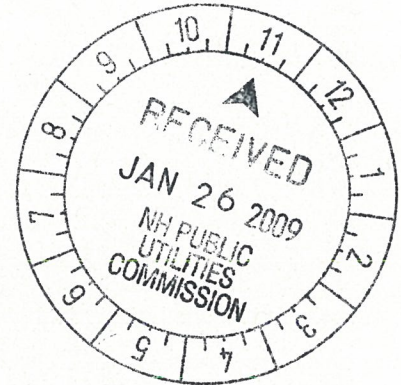


January 23, 2009



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

Re: Northern Utilities, Inc. – New Hampshire Division, 2008 Summer Period Cost of Gas (COG) Adjustment Reconciliation

Dear Ms. Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. -- New Hampshire Division's ("Northern" or "the Company") 2008 Summer Period Cost of Gas Adjustment Reconciliation (Form III). The objective of this reconciliation is to present the details of Northern's summer period 2008 under-collection.

Form III, Schedules 1 through 5, of the attached reconciliation contain the accounting of six months of recoveries and costs assigned to the summer period. The schedules illustrate the Company's under-collection of \$494,006 as follows:

Schedule 1 provides the summary of the summer period ending balance;

Schedule 2 shows the deferred gas cost activity, allowable costs and revenues for the period December 2007 through November 2008, including interest;

Schedule 3, page 1, shows the summary of summer period gas cost collections, and pages 2 through 8 illustrate the gas cost collections for each month;

Schedule 4 (2 pages) presents the monthly detail of purchase gas costs allocated to the summer period; and

Schedule 5 contains the purchased and made volumes, the sendout metered at Northern's NH gate stations, and volumes by Residential and Commercial & Industrial customer classifications for the period, November 2007 through October 2008.

Attachment A presents the reconciliation of the working capital allowance and recoveries. The under-collection of \$7,918 will be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used to calculate the COG rate.

Attachment B shows the reconciliation of the bad debt allowance and collections. The under-collection of \$18,852 will also be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used in calculating the COG rate.

Attachment C details the summer period sales variance analysis.

If you have any questions regarding this reconciliation or if you require any further information, please let me know.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Frederick J. Stewart', with a stylized, flowing script.

Frederick J. Stewart

Enclosure

cc: Meredith Hatfield, Consumer Advocate
Gary Epler, USC