



NHPUC 14DEC18PM4:27

December 14, 2018

Debra A. Howland
Executive Director and Secretary
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, N.H. 03301

RE: DRM 18-152: Puc 3000 Competitive Natural Gas Supplier and Aggregator Rules - Comments of Northern Utilities, Inc.

Dear Ms. Howland,

Northern Utilities, Inc. (“Unitil” or the “Company”) hereby submits, pursuant to the Public Utility Commission’s Order of Notice dated October 5, 2018, the Company’s written comments regarding the proposed re-adoption and amendment of the Puc 3000 rules.

As an initial matter, Unitil appreciates and supports the Commission’s efforts to clearly state and enumerate the responsibilities of a Competitive Natural Gas Supplier (CNGS) upon the discontinuance of service to customers. The Company suggests the following additional amendments:

1. The proposed rule Puc 3004.06(a) requires that a CNGS provide “immediate notice” to the Commission and affected customers if an event occurs that causes the CNGS to be unable to provide service to its customers within the State. Unitil believes that an additional provision should be added to this rule to require the provision of “immediate notice” to any LDC whose customers are affected by the event.
2. The proposed rule Puc 3004.07(a) states that the Commission shall “[d]irect the affected LDC or LDCs to immediately begin transferring the CNGS’s affected customers to LDC delivery service.” This rule, as drafted, would assign a potentially unworkable obligation upon LDCs. While Unitil would immediately take steps to transfer affected customers as soon as possible, the Company’s billing system is not designed to accommodate off-cycle supplier changes. Furthermore, the recall of capacity assigned to a retail marketer may present an impediment to the immediate transfer of a CNGS customer to LDC

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supply, as Canadian capacity contracts are recallable on a calendar month basis only.¹ Thus, Unitil requests that this provision be amended to state that the Commission shall “[d]irect the affected LDC or LDCs to immediately take steps to transfer the CNGS’s affected customers to LDC delivery service as soon as possible.”

3. The proposed rule Puc 3004.07(a) states that the Commission shall “[d]irect the issuer or guarantor providing the CNGS’s financial security to pay to the commission an amount of that financial security determined to be necessary to ensure continuous service to customers through LDC delivery service or another CNGS, pursuant to Puc 3005.06.” Proposed rule Puc 3005.06, in turn, establishes a priority of payments for money claimed by the Commission out of a CNGS’s financial security. However, no priority of payment is designated for monies owed to an LDC for maintaining continuity of service. Unitil believes that Puc 3006.06 should be further amended to include a provision assigning a first priority of payment to affected LDCs that incur costs in maintaining continuity of service. Otherwise, such costs would likely be borne by the LDC’s ratepayers, which would be inequitable.
4. Finally, Unitil notes that reference is made to LDC “delivery service” in several of the existing and proposed Puc 3000 rules. In the Company’s General Terms and Conditions (NHPUC No. 12 – Gas), “Delivery Service” is defined as the service that Unitil provides to when a customer is receiving Supplier Service.² “Sales Service,” on the other hand, is defined as commodity service provided on a firm basis to a customer who is not receiving Supplier Service. The term “delivery service,” as used in the Puc 3000 rules, appears to describe what the Company believes is more accurately referred to as LDC “sales service.”

Unitil appreciates the opportunity to provide these comments and participate in this rulemaking proceeding. The Company notes that it has not addressed every proposal or comment raised by parties at the public hearing or in writing, and that omitting comment on such issues in this letter does not indicate agreement or assent.

¹ Notwithstanding this impediment, Unitil would take all necessary actions to replace supply volumes in order to maintain continuity of service.

² Specifically, “Delivery Service” is defined as “[t]he distribution of Gas by the Company on any Gas Day from the Designated Receipt Point to the Customer’s Delivery Point and related Customer services.” Northern Utilities, Inc. General Terms and Conditions, NHPUC No. 12 – Gas, Original Page 2.



Please do not hesitate to contact me should you have any questions regarding the Company's comments.

Regards,

A handwritten signature in black ink, appearing to read "Patrick H. Taylor", with a long horizontal flourish extending to the right.

Patrick H. Taylor