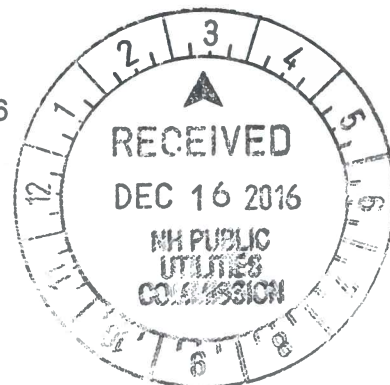




December 16, 2016



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

Re: Northern Utilities, Inc., New Hampshire Division - Docket DG 16-819  
December 2016 Monthly Cost of Gas Report

Dear Director Howland:

Pursuant to the Commission's Order No. 25,959 in Docket DG 16-819, enclosed is Northern Utilities - New Hampshire Division's ("Northern" or the "Company") current calculation of its projected over or under collection of gas costs for the 2016 / 2017 winter season. The Company is also providing a summary of its hedging transactions and monthly inventory interest calculation, both updated through November 2016.

Northern's projected over / under collection calculation compares the current projected April 30, 2017 end of winter season balance to the corresponding balance projected in the Company's September 16, 2016 Cost of Gas Adjustment filing ("target balance"). The current end of period calculation has been updated to reflect the Company's actual November 1, 2016 balance and gas futures prices as of December 13, 2016.

As shown in the attached calculation, Northern's current projected end of period balance varies from the target balance by \$870,133. This projected under-collection of gas costs produces a variance of 4.27% of total projected winter season gas costs.

Accordingly, pursuant to its tariff, the Company has enclosed for filing the following Tariff Pages reflecting an increase in its Cost of Gas Adjustment Rates:

Sixteenth Revised Page 43,  
Seventeenth Revised Page 96,  
Seventeenth Revised Page 97.

These Tariff Pages are issued December 16, 2016, to be effective on January 1, 2017. Red-line versions of these Tariff Pages are also enclosed.

George H. Simmons  
Manager Regulatory Services

6 Liberty Lane West  
Hampton, NH 03842

Phone: 603-773-6534  
Fax: 603-773-6734

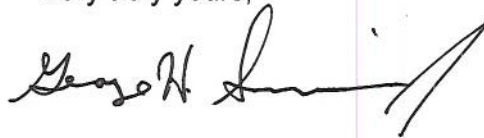
simmons@unitil.com

Also, please note that the Company has adjusted its Local Distribution Adjustment Clause ("LDAC") rate for effect January 1, 2017<sup>1</sup>. The adjusted LDAC reflects the inclusion of a lost revenue component and is shown on Tariff Pages Seventeenth Revised 96 and 97 (Rate Summaries).

The impact of the January 1 change in the Cost of Gas Adjustment Rate on the typical residential heating customer for the 2016 / 2017 winter season will be \$21.25 or 2 percent more than the winter period bill at the Company's current Cost of Gas Adjustment Rate.

If you have any questions regarding this filing, please do not hesitate to contact me or Chris Kahl at (603)773-6425.

Very truly yours,

A handwritten signature in black ink, appearing to read "George H. Simmons Jr.", with a stylized flourish at the end.

George H. Simmons Jr.

Enclosures

cc: Alex Speidel, Staff Counsel  
Donald Kreis, Consumer Advocate

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<sup>1</sup> Approved in Order No. 25,959 issued October 26, 2016