

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 19-154

NORTHERN UTILITIES, INC.

2019/2020 ANNUAL COST OF GAS

ORDER OF NOTICE

On September 17, 2019, Northern Utilities, Inc. (Northern or the Company) submitted a Winter 2019/2020 and Summer 2020 cost of gas (COG) filing outlining its proposed COG rates for the winter period (November 1, 2019 through April 30, 2020), the summer period (May 1, 2020 through October 31, 2020), and proposed local delivery adjustment clause (LDAC) charges for the period of November 1, 2019 through October 31, 2020. Northern filed testimony, revised tariff pages, and schedules in support of the proposed rates. The COG submission and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://puc.nh.gov/Regulatory/Docketbk/2019/19-154.html>.

The proposed winter 2019/2020 residential COG rate is \$0.5861 per therm, a \$0.2488 per therm decrease compared to last winter's weighted average residential COG rate of \$0.8349 per therm. The proposed changes to Northern's residential COG rate and LDAC charges are expected to decrease a residential heating customer's winter bill by approximately \$160, or 14 percent over the entire winter period using a weighted monthly average.

The proposed winter 2019/2020 commercial and industrial (C&I) high winter use COG rate is \$0.6082 per therm, and the proposed C&I low winter use COG rate is \$0.4950 per therm. The changes in the COG rates for high and low winter users are expected to decrease C&I

customers' winter bills approximately 20 percent over the entire winter period using a weighted monthly average.

The proposed summer COG rate for 2020 is \$0.2768 per therm for residential customers, a \$0.0411 per therm decrease compared to last summer's weighted average residential COG rate of \$0.3179 per therm. The proposed changes to Northern's residential COG rate and LDAC charges are expected to decrease a residential heating customer's summer bill by approximately \$6, or 2 percent over the entire summer period using a weighted monthly average.

Northern proposes summer 2020 COG rates of \$0.3116 per therm for C&I high winter use customers and \$0.2443 per therm for C&I low winter use customers, which are both decreases from the 2019 summer rates.

A variety of components makes up the proposed LDAC charges of \$0.0706 per therm for residential customers and \$0.0359 per therm for C&I customers, compared to the \$0.0675 per therm and \$0.0380 per therm rate, respectively, currently in effect. The proposed charge to recover environmental remediation costs is \$0.0057 per therm, compared to the \$0.0058 per therm rate currently in effect. The proposed energy efficiency charge is \$0.0499 per therm for residential customers and \$0.0247 for C&I customers, compared to the respective \$0.0501 per therm and \$0.0264 per therm rates currently in effect. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program and the regulatory assessment cost related to the COG is \$0.0036 per therm, compared to the \$0.0044 per therm rate currently in effect. The Lost Revenue Adjustment Mechanism is proposed at \$0.0114 per therm for residential and \$0.0019 per therm for C&I customers, compared to the respective \$0.0072 per therm and \$0.0014 per therm rates currently in effect.

Northern is updating its Company Allowance (for lost and unaccounted for gas and Company use of gas) for the period of November 2019 through October 2020 from 1.48 to 1.38 percent. Northern also proposes changes to its supplier balancing charges, peaking demand charges, capacity allocator percentages, re-entry and conversion surcharges, and short-term borrowing limits.

The filing raises, inter alia, issues related to RSA 374:2, and RSA 378, including: the justness and reasonableness of rates; the forecasting of sales, supplier prices, and transportation prices; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity/revenue projections related to transportation services and released capacity; the reconciliation of prior period costs and revenues; and the prudence and recovery of environmental remediation. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 11, 2019 at 9:00 a.m., and it is

FURTHER ORDERED, that Northern, the Staff of the Commission, and any Intervenors hold a Technical Session to review the filing on October 7, 2019 at 9:00 a.m.; and it is;

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 24, 2019, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 9, 2019; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of Consumer Advocate on or before, October 7, 2019, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Code Admin. Rules Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 11, 2019.

By order of the Public Utilities Commission of New Hampshire this twentieth day of September, 2019.



Debra A. Howland
Executive Director

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.

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