



June 5, 2017

BY HAND-DELIVERY AND E-MAIL

NHPUC 5JUN17AM10:20

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 17-070

Dear Director Howland:

Pursuant to N.H. Code of Admin. Rules Puc 1600 *et seq.*, Northern Utilities, Inc. ("Northern" or "the Company") hereby submits to the New Hampshire Public Utilities Commission ("the Commission") an original and six (6) Confidential copies and one Redacted (public) copy 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 July 5, 2017, for an annual increase of \$4,728,445 in revenues based upon a test year ending December 31, 2016, an overall rate of return on rate base of 8.30 percent, and known and measurable adjustments to test year revenues, expenses and rate base. This rate relief will result in an increase of approximately 7.3 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 \$2.0 million, effective with service rendered on and after August 1, 2017, and until a final, non-appealable order on permanent rates is issued. Finally, Northern is requesting approval to implement a multi-year rate plan, including a capital cost recovery mechanism, which will allow for future annual changes, or step adjustments, to Northern's distribution rates without the need to file a general rate case prior to January 2021.

In addition to this cover letter, the enclosed filing consists of an original and six (6) copies of three volumes of tariffs, prefiled testimony and supporting schedules as required by PUC 1604.07, and one separate volume 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; an original NH PUC No. 12-Gas tariff; a report of the proposed rate changes; a statement to be provided to customers; an

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attestation by an officer of Northern Utilities, Inc.; and the prefiled testimony and schedules of Company witnesses David L. Chong, Kevin E. Sprague, Elizabeth M. Shaw, Daniel T. Nawazelski, and Robert B. Hevert. Volumes 2 and 3 contain the prefiled testimony and schedules of Paul M. Normand and Debbie L. Gajewski.

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, pursuant to N.H. Code of Administrative Rules Puc 203.08. The Confidential material is found on Bates pages 000164 and 000165 of Volume 1, and 00098 in the Supplemental Filing Requirements.

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,

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.

cc: Service List (by e-mail)

NORTHERN UTILITIES, INC.

DG 17-070

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