



DG10-250

FILED ELECTRONICLY AND VIA HAND DELIVERY

September 15, 2010

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



Re: **Northern Utilities, Inc. -- DG 10- , 2010 / 2011 Winter Season
Cost of Gas and Associated Charges Filing**

Dear Ms. Howland:

Northern Utilities, Inc. ("Northern" or the "Company") hereby submits an original and seven copies of the Exhibits and Direct Testimony of James D. Simpson, Francis X. Wells and Joseph F. Conneely in support of the Company's 2010-2011 Winter Season Cost of Gas filing and other associated proposed tariff changes.

Northern respectfully requests approval for the following Tariffs:

Forty-seventh Revised Page 38 (CGA);
Fifty-first Revised Page 39 (CGA);
Fourteenth Revised Page 56 (LDAC);
Forty-sixth Revised Page 94 (Rate Summary);
Forty-sixth Revised Page 95 (Rate Summary);
Fortieth Revised Page 96 (Rate Summary);
Tenth Revised Page 154 (Appendix A);
Ninth Revised Page 169 (Appendix C); and
Third Revised Page 170-b (Appendix D).

The above listed tariffs are issued September 15, 2010 by Mark H. Collin, Treasurer, to be effective November 1, 2010.

Forty-seventh Revised Page 38 (CGA) is the statement of the Company's anticipated direct and indirect costs of gas.

Fifty-first Revised Page 39 (CGA) contains the calculations of the proposed Cost of Gas Adjustment Rates for Residential and General Service Firm Sales Customers.

Fourteenth Revised Page 56 (LDAC) contains proposed rates for the Company's RLIAP rate DSM rate and ERC Rate, all of which are components of the Company's Local Distribution Adjustment Clause rate. Support for the ERC Component was filed under separate cover on September 15, 2010.

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Forty-sixth Revised Pages 94, 95 & 96 (Rate Summaries) have been updated to reflect the proposed CGA and the proposed LDAC.

Tenth Revised Page 154 (Appendix A), Schedule of Administrative Fees and Charges: the Supplier Balancing Charge has been updated to reflect the Company's latest balancing resources and associated capacity costs, and the Peaking Service Demand Charge has been updated to reflect the Company's Peaking resources and associated costs, as discussed in the Testimony of James D. Simpson and shown in Schedule 10A.

Ninth Revised Page 169 (Appendix C) contains the proposed Capacity Allocators.

Third Revised Page 170-b (Appendix D) contains the Firm Sales Service Re-Entry Fee Bill Adjustment. Support for this charge was provided to the Commission in the Company's annual report filed under separate cover on September 15, 2010.

The proposed 2010 / 2011 Winter Season Cost of Gas Adjustment (CGA) for residential customers is \$1.1177 per therm, \$0.1041 per therm or 10.3 percent higher than the 2009 / 2010 Winter Season CGA. The typical bill for a residential heating customer for the 2010 / 2011 Winter Season is projected to be \$1,453.04; this is higher than the 2009 / 2010 Winter Season bill of \$1,341.35 by \$111.69 or 8.3 percent.

Also included in the filing behind Tab Schedule 15 is a revised reconciliation of the 2009 / 2010 Winter Season gas costs and recoveries. The revision was made necessary by changes to the Adjusted Target Volumes (ATV) reconciliation.

The Company will submit to the Commission its revised 2010 / 2011 Winter Season CGA reflecting then current costs a few weeks before the November 1, 2010 effective date.

Please be advised that Susan Geiger, Esq. of Orr & Reno has been engaged to represent Northern in this proceeding.

If you have any questions or need additional information, please contact me or Susan Geiger.

Very Truly Yours,



Frederick J. Stewart

Enclosures

CC: Edward Damon, Staff Counsel
Meredith Hatfield, OCA
Kenneth Traum, OCA
Susan Geiger, Orr & Reno
James D. Simpson, CEA