

**NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
SUMMER PERIOD 2013
COST OF GAS ADJUSTMENT FILING
PREFILED TESTIMONY OF
JOSEPH F. CONNEELY**

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Joseph F. Conneely. My business address is 6 Liberty Lane West,
4 Hampton, New Hampshire.

5
6 **Q. For whom do you work and in what capacity?**

7 A. I am a Senior Regulatory Analyst for Unitil Service Corp. (“Unitil Service”), a
8 subsidiary of Unitil Corporation that provides managerial, financial, regulatory
9 and engineering services to Unitil Corporation’s principal subsidiaries Fitchburg
10 Gas and Electric Light Company, d/b/a Unitil (“FG&E”), Granite State Gas
11 Transmission, Inc. (“Granite”), Northern Utilities, Inc. d/b/a Unitil (“Northern”),
12 and Unitil Energy Systems, Inc. (“UES”) (together “Unitil”). In this capacity I
13 am responsible for managing reporting requirements and filing required reports.

14
15 **Q. Please summarize your professional and educational background.**

16 A. I graduated from Saint Anselm College, Manchester, New Hampshire in 1999
17 with a Bachelor of Arts degree in Financial Economics. Before joining Unitil, I
18 worked for the Royal Bank of Scotland- Sempra Energy Trading Corp. joint
19 venture (“RBS”) in Greenwich, Connecticut as a senior electricity and natural gas
20 trader. Prior to working for RBS, I was employed as a mid-term electricity and

1 natural gas trader at Morgan Stanley in New York City. Before this position at
2 Morgan Stanley, I ran an energy trading book at Shell Gas and Energy Trading
3 North America in La Jolla, California. I joined Usource, a subsidiary of Unitil
4 Service Corp. in August 2008. In December 2008, I joined the Regulatory
5 Services Department at Unitil Service.

6
7 **Q. Have you previously testified before the New Hampshire Public Utilities**
8 **Commission?**

9 A. Yes. I have testified before the Commission in several of Northern's Winter and
10 Summer Period Cost of Gas ("COG") proceedings.

11
12 **II. PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is twofold. First, I provide a typical bill analysis for
15 the rate changes in this docket that are proposed for effect May 1, 2013. I will
16 also give an update on two components of the Local Distribution Adjustment
17 Charge ("LDAC").

18
19 **Q. How does the 2013 Summer Period proposed cost of gas rate compare with**
20 **the 2012 Summer Period cost of gas rate?**

21 A. The proposed residential heating 2013 Summer Period rate of \$0.5553 per therm
22 is \$0.1444 per therm higher than the weighted residential heating average 2012

1 Summer Period rate of \$0.4109 per therm. This is discussed in the testimony of
2 Mr. Kahl.

3

4 **Q. Please give an update to the LDAC components of Rate Case Expense and**
5 **Reconciliation of Permanent Changes in Delivery Charges effective May 1,**
6 **2013.**

7 A. The Rate Case Expense (“RCE”) and Reconciliation of Permanent Changes in
8 Delivery Charges (“RPC”) components of the LDAC will go to zero effective
9 May 1, 2013.

10 The RCE is a mechanism that allows the Company to adjust its rates for the
11 recovery of NHPUC-approved rate case expenses. The currently effective RCE is
12 \$0.0046.

13 The RPC is a mechanism that allows the Company to adjust its rates for the
14 reconciliation of revenues between temporary rates and permanent rates The
15 currently effective RPC is \$0.0123.

16 Both the RPC and RCE components will be \$0.0000 per therm effective May 1,
17 2013 per Order 25,352 issued on April 24, 2012 in Docket No. DG 11-069. All
18 other LDAC components will remain unchanged. These changes are reflected on
19 the Eighteenth Revised Page 56 included in this filing.

20 As required in DG 11-069, Northern will file reconciliations for both components
21 by July 31, 2013 including a recommendation for the treatment of any remaining
22 balance.

1

2 **Q. What will be the new aggregate LDAC rate effective May 1, 2013?**

3 The new LDAC rate for Residential Customers will be \$0.0551. The new LDAC
4 rate for C&I Customers will be \$0.0266.

5 **Q. Have you prepared a typical bill analysis showing the impact of the proposed**
6 **changes for effect on May 1, 2013 on a typical residential gas heating**
7 **customer?**

8 A. Yes. Schedule 8 provides this analysis and shows the impact of the proposed
9 COG and LDAC changes. A typical residential heating customer consuming 318
10 therms during the 2013 Summer Period will see a bill of \$416.73 for the entire
11 Summer Period of May through October. This is \$43.02, or 11.51% higher than
12 the bill for the same usage during the 2012 Summer Period.

13

14 **Q. Does this conclude your testimony?**

15 A. Yes, it does.