



NH-PUC 22FEB'16AM10:18

February 18, 2016

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

Re: Docket No. DG 13-086 Northern Utilities, Inc. Compliance Filing  
*Earnings Sharing and Exogenous Events*

Dear Director Howland:

In Docket No. DG 13-086, the New Hampshire Public Utilities Commission ("the Commission") approved a Settlement Agreement ("the Settlement") for Northern Utilities, Inc. ("Northern" or "the Company"). The Settlement, at Section 2.6, requires the Company to submit a 12-month uniform per therm Earnings Sharing ("ES") usage credit for effect May 1, 2016, if applicable.

Northern proposes no ES usage credit for effect May 1, 2016 as 2015 earnings did not reach the Settlement's minimum threshold under which ES is required. The Settlement allows the Company to retain all 2015 earnings up to and including a Return on Equity ("ROE") of 10 percent. Northern's ROE was 8.60 percent as calculated in accordance with the Company's F-1 Rate of Return Report ("the Report") for the twelve months ended December 31, 2015 as previously filed with the Commission on February 12, 2016. The Report is enclosed for the convenience of the Commission and parties.

In addition, the Settlement, at Section 2.5, requires the Company to submit a Certification of Exogenous Events for 2015. With this letter, Northern certifies there were no Exogenous Events in 2015, where such an event is defined as State or Federally Initiated Cost Changes, Externally Imposed Accounting Rule Changes or a Force Majeure in which the distribution revenue impact from any such event exceeds \$200,000 (Exogenous Events Rate Adjustment Threshold) in the 2015 calendar year. Accordingly, the Company proposes no rate adjustment due to Exogenous Events for 2015.

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Gary Epler  
Chief Regulatory Counsel  
epler@unitil.com

6 Liberty Lane West  
Hampton, NH 03842

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and last name "Epler" clearly distinguishable.

Gary Epler  
Attorney for Northern Utilities, Inc.

Enclosure

cc: Alexander Speidel, Staff Counsel (1 copy)  
Service List (e-mail only)