

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 21-131

NORTHERN UTILITIES, INC.

2021/2022 Cost of Gas

Order Clarifying Order No. 26,626 Rate Adjustment

O R D E R N O. 26,627

May 17, 2022

On May 10, 2022, Northern Utilities, Inc. (Northern) filed a May 2022 Monthly Cost of Gas Report and a Motion for Amendment to Cost of Gas Rate. Northern filed its calculation of its projected over or under-collection of gas costs and an amended cost of gas (“COG”) rate filing for the 2021-2022 summer season. The calculation for the 2022 summer season, reflected NYMEX futures prices as of May 9, 2022, and produced an anticipated under-recovery of gas costs. Northern’s April 2022 Monthly Report indicated that COG rates were increased by their maximum level of 25 percent as authorized by the Commission in Order No. 26,539.

Northern requested that the Commission authorize an additional increase in the COG rate to reflect increases in NYMEX natural gas prices. In Order No. 26,626 the Commission approved on a *nisi* basis, an increase in the projected cost of gas of \$1,935,343. The impact of the June 1 change in COG rates on the typical residential heating customer for the 2021-2022 summer season approved in Order No. 26,626, is an increase of \$22.82 or 7.2 percent more than the summer period bill.

On May 16, 2022, Northern requested a clarification of Order No. 26,626. Northern proposes that the rate increase approved in that order be subject to adjustment downward without limitation and adjustment upward by up to 25 percent.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission’s website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-131.html>

In this case Northern’s COG rates were adjusted due to increases in the NYMEX natural gas prices. In Order No. 26,626, we found the requested rates reasonable based on current market conditions. Nonetheless, we observe that the approved rates, in effect beginning June 2022, for Residential, C&I Low Winter Use, and C&I High Winter Use will be higher than the originally approved rates for these customer classes, for the summer 2022 COG, by 76%, 83%, and 73% respectively.

Customer Class	Order 26,539		Order 26,626	
	2022 Summer COG	2022 Summer Maximum COG May 1, 2022	June 1, 2022 Summer COG	Percentage increase vs 2022 Summer COG
Residential	0.5176	0.6470	0.9126	76.31%
C&I Low Winter Use	0.4740	0.5925	0.8690	83.33%
C&I High Winter Use	0.5445	0.6806	0.9395	72.54%


We are concerned about rate shock for customers and decline to authorize any further increases in the rate without our review and approval. We will, however, authorize any reduction in summer 2022 rates without our approval. As a result, we grant the request to clarify Order No. 26,626 in part.

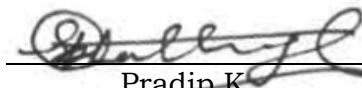
Based upon the foregoing, it is hereby

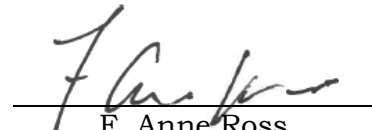
ORDERED, that the summer COG rate approved in Order No. 26,626 for effect June 1 shall be the maximum rate approved and any future rate increase to the summer COG will require Commission review and approval; and it is

FURTHER ORDERED, that the summer COG rate may be reduced consistent with NYMEX pricing without further Commission review or approval.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of May, 2022.


Daniel C. Goldner
Chairman


Pradip K.
Chattopadhyay
Commissioner


F. Anne Ross
Special Commissioner

Service List - Docket Related

Docket# : 21-131

Printed: 5/17/2022

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