

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

NORTHERN UTILITIES, INC.
PETITION FOR RATE ADJUSTMENTS

Docket No. DG 21-104

Stipulation and Settlement Regarding Temporary Rates

This Stipulation and Settlement is entered into this 17th day of September 2021, by Northern Utilities, Inc. (“Unitil” or “the Company”), the Office of the Consumer Advocate (“OCA”), and the Department of Energy (“Energy”) (hereinafter referred to collectively as the “Settling Parties”). This Stipulation and Settlement and associated Attachments resolve all issues regarding Unitil’s request for temporary rates in this proceeding.

A. INTRODUCTION

On August 2, 2021, Unitil filed a petition for temporary and permanent rate increases, accompanied by the pre-filed written testimonies, schedules and work papers of Robert B. Hevert, Christopher J. Goulding, Daniel T. Nawazelski, John F. Closson, Joseph F. Conneely, Kevin E. Sprague, Christopher LeBlanc, Mark A. Lambert, Daniel J. Hurstak, Todd R. Diggins, Andre Francoeur, Carole A. Beaulieu, Jonathan A. Giegerich, Ronald J. Amen, John D. Taylor, Timothy S. Lyons, John Cochrane, and Ned W. Allis. The petition for temporary rates requested a temporary increase in distribution service revenues for effect on October 1, 2021, of \$3,220,742.

Energy propounded data requests concerning Unitil’s temporary rate request and other issues on September 10, 2021, and the Company responded to the requests on September 14, 2021. Unitil, Energy, and the OCA met in a technical session immediately following the September 16, 2021 Pre-Hearing Conference, during which time the details of the Company’s temporary rate request and responses to Energy’s discovery were examined. As a result of these discussions, the Settling Parties reached an agreement on temporary rates issues.

As a compromise and liquidation of the Company's temporary rate proposal, the Settling Parties agree to a total annual temporary distribution service revenue level of \$2,599,083 above the current revenue level. The increase to distribution service rates shall be effective with service rendered on and after October 1, 2021.

B. SETTLEMENT OF TEMPORARY RATE REQUEST

1. Temporary Revenue Increase. The proposed temporary revenue increase of \$2,599,083 will be collected by applying a uniform per therm surcharge of \$0.0683 to Unitil's residential rate schedule and \$0.0225 to Unitil's Commercial and Industrial rate schedules. The calculated temporary rate revenue requirement increase is provided in Attachment 1. The calculation of the temporary rate surcharge is provided in Attachment 2 hereto. The annual bill impact by customer class, Report of Proposed Rate Changes, is provided as Attachment 3. The average monthly bill impact by customer class and bill frequency is provided as Attachment 4. The monthly bill impact on residential customers, using weather normalized sales and average rate class consumption for each month, is provided as Attachment 5. A proposed tariff Supplement No. 2, effective October 1, 2021, incorporating the temporary rate surcharge, will be filed by the Company if this Settlement is approved. The difference between temporary rates and permanent rates as approved by the Commission will be fully reconciled in accordance with RSA 378:29.

C. MISCELLANEOUS PROVISIONS

Unitil, OCA and Energy agree to the following miscellaneous provisions:

1. Binding on Parties. Unitil, OCA and Energy agree to support the terms and conditions contained herein. Unitil, OCA and Energy understand that this Stipulation and Settlement is subject to Commission approval.

2. Integrated Terms of Settlement. This Stipulation and Settlement represents an integrated resolution of issues concerning Unitil's request for temporary rates. Accordingly, the effectiveness of this Stipulation and Settlement is conditioned upon the Commission adopting this Stipulation and Settlement in its entirety, without condition or modification. If the Commission does not approve this Stipulation and Settlement in its entirety and without modification or condition, Unitil, OCA and Energy shall have an opportunity to amend or terminate this Stipulation and Settlement. If terminated, this Stipulation and Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose.

3. Procedure. Unitil, OCA and Energy shall cooperate in submitting this Stipulation and Settlement promptly to the Commission for approval so that it may be implemented on October 1, 2021. Unitil, OCA and Energy shall request that the Commission consider this Stipulation and Settlement at a proposed temporary rate hearing to be held prior to October 1, 2021, and shall make a witness or witnesses available as necessary to answer questions in support of this Stipulation and Settlement, or provide such other support as the Commission requests. Unitil, OCA and Energy agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Stipulation and Settlement and to supplement the record accordingly.

4. No Precedent. Unitil, OCA and Energy enter into this Stipulation and Settlement to avoid further expense, uncertainty and delay in undertaking the permanent phase of the case. By executing this Stipulation and Settlement, neither Unitil, OCA, nor Energy shall be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at the terms of the Stipulation and Settlement, and except to the extent expressly set forth in this Stipulation and Settlement, Unitil, OCA, and Energy shall not be deemed to have agreed that such a Stipulation and Settlement is appropriate for resolving any issues in the permanent rate portion of this proceeding or in

any other proceeding. Unitil, OCA and Energy are free to take different positions on any of the issues and/or adjustments included in this temporary rate settlement for purposes of determining permanent distribution rates or in other future proceedings.

5. Confidentiality. This Stipulation and Settlement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during the course of such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.


6. Execution. This Stipulation and Settlement may be executed by Unitil, OCA and Energy in several counterparts, through original and/or facsimile signature, and as executed shall constitute one agreement.

WHEREFORE, Unitil, OCA and Energy recommend that the Commission issue an order authorizing Unitil to increase its gas service rates on a temporary basis, pursuant to RSA 378:27, by \$2,599,083 annually effective for service rendered on and after October 1, 2021, in the manner specified herein.

[Signature Page to Follow]

Respectfully submitted,

Northern Utilities, Inc.

By: 
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Unitil Service Corp.

Department of Energy

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