

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

DG 22-059

NORTHERN UTILITIES, INC.

MOTION FOR CLARIFICATION

Northern Utilities, Inc. (“Northern” or the “Company”) hereby respectfully moves the New Hampshire Public Utilities Commission (the “Commission”), pursuant to Puc 203.07 for clarification of Order No. 26,713 issued on October 27, 2022 in the above-referenced docket. In support of this motion, Northern states:

1. On October 27, 2022, the Commission issued Order No. 26,713 approving Northern’s Cost of Gas rates for the 2022-2023 winter period and for the 2023 summer period. DG 22-059, Northern Utilities, Inc., Order No. 26,713 at 1, 9-10 (October 27, 2022). Northern does not seek clarification of the Commission’s approval of the Company’s 2022-2023 winter and summer period Cost of Gas rates.

2. Among other things, the Commission ordered “that the over- or under-collection shall accrue interest at the prime rate as reported by the Federal Reserve Statistical Release of Selected Interest Rates, the rate to be adjusted monthly.” Order No. 26,713 at 11. This Ordering Clause is inconsistent with the terms of Northern’s Cost of Gas Charge Tariff, NHPUC No. 12 – Gas, Original Page 18 *et seq* (“Cost of Gas Tariff”).

3. The Company’s Cost of Gas Tariff defines “Carrying Charges” to accrue on the over- or under-collection balance on a quarterly basis:

Interest expense calculates on the average monthly COGC¹ reconciliation balance and added to the end of the month COGC reconciliation balance.
The interest rate is to be adjusted each quarter using the prime interest rate

¹ “Cost of Gas Charge.” Cost of Gas Tariff at Original Page 19 (Effective May 1, 2018).

as reported by the Wall Street Journal on the first date of the month preceding the first month of the quarter.

Cost of Gas Tariff at Original Page 20 (Effective May 1, 2018). This definition was approved by the Commission in DG 17-070, Order No. 26,129 (May 2, 2018).

4. Northern's definition of Carrying Charges for the purposes of accruing interest on the Cost of Gas over- or under-collection is consistent with similar provisions in the Cost of Gas Tariff. For example, in the provision governing the Company's Annual COGC Reconciliation Adjustment – FERC Account 191, Carrying Charges are calculated on the average monthly balance of each subaccount, with the interest rate “to be adjusted each quarter using the prime interest rate as reported by the Wall Street Journal on the first date of the month preceding the first month of the quarter.” Cost of Gas Tariff at Original Page 35 (Effective May 1, 2018). Similarly, the “Working Capital Carrying Charge Rate” is defined as “the monthly prime interest rate, as reported by the Wall Street Journal on the first date of the month preceding the first month of the quarter.” Cost of Gas Tariff at Original Page 21 (Effective May 1, 2018).

5. The Company's approach to adjusting the interest rate on over- or under-collections is also consistent with the Commission's practice in other contexts. For example, the Commission defines “Prime Rate” in the Puc 1200 rules as “the rate reported in the Wall Street Journal on the first business day of the month preceding the beginning of each calendar quarter, or the average of the rates so reported on that day.” Puc 1202.13; see also 1203.03(m)(3) (requiring that interest shall accrue on customer deposits at the prime rate as defined in Puc 1202.13).

6. The Company does not believe that there is any material benefit to customers in changing the adjustment of the interest rate from quarterly to monthly that would justify requiring a revision to the Company's previously-approved Cost of Gas Tariff and established accounting practices. In light of the conflict between the approved Tariff and the Cost of Gas Order, it is not clear that the Commission actually intended to require such a change. The frequency of the adjustment to the interest rate on the over- or under-collection was not an issue that the Company, the Department of Energy, the Office of the Consumer Advocate, or the Commission raised at the hearing in this matter or at any other time during the docket. Furthermore, the Commission did not direct the Company to amend its Cost of Gas Tariff to reflect a change in the frequency of the interest rate adjustment.

7. For the reasons stated herein, the Company respectfully requests that the Commission clarify Order No. 26,713 to require that "that the over- or under-collection shall accrue interest at the prime rate as reported by the Wall Street Journal, the rate to be adjusted quarterly."

WHEREFORE, Northern respectfully requests that the Commission:

A. Clarify Order No. 26,733 to require that the adjustment to the interest rate on the Cost of Gas over- or under-collection be made on a quarterly basis using the prime rate as reported by the Wall Street Journal, in a manner consistent with the Company's Cost of Gas Tariff; and

B. Grant such further relief as may be just and appropriate.

Respectfully submitted

NORTHERN UTILITIES, INC.

By its Attorney:



Dated: November 9, 2022

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Certificate of Service

I hereby certify that on November 9, 2022, a copy of the foregoing Motion was electronically served upon the Service List.

A handwritten signature in black ink, appearing to read 'Patrick H. Taylor', written over a horizontal line.

Patrick H. Taylor