

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 21-123**

**NORTHERN UTILITIES, INC.**

**Petition for Approval of Rate Recovery Mechanism for Property Taxes**

**ORDER OF NOTICE**

On June 21, 2021, Northern Utilities, Inc. (Northern) filed a petition requesting the Commission to approve a regulatory cost adjustment mechanism (RCAM) to recover, among other costs, the increase in local property taxes resulting from the 2019 amendments to RSA chapter 72. In support of its petition, Northern pre-filed the testimony of Christopher J. Goulding, Director of Rates and Revenue Requirements for Unitil Service Corp., and related attachments, including proposed amendments to its Local Delivery Adjustment Charge (LDAC)<sup>1</sup> tariff. The petition and subsequent docket filings, other than any information for which confidential treatment is requested or granted by the Commission, will be posted to the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-123.html>.

HB 700, enacted in 2019, added new section RSA 72:8-d, which established a methodology for municipalities to use when assessing electric, gas, and water utility company distribution assets for property tax purposes. The new methodology was to be phased in over a 5-year period, beginning with the tax year effective April 1, 2020. HB 700 also required the Commission to establish a rate recovery mechanism, which would permit any public utility owning "utility company assets," as defined in RSA 72:8-d, I(c), to recover all property taxes paid on those assets.

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<sup>1</sup> Although Northern's petition and the testimony of Christopher J. Goulding refer to a "Local Distribution Adjustment Clause," Northern's LDAC tariff refers to a "Local Delivery Adjustment Charge."

Northern proposed establishing an RCAM as part of its LDAC. The RCAM would be used to recover: (1) the increase in all municipal property taxes, including those paid on “utility company assets,” resulting from the amendments to RSA chapter 72; and (2) the portion of the regulatory assessment now recovered through the Gas Assistance Program.<sup>2</sup> Northern proposed filing a request 45 days prior to November 1 of each year for the Commission to approve an RCAM rate applicable to all gas consumption of tariff customers eligible to receive delivery service for the subsequent 12-month period, beginning with billings for consumption on and after November 1. Northern proposed that the RCAM effective November 1, 2021 would recover the under-recovery of taxes paid in 2020 and part of the July 2021 regulatory assessment.

Northern requested the recovery of \$521,482, which it represented was the unrecovered increase in municipal property taxes paid by Northern during the 2020 tax year. Based on Northern’s current sales forecast, Northern asserted recovery of the municipal property tax expense would result in an increase of \$0.0072 per therm, so that an average residential heating customer using 732 therms per year would see their annual bill increase by \$5.27. Northern expects to update its sales forecast and calculations as part of its annual cost of gas filing.

The filing raises, inter alia, issues related to whether Northern’s proposed RCAM is consistent with HB 700’s amendments to RSA chapter 72 or otherwise lawful; whether Northern appropriately calculated the unrecovered increase in municipal property taxes paid in 2020 and the proposed increases in customer charges; and whether Northern’s proposed RCAM, if approved, would result in rates that are just and reasonable, as required by RSA 374:2, and by RSA 378:5 and :7.

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<sup>2</sup> The amendments to Northern’s LDAC tariff show that the former “Gas Assistance Program and Regulatory Assessment” is now referred to as the “Gas Assistance Program.”

Each party has the right to have an attorney represent the party at the party's own expense.

With the expiration of the declared State of Emergency, the Commission must now comply with all requirements of RSA chapter 91-A, including the requirement that a quorum of a public body must be physically present at the location specified as the location of the public meeting in the meeting notice. The Commission is aware that not all parties, including regulated utilities, have returned to full in-person work environments. Therefore, for the foreseeable future, the Commission intends to provide a hybrid approach to hearings to accommodate those who are remote and those who are physically present. A quorum of Commissioners will be physically present within a hearing room for all Commission hearings. In order to facilitate the hybrid approach, the Commissioners will also continue to participate on the web-enabled platform. Parties and the public may continue to participate in hearings remotely using the Commission's web-enabled platform.

**Based upon the foregoing, it is hereby**

**ORDERED**, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on September 23, 2021, at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. R., Puc 203.15. Commissioners will be present in the hearing room and will also use a web-enabled platform to conduct the hearing. Members of the public who wish to access the prehearing conference 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 September 20, 2021, by calling (603) 271-2431; and it is

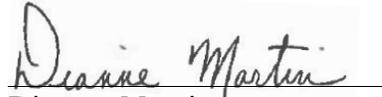
**FURTHER ORDERED**, that, immediately following the prehearing conference, the parties, including Northern, the Department of Energy, and any intervenors, hold a web-enabled remote technical session to review the petition; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. R., Puc 203.12, Northern shall notify all persons 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 September 20, 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, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Northern, the Department of Energy, and the Office of the Consumer Advocate on or before September 20, 2021, 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. Admin. R., Puc 203.17. 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>, any party seeking to intervene may elect to submit this filing in electronic form; and it is

**FURTHER ORDERED**, that any party objecting to a petition to intervene make said objection on or before September 23, 2021.

So ordered, this twentieth day of August, 2021.

A handwritten signature in cursive script that reads "Dianne Martin". The signature is written in black ink on a white background.

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# : 21-123

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Email Addresses

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