

NORTHERN UTILITIES, INC.

DG 13-086

PETITION FOR RATE INCREASE

ORIGINAL
Case No. DG 13-086
Exhibit No. #2
Witness M. Collin, T. Meissner S. Flink
DO NOT REMOVE FROM FILE

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April 15, 2013

BY HAND DELIVERY

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429



Re: Northern Utilities, Inc.- Docket No. DG 13-086

Dear Director Howland:

Pursuant to N.H. Admin. Rules Puc 1600 *et seq.*, Northern Utilities, Inc. ("Northern") hereby submits to the New Hampshire Public Utilities Commission ("the Commission") an original and five (5) copies of documents supporting its request for a rate increase. Northern is requesting a distribution rate increase to invest in safety and reliability related replacements and improvements to its natural gas distribution system while simultaneously increasing its investment to expand and grow its customer base, and to bring distribution revenues in line with current operating costs and rate base. Northern is not currently earning its authorized rate of return. Due to continuing investments in non-revenue producing plant in the future, Northern expects its earned return on equity to continue to decline.

Northern is requesting Commission approval, beginning with service on and after May 15, 2013, for an annual increase of \$5,171,302 in revenues based upon a test year ending December 31, 2012, an overall rate of return on rate base of 8.54 percent, and known and measurable adjustments to test year revenues, expenses and rate base. This rate relief will result in an increase of approximately 9 percent over test year operating revenues. If the Commission suspends the Company's proposed permanent rates tariffs, Northern requests temporary rates to produce an increase in annual revenues of approximately \$2.5 million, effective with service rendered on an after July 1, 2013, and until a final, non-appealable order on permanent rates is issued. Finally, Northern is requesting approval to implement a multi-year alternative rate plan, including a capital cost recovery mechanism, which will allow for future changes to Northern's distribution rates without the need to file a general rate case prior to April 2017.

In addition to this cover letter, the enclosed filing consists of an original and five (5) copies of two volumes of tariffs, prefiled testimony and

supporting schedules as required by PUC 1604.07, and four separate volumes of rate case materials as required by PUC 1604.01(a). Volume 1 of the filing includes: this cover letter; the Petition of Northern Utilities, Inc. for Rate Adjustments; revised NH PUC No. 10-Gas tariff pages; a report of the proposed rate changes; a statement to be provided to customers; an attestation by an officer of Northern Utilities, Inc.; and the prefiled testimony and schedules of Company witnesses Mark H. Collin, Thomas P. Meissner, Jr., David L. Chong, George Long, Douglas J. Debski, James D. Simpson, and Samuel C. Hadaway. Volume 2 contains the prefiled testimony and schedules of Paul M. Normand. The information required by PUC 1604.01(a) is included as Supplemental Volumes 1 through 4.

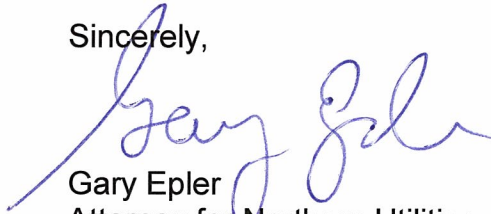
The enclosed disc containing the filing in electronic format is submitted in accordance with PUC 203.03.

Also included with this filing are an original and six (6) copies of a Motion for Protective Order and Confidential Treatment.

Northern respectfully requests that the Commission issue an order of notice and schedule a prehearing conference in this docket as soon as possible. Please do not hesitate to contact me if you have any questions regarding this filing.

Thank you for your assistance with this matter

Sincerely,



Gary Epler
Attorney for Northern Utilities, Inc.

Enclosures

cc: Susan Chamberlin, Consumer Advocate (2 hard copies and disk)
Service List (disk only)