

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 21-131

NORTHERN UTILITIES, INC.

2021/2022 Cost of Gas

Order *Nisi* Approving Rate Adjustment

O R D E R N O. 26,669

August 17, 2022

On August 12, 2022, Northern Utilities, Inc. (Northern) filed a motion to amend its summer cost of gas rates for effect on September 1, 2022. Included with its motion was Northern's projected under-collection of gas costs and amended cost of gas ("COG") filing for the remainder of the 2021-2022 summer season. The updated calculation for the 2022 summer season, reflected NYMEX futures prices as of August 10, 2022. Northern indicated that its proposed increase in the summer COG is primarily due to continuing increases in NYMEX natural gas prices and reflects a projected under-recovery of \$743,250 in the summer season.

Northern is proposing its third amended COG filing in order to prevent a material end-of-summer under-collection of gas costs. As indicated in Northern's April 2022 Monthly Report, and as discussed in Northern's May 10, 2022, motion in this docket, COG rates have already been increased by the maximum level of 25 percent as authorized by the Commission in Order No. 26,539. Due to the continuation of the high NYMEX prices and to address the material under-collection, Northern requested that the Commission authorize an additional increase of the COG rate above the level allowed by Order No. 26,626 and capped by Order No. 26,627, for effect on September 1, 2022. The amount of the increase Northern calculated to address the under-collection is \$0.2078 per therm. The impact of the requested September 1

change in COG rates on the typical residential heating customer for the 2021-2022 summer season will be an increase of \$7.43 or 6.7 percent more than the remaining summer period bill at the Company's current COG rate. That amount is added equally to each of the presently authorized rates as shown in the table below:

Customer Class	June 1, 2022 Summer COG (Order 26,626)	September 1, 2022 Summer COG
Residential	\$0.9126	\$1.1204
C&I Low Winter Use	\$0.8690	\$1.0768
C&I High Winter Use	\$0.9395	\$1.1473

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-131.html>.

The Commission is authorized to fix rates after a hearing, upon determining that rates, fares, and charges are just and reasonable. RSA 378:7. In circumstances where a utility seeks to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. In determining whether rates are just and reasonable, the Commission must balance the customers' interest in paying no higher rates than are required against the investors' interest in obtaining a reasonable return on their investment. *Eastman Sewer Company, Inc.*, 138 N.H. 221, 225 (1994).

In this case Northern's COG rates recover the cost of gas supply, and therefore rates are subject to adjustment as a result of increases or decreases in the NYMEX natural gas prices. We have reviewed the supporting testimony of the Northern witness and the accompanying report of projected NYMEX prices for the summer period and

find the resulting COG rates reasonable. We will therefore approve the amended COG rates for effect September 1. We issue this order on a nisi basis in order to allow interested parties to comment on the order.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below,

FURTHER ORDERED, that the summer COG rates per them effective September 1, 2022, are approved as follows:

Customer Class	September 1, 2022 Summer COG
Residential	\$1.1204
C&I Low Winter Use	\$1.0768
C&I High Winter Use	\$1.1473

FURTHER ORDERED, that any future rate increase to the summer COG rate will require Commission review and approval; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this order to be published on its website, such publication to be no later than one business day after this order is issued, and to be documented by affidavit filed with this office on or before August 22, 2022; and it is


FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than August 26, 2022, for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than August 29, 2022; and it is

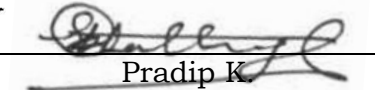
FURTHER ORDERED, that this order shall be effective September 1, 2022, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before September 1, 2022, in accordance with N.H. Code Admin. Rules Puc 1603.02(b).


By order of the Public Utilities Commission of New Hampshire this seventeenth day of August, 2022.



Daniel C. Goldner
Chairman



Pradip K.
Chattopadhyay
Commissioner



F. Anne Ross
Special Commissioner

Service List - Docket Related

Docket# : 21-131

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