

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

FAX No. 271-1526

Website:
www.energy.nh.gov

October 18, 2022

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DG 21-104; Northern Utilities Inc.; Request for Change in Rates; Department of Energy Comments on Order No. 26,704

Dear Chairman Goldner:

Commission Order No. 26,704, dealing with rate case expenses, states that Northern Utilities, Inc. (Northern or the Company) may include \$373,871 as rate case expenses in its Local Distribution Adjustment Charge (LDAC) effective on November 1, 2022, for recovery over a one-year period on a provisional basis subject to further adjustment and reconciliation following Department of Energy (DOE or the Department) review and audit. Order No. 26,704 at 5 (October 14, 2022).

In reaching this decision, the Commission noted that DOE took no position on Northern's request to recover rate case expenses and did not provide an audit of these expenses. Further, the Commission stated that these expenses have not been subject to a thorough review and audit by DOE. Order at 3.

The Department writes today to explain that, in fact, the Department audited the rate case expense filed by Northern for recovery as of September, 16, 2022 and completed a final audit report dated September 22, 2022. The audit report noted that Northern sought recovery of \$338,696 and recommended that this amount be reduced to \$338,551. Northern agreed with this very minor adjustment. A copy of that audit report is provided with this letter.¹

The audit notes that no invoice had yet been received for service by Dr. Woolridge, a consultant to the Department. The Company subsequently received and paid this invoice and submitted an updated rate case expense filing on October 4. See also DG 22-059 Northern's Winter 2022-23 and Summer 2023 Cost of Gas filing,

¹ In retrospect, the Department sees that following completion of the audit report, it should have submitted a recommendation or technical statement in this docket supporting recovery of these expenses, noting that its audit found no significant issues.

Northern's October 4 supplement (including new rate case expenses). The Department will review this invoice (and any others submitted after September 16 and not yet audited) as part of the cost of gas/LDAC proceeding currently underway and will alert the Commission and the parties to that docket to any issues.

Thus, the Department believes that the language in the Order No. 26,704 making the rate case expense subject to further Department review and reconciliation is appropriate, but only applicable to invoices received since September 16.

Consistent with current Commission's practice, this letter is being filed only in electronic form.

Sincerely,

/s/ Paul B. Dexter

Paul B. Dexter
Staff Attorney/Hearings Examiner

Cc: Service List

ClerksOffice@puc.nh.gov
amanda.o.noonan@energy.nh.gov
asbury@unitil.com
bhavumaki@synapse-energy.com
campbellm@unitil.com
clane@synapse-energy.com
dmullinax@blueridgecs.com
donald.m.kreis@oca.nh.gov
Energy-Litigation@energy.nh.gov
epler@unitil.com
gouldingc@unitil.com
jrw@psu.edu
julianne.m.desmet@oca.nh.gov
karen.j.moran@energy.nh.gov
main@unitil.com
Maureen.l.reno@oca.nh.gov
nawazelski@unitil.com
ocalitigation@oca.nh.gov
paul.b.dexter@energy.nh.gov
taylorp@unitil.com
thomas.c.frantz@energy.nh.gov
tklaes@blueridgecs.com

KAREN ASBURY
UNITIL SVC CORP
6 LIBERTY LANE WEST
HAMPTON NH 03842-1720
asbury@unitil.com

BEN HAVUMAKI
SYNAPSE ENERGY ECONOMICS
bhavumaki@synapse-energy.com

OCA LITIGATION
OCA LITIGATION
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
ocalitigation@oca.nh.gov

MATTHEW CAMPBELL
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842
campbellm@unitil.com

TRACY KLAES
BLUE RIDGE CONSULTING SERVICES
INC
3132 WESLEY WAY
HENDERSONVILLE NC 28792
tklaes@blueridgecs.com

MAUREEN RENO
OFFICE OF CONSUMER ADVOCATE
maureen.l.reno@oca.nh.gov

DEPARTMENT OF ENERGY
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
energy-litigation@energy.nh.gov

DONALD M KREIS
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
donald.m.kreis@oca.nh.gov

PATRICK H TAYLOR
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842
taylorp@unitil.com

JULIANNE DESMET
OFFICE OF CONSUMER ADVOCATE
julianne.m.desmet@oca.nh.gov

COURTNEY LANE
clane@synapse-energy.com

RANDALL WOOLRIDGE
302 BUSINESS BUILDING
PENN STATE
UNIVERSITY PARK PA 16801
jrw@psu.edu

PAUL B DEXTER
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
paul.b.dexter@energy.nh.gov

DANIEL MAIN
NORTHERN UTILITIES INC
6 LIBERTY LANE WEST
HAMPTON NH 03842
main@unitil.com

GARY EPLER
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842-1720
eppler@unitil.com

KAREN J MORAN
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
karen.j.moran@energy.nh.gov

THOMAS C FRANTZ
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
thomas.c.frantz@energy.nh.gov

DONNA MULLINAX
BLUE RIDGE CONSULTING SERVICES
INC
114 KNIGHTSRIDGE RD
TRAVELERS REST SC 29690
dmullinax@blueridgecs.com

CHRISTOPHER GOULDING
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842
gouldingc@unitil.com

DAN NAWAZELSKI
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842
nawazelski@unitil.com