THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 18-143

NORTHERN UTILITIES, INC. – NEW HAMPSHIRE DIVISION

2018/2019 COST OF GAS

ORDER OF NOTICE

On September 17, 2018, Northern Utilities, Inc. (Northern, or the Company) submitted a Winter 2018/2019 and Summer 2019 cost of gas (COG) filing outlining its proposed COG rates for the winter period (November 1, 2018 through April 30, 2019), the summer period (May 1, 2019 through October 31, 2019), and proposed local delivery adjustment clause (LDAC) charges for the period of November 1, 2018 through October 31, 2019. Northern filed testimony, revised tariff pages, and schedules in support of the proposed rates. The COG submission and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at http://puc.nh.gov/Regulatory/Docketbk/2018/18-143.html.

The proposed winter 2018/2019 residential COG rate is $0.8271 per therm, a $0.0339 per therm increase compared to last winter's weighted average residential COG rate of $0.7932 per therm. The proposed changes to Northern's residential COG rate and LDAC charges are expected to increase a residential heating customer's winter bill by approximately $29, or 3 percent.

The proposed winter 2018/2019 commercial and industrial (C&I) high winter use COG rate is $0.8424 per therm and the proposed C&I low winter use COG rate is $0.7254 per therm.

The changes in the COG rates and LDAC charges for high and low winter users are expected to increase C&I customers' winter bills approximately 4 percent.

The proposed summer COG rate for 2019 is $0.3670 per therm for residential customers, a $0.0305 per therm decrease compared to last summer's weighted average residential COG rate of $0.3975 per therm. The proposed changes to Northern's residential COG rate and LDAC charges are expected to decrease a residential heating customer's summer bill by approximately $3, or 1 percent.

Northern proposes summer 2019 COG rates of $0.3958 per therm for C&I high winter use customers and $0.3269 per therm for C&I l low winter use customers, which are both decreases from the 2018 summer rates.

A variety of components makes up the proposed LDAC charges of $0.0683 per therm for residential customers and $0.0396 per therm for C&I customers effective November 1, 2019, compared to the $0.0576 per therm and $0.0309 per therm rate, respectively, currently in effect. The proposed charge to recover environmental remediation costs is $0.0058 per therm, compared to the $0.0060 per therm rate currently in effect. The proposed energy efficiency and conservation charge is $0.0501 per therm for residential customers and $0.0264 for C&I customers, compared to the respective $0.0433 per therm and $0.0184 per therm rates currently in effect. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program and the regulatory assessment cost related to the COG is $0.0044 per therm, compared to the $0.0039 per therm rate currently in effect. The Lost Revenue Adjustment Mechanism is proposed at $0.0064 per therm for residential and $0.0014 per therm for C&I customers compared to the respective $0.0028 per therm and $0.0010 per therm rates currently in effect. The rate case expense charge is $0.0029 per therm and the recoupment of the

difference between temporary and permanent rates is a credit of $0.0013 per therm, both became effective on May 1, 2018 and terminate on April 30, 2019. Termination of the rate case expense charge and recoupment credit will results in LDAC charges of $0.0667 per therm for residential customers and $0.0380 per therm for C&I customers effective May 1, 2019.

Northern is updating its Company Allowance (for lost and unaccounted for gas and company use of gas) for the period of November 2018 through October 2019 from 1.26 to 1.48 percent. Northern also proposes changes to its supplier balancing charges, peaking demand charges, capacity allocator percentages, and short-term borrowing limits.

The filing raises, inter alia, issues related to RSA 374:2, including the justness and reasonableness of rates, the forecasting of sales, supplier prices and transportation prices, the calculation of indirect gas costs, purchasing decisions related to the current and past supplies and capacity/revenue projections related to transportation services and released capacity, the reconciliation of prior period costs and revenues, and the prudence and recovery of environmental remediation. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 22, 2018 at 1:30 p.m., and it is

FURTHER ORDERED, that, Northern, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition on October 17, 2018 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this

Order of Notice no later than October 8, 2018, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 22, 2018; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before October 17, 2018, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 22, 2018.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of September, 2018.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.