

July 21, 2022

BY E-MAIL

Daniel Goldner, Chair New Hampshire Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, NH 03301-2429

Re: DG 21-131, Northern Utilities, Inc. d/b/a Unitil Withdrawal of Proposed COG Rate Adjustment

Dear Chair Goldner:

On June 13, 2022, Northern Utilities, Inc. – New Hampshire Division ("Northern") submitted to the Commission a motion and accompanying information seeking an adjustment to its 2022 summer season cost of gas ("COG") rate effective as of July 1, 2022. The summer season COG rate had initially been set by the Commission in Order No. 26,539 (October 29, 2021) and a subsequent COG rate increase, effective June 1, 2022, was set by Order No. 26,626 (May 12, 2022). The June 13 filing noted that should the Commission not act upon Northern's proposed adjustment in time to implement the change for July 1, Northern would update the information in that filing on or around July 11, 2022 for a potential adjustment on August 1, 2022. As explained below, Northern is now withdrawing the request for an adjustment on August 1, 2022 and requests that the pending hearing be canceled.

The Commission did not authorize Northern to implement an adjustment on July 1 as had been initially included in the June 13 filing. Rather, on June 23, 2022, the Commission issued a procedural order setting a hearing for July 28, 2022 on the request. Therefore, consistent with its June 13 submission Northern intended to update the information on or around July 11, 2022.

On July 12, 2022, Northern filed a letter stating that it had continued to monitor NYMEX prices which had remained volatile, but which had trended lower. This overall lower trend in NYMEX pricing indicated that Northern would no longer need to adjust the COG rate. However, despite the overall lower trend, Northern was concerned that because the NYMEX pricing remained volatile, modifying or withdrawing its pending request at that time could leave Northern, and its customers, exposed to an unexpected upward change in prices.



Accordingly, in its July 12 letter, Northern stated that to satisfy the Commission's requirement to submit materials for the hearing by July 21, as well as acknowledge the trend in prices, on July 21 Northern would either: 1) file the required materials if NYMEX prices have trended upward and the hearing is needed; or 2) withdraw the pending request to increase the rate if prices have remained lower and request to cancel the hearing.

By this letter, Northern confirms that NYMEX prices have remained sufficiently low as compared to prior estimates that a COG rate increase for August 1 is not required. Accordingly, Northern intends to maintain the COG rate at its present level and is, therefore, withdrawing its June 13, 2022 rate proposal. In light of this withdrawal, Northern requests that the Commission cancel the hearing scheduled for July 28, 2022.

Further, Northern confirms that despite the overall lower trend, the NYMEX prices have not decreased sufficiently to decrease August COG rates. This will be explained in greater detail in Northern's monthly COG report for July which will be issued by July 22, 2022.

Although NYMEX prices are lower than the levels reflected in Northern's June 13 filing, they continue to be volatile. Should there be a need to adjust the COG rate in a future period in response to changing prices, Northern will make an appropriate filing at that time. For the presently pending motion, however, Northern withdraws that motion and requests that the hearing be canceled.

Please do not hesitate to contact me if you have any questions concerning this filing.

Sincerely,

Matthew J. Fossum Senior Counsel

CC: Service List