

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](http://www.energy.nh.gov)

October 10, 2022

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

Re: DG 22-059 Northern Utilities Inc. Winter 2022-23 and Summer 2023 Cost of Gas,  
Notice of DOE’s recommended treatment of energy efficiency component of the  
LDAC re: HB 549- Final Version

Dear Chairman Goldner:

The New Hampshire Department of Energy (DOE) writes to notify the Commission of the DOE’s recommended treatment of the energy efficiency charge in this docket, consistent with 2022 N.H. Laws Chapter 5 (HB 549-Final Version) (codified as RSA 374-F:3, VI-a) (hereinafter “HB 549”).

The energy efficiency charge (EEC) is a component of each gas utilities’ local distribution adjustment charge. This cost of gas (COG) docket is the first COG docket for Northern Utilities, Inc. (“Northern” or “the Company”) in which the EEC is to be updated and established pursuant to HB 549. That statute provides in relevant part:

*The energy efficiency portion of the . . . local distribution adjustment charges [LDACs] shall adjust annually beginning January 1, 2023, and shall be calculated using the most recently available 3-year average of the consumer price index (CPI-W) . . . plus 0.25 percent all as calculated by the department of energy. Utilities subject to commission rate regulation shall submit tariff amendments altering solely the . . . [LDAC] as described, reconciled for over and under collections already occurred, as soon after the effective date of this subparagraph as possible, and every December 1, for the upcoming year thereafter.*

HB 549 (RSA 374-F:3, VI-a (d) (2)).

Accordingly, in the view of the DOE, the current EEC of \$0.0499 per therm for residential customers and \$0.0247 per therm for C&I customers established in HB 549

and in Commission Docket No. DE 20-092<sup>1</sup> should be approved for November and December, 2022 and should be used as a monthly placeholder for the months of January 2023 through October 2023 for the purposes of calculating the Company's 2022-2023 LDAC, to be effective November 1, 2022.

The DOE anticipates that the EEC adjustment and any reconciliation required by HB 549 to be effective January 1, 2023, would be reviewed in a different docket (potentially involving all other gas and electric utilities). The DOE anticipates that Northern would make a tariff amendment filing on December 1, 2022 for Commission review and approval consistent with HB 549, and that the approved charge would be incorporated into the Company's LDAC at that time, effective for the period January 1, 2023 through October 31, 2023.

This approach will keep an issue that impacts all gas and electric utilities – application of HB 549 —out of this expedited COG docket. This approach is consistent with the approach Northern takes in its updated COG filing. See Northern's initial September 16 filing, as updated by the September 23, 2022 supplemental filing and October 4, supplemental filing, page 12 of 413, "Ninth Revised [Tariff No. 12] Page 62" (identifying proposed EEC to be effective on and after November 1, 2022).<sup>2</sup> In the past, COG/LDAC dockets have routinely been completed before the energy efficiency dockets and EEC became final. See, e.g., Order No. 26,207 at 10-11 (December 31, 2018) ("*Each Gas Utility proposed a Local Delivery Adjustment Charge (LDAC) component for EE in its cost of gas proceeding. Those rates were approved for Northern in Order No. 26,186 (October 31, 2018) and for EnergyNorth in Order 26,188 (November 1, 2018)*").

Consistent with the Commission's current policy, this letter is being filed solely in electronic form. Thank you for your attention to this matter.

Sincerely,

s/ *Mary E. Schwarzer*

Mary E. Schwarzer  
Hearings Examiner/Staff Attorney  
Mary.E.Schwarzer@energy.nh.gov

Cc: Service List

---

<sup>1</sup> See HB 549-Final (codified as RSA 374-F:3, VI (d)(2)) ("The energy efficiency portion of the local distribution adjustment charge shall be set at the level for 2020 authorized in . . . Order No. 26,303 dated October 29, 2019, for Northern Utilities, Inc...."); Order No. 26,303 (October 29, 2019) (Dkt. No. 19-154); Docket No. 19-154, Northern November 17, 2019, Third Revised Tariff Page 62 (proposing EEC for Residential Class as \$0.0499 and EEC for C&I as \$0.0247) and Schedule 38-SED pages 251-52 (same); Northern Tariff No. 12, compliance filing Third Revised Page 62 (filed November 1, 2019); and Commission Staff Letter of Compliance dated November 13, 2019; Docket No. DE 20-092 Northern March 7, 2022 letter regarding compliance tariff filing (referencing Dkt. No. DG 19-154 and compliance filings); Docket No. DE 20-092 NH PUC Letter of Compliance dated March 25, 2022).

<sup>2</sup> Northern's COG filing (as updated on September 23, 2022 and October 4, 2022) does not include an estimated under or over collection related to the EEC as of December 31, 2022. DOE recommends that that issue be addressed in a separate energy efficiency docket.

ClerksOffice@puc.nh.gov  
amanda.o.noonan@energy.nh.gov  
donald.m.kreis@oca.nh.gov  
Energy-Litigation@energy.nh.gov  
Faisal.DeenArif@energy.nh.gov  
fossumm@unitil.com  
julianne.m.desmet@oca.nh.gov  
mary.e.schwarzer@energy.nh.gov  
Maureen.l.reno@oca.nh.gov  
ocalitigation@oca.nh.gov  
thomas.c.frantz@energy.nh.gov



FAISAL DEEN ARIF  
DEPARTMENT OF ENERGY  
21 SOUTH FRUIT ST STE 10  
CONCORD NH 03301  
faisal.deenarif@energy.nh.gov

MARY E SCHWARZER  
DEPARTMENT OF ENERGY  
21 SOUTH FRUIT ST STE 10  
CONCORD NH 03301  
mary.e.schwarzer@energy.nh.gov

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

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

MATTHEW J FOSSUM  
UNITIL ENERGY SYSTEMS INC  
6 LIBERTY LANE WEST  
HAMPTON NH 03842  
fossumm@unitil.com

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

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

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