



**CONFIDENTIAL  
MATERIAL  
IN COMM FILE**

DG 18-143  
NHPUIC 17SEP'18PM3:49

**FILED ELECTRONICALLY AND VIA HAND DELIVERY**

September 17, 2018

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



Re: **Northern Utilities, Inc. -- DG 18 , 2018 / 2019 Annual Cost of Gas and Associated Charges Filing**

Dear Director Howland,

Enclosed please find an original, one redacted and six (6) confidential copies of Northern Utilities, Inc. ("Northern" or the "Company") proposed 2018 / 2019 Annual Cost of Gas ("COG") Adjustment filing and other proposed rate and tariff changes.

Northern respectfully requests approval for the following Tariff Sheets:

First Revised Page 40 (COG);  
First Revised Page 41 (COG);  
First Revised Page 42 (COG);  
First Revised Page 43 (COG);  
First Revised Page 62 (LDAC);  
First Revised Page No. 85 (Rate Summaries);  
First Revised Page No. 86 (Rate Summaries);  
First Revised Page No. 87 (Rate Summaries);  
First Revised Page No. 88 (Rate Summaries);  
First Revised Page 124, (Delivery Service Terms and Conditions);  
First Revised Page 141 (Appendix A);  
First Revised Page 153 (Appendix C); and  
First Revised Page 158 (Appendix D).

The above listed Tariff Sheets are issued September 17, 2018 by Mark H. Collin, Senior Vice President to be effective November 1, 2018.

First Revised Page 40 (COG) is a statement of the Company's anticipated direct and indirect costs of gas for the 2018 / 2019 Winter Period.

First Revised Page 41 (COG) is a statement of the Company's anticipated direct and indirect costs of gas for the 2019 Summer Period.

First Revised Page 42 (COG) contains the calculations of the proposed 2018 / 2019 Winter Period COG Adjustment Rates for Residential and General Service (C&I) Sales Customers.

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First Revised Page 43 (COG) contains the calculations of the proposed 2019 Summer Period COG Adjustment Rates for Residential and General Service (C&I) Sales Customers.

First and Second Revised Page 62 (LDAC) contains proposed rates for the Company's RLIARA, EEC, LRR, and ERC, all of which are components of the Company's Local Distribution Adjustment Charge (LDAC) Rate. Support for the ERC was filed under separate cover on September 17, 2018. The proposed LDAC Rate presented on First Revised Page 62 is \$0.0683 for Residential customers and \$0.0396 for C&I customers. The Company is also proposing to decrease the LDAC Rate effective May 1, 2019 due to the end of the existing RCE and RPC components. Second Revised Page 62 presents the proposed lower LDAC Rate effective May 1, 2019 of \$0.0667 per therm for Residential and \$0.0380 per therm for C&I customers.

First Revised Pages 85 and 87 (Rate Summaries) have been updated to reflect the proposed 2018 / 2019 Winter Period COG and LDAC Rates.

First Revised Pages 86 and 88, (Rate Summaries) have been updated to reflect the proposed 2019 Summer Period COG and LDAC Rates.

First Revised Page 124 (Delivery Terms and Conditions) has been revised to reflect a proposed change to the Company's Peaking Service Demand Charge tariff language.

First Revised Page 141 (Appendix A), Schedule of Administrative Fees and Charges, has been updated to reflect the Company's latest proposed Supplier Balancing Charge, Company Allowance Calculation and Peaking Service Demand Charge.

First Revised Page 156 (Appendix C) lists the proposed Capacity Assignment Allocators.

First Revised Page 158 (Appendix D) includes the proposed Re-entry Rate and Conversion Rate for November 2018 through April 2019, and for May 2019 through October 2019.

The proposed 2018 / 2019 Winter Season COG rate for Residential customers is \$0.8271 per therm, \$0.0339 per therm or 4% percent higher than the weighted average 2017 / 2018 Winter Season COG rate. The proposed 2019 Summer Season COG rate for Residential customers is \$0.3670 per therm, \$0.031 per therm or 8% percent lower than the weighted average 2018 Summer Season COG rate.

The proposed Winter Season LDAC for Residential customers is \$0.0683, an increase of \$0.0123 per therm over the 2017 / 2018 Winter Season LDAC.

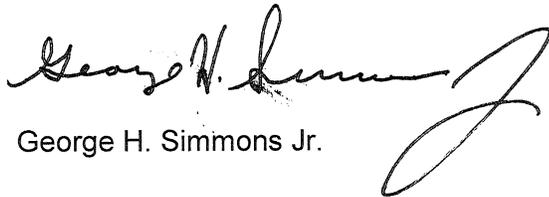
The typical bill for a Residential heating customer for the 2018 / 2019 Winter Season is projected to be \$1,093.11. This is higher than the 2017 / 2018 Winter Season bill

of \$1,016.56 by \$76.55 or 7.5%.<sup>1</sup> The typical bill for a Residential heating customer for the 2019 Summer Season is projected to be \$267.19. This is lower than the 2018 Summer Season bill of \$269.89 by \$2.69 or 1.0%.

Please note the following pages of this filing contain the following CONFIDENTIAL data: delivered city-gate costs and delivered cost per dekatherm (Schedule 2, pages 1 and 2 of 2); peaking demand cost estimates (Schedule 5-A, page 5 of 6); asset management agreement revenue (Schedule 5A, page 6 of 6); natural gas commodity price forecast (Attachment to Schedule 5-A, page 1 of 26); liquified natural gas ("LNG") LNG trucking/transportation costs (Attachment to Schedule 5A, page 23 of 26); the projected value of asset management agreements (Schedule 5B, page 5 of 7); LNG inventory costs (Schedule 14); total commodity cost and per unit commodity cost by supply source (Schedule 6A, pages 1, 3, 4 and 6 of 6); reconciliation costs and volumes (Schedule 15 Form III, Schedule 4, pages 3 and 4 of 4); and detailed basis price information (Schedule 6B, pages 1 through 9 and 12 through 17 of 17, and Schedule 6C, pages 1 through 10 and 12 through 17 of 17). The Company submits that this material falls within the provisions of Puc 201.06(a)(26), and it is relying upon the procedures outlined in Puc 201.06 and 201.07 to protect confidentiality.

If you have any questions or need additional information, please contact me.

Respectfully Yours,

A handwritten signature in black ink, appearing to read "George H. Simmons Jr.", with a large, stylized flourish at the end.

George H. Simmons Jr.

Enclosures

CC: D. Maurice Kreis, Consumer Advocate (with confidential material)

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<sup>1</sup> This bill impact includes changes to the Company's COG, LDAC and Distribution Base Rates.

# **Northern Utilities, Inc.**

## **New Hampshire Division**

### **2018 / 2019 WINTER & SUMMER SEASON PROPOSED COST OF GAS ADJUSTMENT**

**WINTER RATES TO BE EFFECTIVE NOVEMBER 1, 2018**

**SUMMER RATES TO BE EFFECTIVE MAY 1, 2019**

**FILED SEPTEMBER 17, 2018**