

## V. LOCAL DELIVERY ADJUSTMENT CHARGE

### 7. Residential Low Income Assistance and Regulatory Assessment ("RLIARA") Costs Allowable for LDAC

#### 7.1 Purpose:

The purpose of this provision is to allow Northern Utilities, subject to the jurisdiction of the NHPUC, to recover the revenue shortfall (costs) associated with customers participating in the Residential Low Income Assistance Program, as well as the associated administrative costs, pursuant to DG 05-076. This rate shall also recover the change in the Company's annual NHPUC regulatory assessment. Such costs shall be recovered by applying the RLIARA Rate to all firm gas Sales and firm Delivery Services throughput billed under the Company's sales and delivery service rate schedules.

#### 7.2 Applicability:

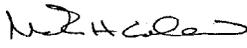
The RLIARA Rate shall be applied to all firm Sales and Delivery Services customers with the exception of special contract customers who are exempt from the LDAC. The RLIARA Rate shall be determined annually by the Company as defined below, subject to review and approval by the NHPUC as provided in this clause.

#### 7.3 Residential Low Income Assistance and Regulatory Assessment Costs ("RLIARAC") Allowable for LDAC

The amount of Residential Low Income Assistance costs is comprised of the revenue shortfall plus the associated administrative costs. Such revenue shortfall shall be derived by applying the actual billing determinants of the customers enrolled under the Residential Low Income Assistance Program to the difference in the monthly customer charge and volumetric rates of the Residential Heating Rate, R-5, versus the Low Income Residential Heating Rate, R-10. The revenue shortfall and administrative costs shall be the amount approved by the NHPUC. Effective August 1, 2017, the amount of the NH PUC regulatory assessment to be charged, or credited, through this clause shall be calculated by taking the total assessment minus the amount in base rates of \$368,964 established in DG 17-070.

#### 7.4 Effective Date of Residential Low Income Assistance and Regulatory Assessment Rate

Issued: May 23, 2018  
Effective: May 1, 2018  
Authorized by NHPUC Order No. 26,129 in Docket No. DG 17-070, dated May 2, 2018.

Issued By:   
Title: Senior Vice President

**V. LOCAL DELIVERY ADJUSTMENT CHARGE**

Forty five (45) days prior to November 1 of each year, the Company will file with the NHPUC for its consideration and approval, the Company's request for a change in the RLIARA Rate applicable to all consumption of tariff customers eligible to receive delivery service for the subsequent twelve month period commencing with billings for gas consumed on and after November 1.

7.5 Definitions:

Residential Low Income Assistance Costs are the difference in revenues determined by comparing the delivery service revenues generated from customers participating in the Residential Low Income Assistance Program with revenues from those same customers under the regular Residential Heating R-5 rate schedule. Also, these costs include the associated administrative costs, which include associated Information Technology and start-up costs. The Company shall calculate the shortfall or reduced delivery service revenues by applying the monthly gas use of all customers of record under the Low Income Residential Heating Service R-10 rate schedule to the difference in the delivery service rates of the Low Income Residential Heating Service R-10 Rate and Residential Heating R-5 Rate.

7.6 Residential Low Income Assistance and Regulatory Assessment ("RLIARA") Rate Formula:

$$\text{RLIARA Rate} = \frac{\text{RLIARAC} + \text{RA}_{\text{RLIARA}}}{\text{A:TPvol}}$$

and:

$$\text{RLIARAC} = (\text{Cust} \times \text{DCust\$}) + (\text{Cust} \times \text{Avgthm} \times \text{Dbr}) + \text{AdminC} + \text{Assessment}$$

**Where:**

- AdminC                      Costs associated with administering the Residential Low Income Assistance Program, including IT and start-up costs.
- Assessment                The amount of the annual NHPUC regulatory assessment which is above or below the amount of \$368,964 in base rates established in Docket 17-070.
- Avgthm                     Estimated average therm use per customer for period determined from most recent historical therm use under the Company's Residential Low Income Assistance Program, or Residential Heating, rate schedules.
- Cust                         Estimated number of customers participating in the Residential Low Income Assistance Program.
- Dbr                         Difference between the Residential Heating R-5 and Low

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The RLIARA Rate shall be applied to all firm Sales and Delivery Services customers with the exception of special contract customers who are exempt from the LDAC. The RLIARA Rate shall be determined annually by the Company as defined below, subject to review and approval by the NHPUC as provided in this clause.

#### 7.3 Residential Low Income Assistance and Regulatory Assessment Costs ("RLIARAC") Allowable for LDAC

The amount of Residential Low Income Assistance costs is comprised of the revenue shortfall plus the associated administrative costs. Such revenue shortfall shall be derived by applying the actual billing determinants of the customers enrolled under the Residential Low Income Assistance Program to the difference in the monthly customer charge and volumetric rates of the Residential Heating Rate, R-5, versus the Low Income Residential Heating Rate, R-10. The revenue shortfall and administrative costs shall be the amount approved by the NHPUC. Effective ~~July~~ August 31, 2017, the amount of the NHPUC regulatory assessment to be charged, or credited, through this clause shall be calculated by taking the total assessment minus the amount in base rates of ~~\$36840,964650~~ established in DG 17-070.

#### 7.4 Effective Date of Residential Low Income Assistance and Regulatory Assessment Rate

Issued: May ~~23~~<sup>30</sup>, 2018  
Effective: May 1, 2018  
Authorized by NHPUC Order No. 26,129 in Docket No. DG 17-070, dated May 2, 2018.

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7.6 Residential Low Income Assistance and Regulatory Assessment ("RLIARA") Rate Formula:

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and:

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**Where:**

- AdminC                      Costs associated with administering the Residential Low Income Assistance Program, including IT and start-up costs.
- Assessment                The amount of the annual NHPUC regulatory assessment which is above or below the amount of \$36840,964650 in base rates established in Docket 17-070.
- Avgthm                      Estimated average therm use per customer for period determined from most recent historical therm use under the Company's Residential Low Income Assistance Program, or Residential Heating, rate schedules.
- Cust                              Estimated number of customers participating in the Residential Low Income Assistance Program.
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