

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 20-154**

**NORTHERN UTILITIES, INC.**

**2020/2021 Annual Cost of Gas**

**ORDER OF NOTICE**

On September 18, 2020, Northern Utilities Inc. (Northern or the Company) submitted a Winter 2020/2021 and Summer 2021 cost of gas (COG) filing outlining its proposed COG for the winter period (November 1, 2020 through April 30, 2021) and the summer period (May 1, 2021 through October 31, 2021), including proposed local distribution adjustment charges (LDAC) for the period of November 1, 2020 through October 31, 2021. In support of the Company's proposed rates, Northern filed testimony, revised tariff pages, and schedules. The COG submission and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://puc.nh.gov/Regulatory/Docketbk/2020/20-154.html>.

The proposed winter 2020/2021 residential COG rate is \$0.7315 per therm, a \$0.1667 per therm increase compared to last winter's weighted average residential COG rate of \$0.5648 per therm. The proposed changes to Northern's residential COG rate and LDAC rates is expected to increase a residential heating customer's winter bill by approximately \$124, or 13 percent over the entire winter period.

The proposed winter 2020/2021 commercial and industrial (C&I) high winter use COG rate is \$0.7437 per therm, and the proposed C&I low winter use COG rate is \$0.6465 per therm. The changes in the C&I COG and LDAC rates for high and low winter users is expected to

increase a C&I customer's winter bill by between 16 and 23 percent, respectively, over the entire winter period.

The proposed summer COG rate for 2021 is \$0.4412 per therm for residential customers, a \$0.2061 per therm increase compared to last summer's weighted average residential COG rate of \$0.2351 per therm. The proposed change in residential COG and LDAC rates is expected to increase a residential heating customer's summer bill by approximately \$32, or 13 percent over the entire summer period.

Northern proposes summer 2021 COG rates of \$0.4733 per therm for C&I high winter use customers and \$0.3943 per therm for C&I low winter use customers. The proposed changes in the C&I COG and LDAC rates for high and low winter C&I users are expected to increase a C&I customer's summer bill by 11 percent and 40 percent, respectively, over the entire summer period.

A variety of components makes up the proposed LDAC charges of \$0.1099 per therm for residential customers and \$0.0472 per therm for C&I customers, compared to the \$0.0706 per therm and \$0.0359 per therm rates, respectively, currently in effect. The proposed charge to recover environmental remediation costs is \$0.0061 per therm, compared to the \$0.0057 per therm rate currently in effect. The proposed energy efficiency charge is \$0.0774 per therm for residential customers and \$0.0337 for C&I customers, compared to the respective \$0.0499 per therm and \$0.0247 per therm rates currently in effect. The proposed charge to recover expenses and lost revenues related to the gas assistance program (GAP), formerly known as the residential low income assistance program (RLIAP), and the regulatory assessment cost related to the COG is \$0.0044 per therm, compared to the \$0.0036 per therm rate currently in effect. The Lost Revenue Adjustment Mechanism is proposed at \$0.0220 per therm for residential and \$0.0030

per therm for C&I customers, compared to the respective \$0.0114 per therm and \$0.0019 per therm rates currently in effect.

Northern is updating, and decreasing, its Company Allowance (for lost and unaccounted for gas and Company use of gas) for the period November 2020 through October 2021 from 1.38 to 1.30 percent. Northern also proposes changes to its supplier balancing charges, peaking demand charges, capacity allocator percentages, and short-term borrowing limits.

The filing raises, inter alia, issues related to RSA 374:2 and RSA chapter 378, including: the justness and reasonableness of rates; the forecasting of sales, supplier prices, and transportation prices; weather normalization; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity and revenue projections related to transportation services and released capacity; the reconciliation of prior period costs and revenues; and the prudence and recovery of environmental remediation. Each party has the right to have an attorney represent the party at the party's own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that consistent with Governor Christopher T. Sununu's Emergency Order #12, the Commission will hold a web-enabled remote hearing, pursuant to N.H. Admin. R., Puc 203.12, on October 21, 2020 at 10:00 a.m. Members of the public who wish to access the hearing may do so by clicking here: <https://www.puc.nh.gov/Regulatory/Calendar-Remote.html>.

**If you have any difficulty obtaining access to this remote event, please notify the Commission by calling (603) 271-2431 as soon as possible.** Parties will be provided with additional instructions prior to the hearing; and it is

**FURTHER ORDERED**, that Northern, the Staff of the Commission, and any intervenors hold a web-enabled remote technical session to review the filing on October 8, 2020 at 10:00 a.m.; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. R., Puc 203.12, and Puc 1604.03, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than one business day after the date of issue. Publication shall be documented by affidavit filed with the Commission on or before 10:00 a.m. on October 8, 2020. In addition, the Executive Director shall publish this order of notice on the Commission's website no later than one business day after the date of issue; and it is

**FURTHER ORDERED**, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Northern and to the Office of the Consumer Advocate on or before October 2, 2020, if such party wishes to have a decision on the petition prior to the technical session, or otherwise on or before October 19, 2020, such petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, any party seeking to intervene may elect to submit this filing in electronic form; and it is

**FURTHER ORDERED**, that any party objecting to a petition to intervene filed on or before October 2, 2020 make said objection on or before October 6, 2020, and otherwise on or before October 21, 2020.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth of  
September, 2020.



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Debra A. Howland  
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

## Service List - Docket Related

Docket#: 20-154

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