THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 17-144

NORTHERN UTILITIES, INC.

2017/2018 COST OF GAS

ORDER OF NOTICE

On September 18, 2017, Northern Utilities, Inc. ("Northern"), a public utility that distributes natural gas in southeastern New Hampshire, filed a proposed Winter 2017/2018 and Summer 2018 cost of gas filing outlining its proposed cost of gas (COG) rates for the winter period, November 1, 2017 through April 30, 2018, the summer period May 1, 2018 through October 31, 2018, and proposed local delivery adjustment clause (LDAC) charges for the period November 1, 2017 through October 31, 2018. The filing 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://www.puc.nh.gov/Regulatory/Docketbk/2017/17-144.html.

The proposed winter residential COG rate is $0.7103 per therm, a $0.0408 per therm decrease compared to last winter's weighted average residential COG rate of $0.7511 per therm. The proposed changes to Northern's residential COG rate and LDAC charges are expected to decrease a typical residential heating customer's bill, using 609 therms, by $20.17, or 4.00 percent.

The proposed winter commercial and industrial (C&I) high winter use COG rate is $0.7236 per therm and the proposed winter C&I low winter use rate is $0.6224 per therm. The

changes in COG rate and LDAC charges for high and low winter users are expected to decrease C&I customers' winter bills by a range of approximately 5.21 to 7.75 percent.

The proposed summer COG rate for 2018 is $0.3975, which is a decrease from the weighted average residential summer cost of COG rate of $0.4055 per therm. The proposed rate is expected to have a negligible effect on a residential heating customer's summer bill. Northern proposes summer COG rates of $0.4254 per therm for C&I high winter use customers and $0.3543 per therm for C&I low winter use customers, which are both decreases from 2017 summer rates.

A variety of components make up the proposed LDAC charges of $0.0560 per therm for residential customers and $0.0293 for C&I customers, compared to the $0.0489 per therm and $0.0296 per therm rates, respectively, currently in effect. Those cost components include environmental remediation, energy efficiency, conservation and residential low income assistance. Northern is updating its Company Allowance (for lost and unaccounted for gas and company use of gas) percentage for the period November 2017 through October 2018, from 1.22 to 1.26 percent. Northern also proposes changes to its supplier balancing charges, peaking demand charges, and capacity allocator percentages, and is adjusting its Re-Entry Fee and Surcharges structure.

The filing raises, inter alia, issues related to RSA 374:2 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, 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 cause and treatment of over and under recoveries, the reconciliation of prior period costs and revenues,

and the prudence and recovery of environmental remediation costs. 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 18, 2017 at 9:00 a.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 10, 2017 at 9:00 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 10, 2017, 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 13, 2017; 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 13, 2017, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, consistent with 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 18, 2017.

By order of the Public Utilities Commission of New Hampshire this sixth day of October, 2017.

Debra A. Howland /cel

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.