

**STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

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NORTHERN UTILITIES, INC.)	DOCKET NO. DG 21-131
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MOTION FOR AMENDMENT TO COST OF GAS RATE

Northern Utilities, Inc., (“Northern” or the “Company”) submits this Motion requesting approval of the New Hampshire Public Utilities Commission (“Commission”) for an adjustment to its Cost of Gas (“COG”) rate as had been approved in Order No. 26,539 (October 29, 2021), effective June 1, 2022.

In support of its Motion, Northern states the following:

1. As noted by the Commission in Order No. 26,539, the COG adjustment mechanism allows the Company to pass the gas commodity costs on to its customers directly and efficiently without mark-up or profit. COG rates are initially set using projected costs and sales for the upcoming winter period, which runs from November 1 through April 30, and the summer period which runs from May 1 through October 31. Through the COG adjustment mechanism, the Company may adjust COG rates monthly to incorporate changes in the natural gas markets based on actual costs to date and projected costs for the remainder of the period. Also through the COG adjustment mechanism, without additional Commission action, the Company is permitted to increase the COG rates by up to 25 percent above the initially approved rate, and to decrease the COG rate as far as necessary.

2. On September 17, 2021, Northern submitted a winter 2021/2022 and summer 2022 COG filing outlining its proposed COG for the winter and summer periods. Also, on October 11, 2021, the Company filed the supplemental testimony of Francis Wells regarding recent price volatility and the Company's actions in response. The proposed rates were approved as filed in Order No. 26,539. At the time of Order No. 26,539, the Commission "commend[ed] Northern for its hedging and well-considered pipeline, storage and peaking strategy which minimized ratepayer costs in a very difficult commodity environment." Order No. 26,539 at 6.
3. Following Order No. 26,539, Northern has filed monthly reports noting the ongoing over or under-collections of COG costs, relative to the projected balances, and has identified any adjustments to the COG rate deemed necessary in light of changes in gas commodity prices. In its most recent report, filed April 22, 2022, Northern noted that due to an under-collection driven by "substantially higher NYMEX prices" it was "increasing rates by their maximum amount, 25 percent above the initially approved rate." April 22, 2022 Report in Docket No. DG 21-131 at 11. Northern further noted, however, that "this increase will not recover the total estimated summer season under-collection leaving a remaining under-collection balance of approximately \$1.95 million." *Id.* Further, Northern stated that, "Due to the amount of this shortfall, the Company will consider submitting an amended cost of gas filing in early May, for

effect June 1st, to recover the remaining balance if there are no material declines in NYMEX prices towards the end of April.” *Id.*

4. As described in the enclosed testimony and attachments of Christopher Kahl, NYMEX prices have not materially declined since the time of the Company’s April 22, 2022 report. Accordingly, in that Northern has already increased the rate to the maximum extent permitted without further Commission action, and that given the persistently high NYMEX prices Northern will experience a material under-collection of gas costs without an adjustment to the COG rate, Northern herein requests that the Commission approve a revised COG rate for effect on June 1, 2022 for the remainder of the summer period, until October 31, 2022. Along with this adjustment, as described in Mr. Kahl’s testimony, Northern also requests that the Commission continue to allow adjustments to the rate without further Commission action consistent with existing and past practice. By making this adjustment, Northern seeks to assure that the COG rates are matched with the period in which the costs are incurred to the extent practicable, and it seeks to mitigate any potential for a significant under-collection being carried into, and reconciled in, a future COG period.

Conclusion

For all of the foregoing reasons, Northern requests that the Commission review and approve the adjusted COG rate as set forth in this filing, and for such other relief as the Commission may deem necessary and proper.

Respectfully submitted,

NORTHERN UTILITIES, INC.
By its Attorney:



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May 10, 2022

CERTIFICATE OF SERVICE

I certify that I have caused copies of this Motion to be served on the service list in Docket No. DG 21-131

Dated: May 10, 2022.



Matthew J. Fossum