIVERY SERVICE TERMS AND CONDITIONS**

**APPENDIX C**

**Capacity Allocators**

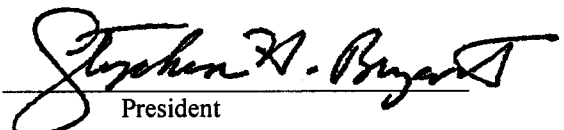
Capacity Allocators shall be calculated and filed with the Commission each year with the Winter Cost of Gas filing. The following Capacity Allocators shall be applicable for capacity assignments during the period of November 1, 2004 through October 31, 2005.

**Commercial and Industrial**

	<u>High Winter Use</u>	<u>Low Winter Use</u>
Pipeline:	19.16%	42.36%
Storage:	32.73%	23.33%
Peaking:	48.11%	34.30%

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