

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 21-131

NORTHERN UTILITIES, INC.

2021/2022 Annual Cost of Gas

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On September 17, 2021, Northern Utilities, Inc. (Northern or the Company) submitted a winter 2021/2022 and summer 2022 cost of gas (COG) filing outlining its proposed COG for the winter period (November 1, 2021 through April 30, 2022) and the summer period (May 1, 2022 through October 31, 2022), including proposed local distribution adjustment charges (LDAC) for the period of November 1, 2021 through October 31, 2022. The COG submission and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-131.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

Northern's September 17, 2021 filing included proposed tariff pages, schedules, and prefiled testimony and related attachments from: Christopher A. Kahl, Francis X. Wells, and S. Elena Demeris. According to the direct testimony of Christopher A. Kahl, the proposed winter 2021/2022 COG rate is \$0.9392 per therm for residential customers, a \$0.2077 increase compared to last winter's weighted average residential COG rate of \$0.7315 per therm. The proposed changes to Northern's residential winter COG and LDAC rates are expected to increase a typical residential heating customer's total bill for the winter period by approximately \$93.55 or 9.1 percent.

The proposed winter 2021/2022 commercial and industrial (C&I) high winter use COG rate is \$0.9551 per therm, and the proposed C&I low winter use COG rate is \$0.8453. The changes in the C&I COG and LDAC rates for high and low winter users are expected to increase a C&I customer's winter bill between 35.45 and 19.18 percent, respectively.

The proposed summer 2022 COG rate is \$0.5176 per therm for residential customers, a \$0.0206 per therm increase compared to last summer's weighted average residential COG rate of \$0.4970 per therm. The proposed changes in residential COG and LDAC rates are expected to decrease a typical residential heating customer's summer bill by approximately \$3.49 or 1.2 percent over the entire summer period.

Northern proposes summer 2022 COG rates of \$0.5445 per therm for C&I high winter use customers and \$0.4740 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 customers are expected to change a C&I customer's summer bill between a decrease of 7.41 percent and an increase of 46.86 percent, respectively, over the entire summer period.

Several surcharges are included in the proposed LDAC of \$0.0631 per therm for residential customers and \$0.0360 per therm for C&I customers, compared to the \$0.1099 per therm and \$0.0472 per therm rates, respectively, that are currently in effect. The proposed Environmental Response Cost Rate is \$0.0056 per therm, compared to the \$0.0061 per therm rate currently in effect. The proposed Energy Efficiency Charge is \$0.0449 per therm for residential customers and \$0.0238 per therm for C&I customers, compared to the respective \$0.0774 per therm and \$0.0337 per therm rates currently in effect. The proposed charge to recover expenses related to the Gas Assistance Program is \$0.0060 per therm, compared to the \$0.0044 per therm

currently in effect. The Lost Revenue Rate is proposed at \$0.0066 per therm for residential and \$0.0006 per therm for C&I customers, compared to the respective \$0.0220 per therm and \$0.0030 per therm rates currently in effect.¹

Northern is updating, and decreasing, its Company Allowance Calculation (for lost and unaccounted for gas and Company use of gas) for the period of November 2021 through October 2022 from 1.30 to 1.25 percent. It also proposes changes to its supplier balancing charge, peaking service demand charge, meter read charge, and capacity allocator percentages.

II. ISSUES PRESENTED

The filing presents the following issues: issues related to RSA 374:2 and RSA chapter 378, including: the justness and reasonableness of rates, fares, and charges; the forecasting of sales, supplier prices, and transportation prices; weather normalization; operational issues; the retroactive adjustment of certain reconciling rates; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity and revenue projections related to transportation service and released capacity; the reconciliation of prior period costs and revenue; and the prudence and recovery of environmental remediation. Accordingly, an adjudicative proceeding will be convened to address these issues.

Although the state of emergency declared as a result of the COVID-19 pandemic has lapsed, the Commission is aware that not all potential parties, including regulated utilities, have returned to full in-person work environments. Therefore, and for the foreseeable future, the Commission intends to continue providing a hybrid approach to its proceedings in order to accommodate those who wish to remain remote and those who desire to be physically present. In order to facilitate this hybrid approach,

¹ In Docket No. DG 21-104, Northern has proposed transitioning to decoupling beginning August 1, 2022.

individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform. Parties and the public will be able to participate in or observe Commission proceedings in-person or remotely.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of investigating and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374:3 - :7, and :15 - :19, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on October 26, 2021, from 9:00 a.m. to 12:00 p.m. Commissioners will be present in the hearing room and will use a web-enabled platform to conduct the hearing. Members of the public who wish to access the hearing remotely may do so by [clicking here](#). **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 and members of the public wishing to attend the hearing in person are encouraged to register in advance, on or before October 21, 2021, by calling (603) 271-2431; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is,

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Northern, the Department of Energy, the Office of the Consumer Advocate, and any other parties on the service list, on or before October 12, 2021. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other

substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before October 22, 2021; and it is

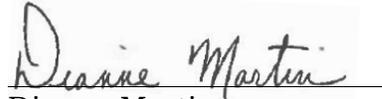
FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests for relief from the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Northern shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before October 12, 2021. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this twenty-seventh day of September, 2021.


Dianne Martin
Presiding Officer
Chairwoman

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# : 21-131

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