



September 1, 2020

**BY E-MAIL ONLY**

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

**RE: DG 20-\_\_\_** Northern Utilities, Inc., Request for Waiver of Puc 505.07(a)

Dear Director Howland:

Please accept this letter as the request of Northern Utilities, Inc. ("Northern" or "the Company") for a waiver, pursuant to N.H. Code Admin. Rule Puc 201.05, and in accordance with the New Hampshire Public Utilities Commission's December 19, 2017 Secretarial Letter in docket DG 17-134, of the requirement of Rule Puc 505.07(a) that the Company maintain facilities and equipment necessary for accurately testing all types and sizes of meters employed for the measurement of gas to its customers, and to allow it to have such testing done elsewhere. Northern requests a new waiver of three (3) years beginning November 1, 2020.

With the pending expiration of the previously granted waiver, Northern has performed an analysis, similar in scope and detail to that performed and submitted in DG 10-245, DG 14-222, and DG 17-134, as to whether it would be more cost-effective to pursue purchasing meter testing equipment and facilities or to continue to contract with qualified outside service companies for this testing. The results of this analysis finds that the estimated annual operating costs of \$191,648 would exceed the current annual expenditures of \$58,347 paid to vendors for performing testing for Northern's meters, as well as those of its two affiliated gas companies. On an average per meter basis, the current outsourcing of the testing costs approximately \$17.47 per meter, while the estimated cost for in-house testing would be \$57.38 per meter. Accordingly, the Company concludes that it is not economical at this time to pursue establishing a gas meter testing facility.

Enclosed please find the Company's Annual Report of Gas Meter Costs for 2019 which includes:

- 1) Gas meter testing reconciliation showing current costs for testing.
- 2) Meter testing program cost analysis of Northern-NH Division's annual outsourced gas meter testing program.
- 3) Cost analysis of Unitil Corporation's three gas divisions to outsource the meter testing program.

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Gary Epler  
Chief Regulatory Counsel  
epler@unitil.com

6 Liberty Lane West  
Hampton, NH 03842

Debra A. Howland, Executive Director

DG 14-222

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These materials provide an updated cost estimate for bringing the meter testing and servicing operations "in-house."

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 the last name "Epler" clearly distinguishable.

Gary Epler

Attorney for Northern Utilities, Inc.

Enclosures

cc: Randall Knepper, P.E., Director, Safety Division