

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Northern Utilities, Inc.

DOCKET NO. DG 21-104

REQUEST FOR CHANGE IN RATES

PETITION FOR STEP ADJUSTMENT

On August 2, 2021, Northern Utilities, Inc. (“Northern” or the “Company”) submitted, in the above-referenced docket, a request for an increase in permanent rates that included, *inter alia*, a request to implement a multi-year rate plan with three annual step adjustments to recover the revenue requirement associated with certain non-growth capital additions to rate base. As explained in the prefiled testimony of Christopher Goulding and Daniel Nawazelski, the Company proposed to make each step adjustment compliance filing on or before the last day of March for the prior year’s additions. Thus, the filing for investment year 2021 additions would be filed on March 31, 2022, with rates to take effect on August 1, 2022.

Consistent with the Petition and the Testimony of Mr. Goulding and Mr. Nawazelski, Northern hereby petitions the Commission to approve a step adjustment for certain 2021 non-growth capital additions, with rates to take effect on August 1, 2022. In support of this Petition, the Company states as follows:

1. On August 2, 2021, the Company submitted a Petition and accompanying materials, including pre-filed Testimonies, in support of a permanent rate increase in the

above-referenced docket. In addition to a request to implement new permanent rates for gas service, the Company proposed, *inter alia*, to implement a multi-year rate plan with three annual step adjustments to recover the revenue requirement associated with certain non-growth capital additions to rate base. Under the proposed Rate Plan, it is anticipated that the initial step adjustment will be implemented on the effective date of permanent rates. DG 21-104, Petition at 2-3 (August 2, 2021).

2. In support of its request for a multi-year Rate Plan, the Company submitted the direct testimony of Robert Hevert and the joint direct testimony of Christopher Goulding and Daniel Nawazelski.

3. As explained in the direct testimony of Mr. Hevert and the joint direct testimony of Mr. Goulding and Mr. Nawazelski, each March 31st (beginning 2022), the Company will make a compliance filing to recover the revenue requirement associated with eligible plant additions made during the prior calendar year. The approved revenue requirement then would be recovered over rate years beginning August 1st and ending July 31st of the following year. Under that structure, the Company would make its first compliance filing on or before March 31, 2022, identifying the revenue requirement associated with eligible investments made during calendar year 2021, to be recovered over the rate year August 1, 2022 through July 31, 2023. DG 21-104, Direct Testimony of Robert Hevert at Bates 00021; Joint Direct Testimony of Christopher Goulding and Daniel Nawazelski at Bates 00091.

4. The Commission has previously authorized the Company to implement a similar series of step adjustments. *See Northern Utilities, Inc.*, DG 17-070, Order No.

26,129 at 14-15, 16 (May 2, 2018); *Northern Utilities, Inc.*, DG 13-086, Order No. 25,653 at 9-11 (April 21, 2014)

5. Included with this Petition are the Direct Testimony of Christopher J. Goulding, Kevin E. Sprague, and Christopher J. LeBlanc (marked as Exhibit GSL-1) and supporting Schedules (Schedules GSL-1 through GSL-5). The testimony, and the supporting schedules, present the Company's revenue requirement for its 2022 Step Adjustment based on 2021 capital spending, a summary of projects placed into service in 2021, budget input sheets and construction authorizations for projects placed into service in 2021, and cost records for specific and blanket projects placed into service in 2021.

6. As described in the above-identified testimony, and the supporting schedules, this filing provides the relevant support for the Company's August 1, 2022 Step Adjustment for 2021 non-growth capital investments as proposed in the Company's initial petition and rate filing. The revenue requirement associated with 2022 non-growth capital spending is \$2,355,084.

7. The Company's proposed investment year 2021 Revenue Requirement is below the Company's proposed three-year Revenue Requirement cap of \$10,500,000. As described in the Company's initial filing Exhibit CGDN-1, bates 96, the Company proposed a revenue requirement cap of \$10,500,000 which is the sum of the revenue requirements for investment years 2021-2023 plus an increase of approximately 10%. Exhibit GSL-1 at 8.¹

7. The rate adjustments requested by the Company in this filing result in rates that are just and reasonable and in the public interest and should, therefore, be approved.

¹ The additional approximate 10% is to accommodate unknown conditions, such as municipal projects that may arise in the future but are not known today. Id.

WHEREFORE, the Company respectfully requests that the Commission:

A. Grant the Company's 2022 Step Adjustment request for a revenue requirement increase in the amount of \$2,355,084 as described in the included testimony and supporting schedules; and

B. Order such further relief as may be just and appropriate.

Respectfully submitted,

NORTHERN UTILITIES, INC.

By its Counsel:



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Dated: March 31, 2022

Certificate of Service

I hereby certify that on this 31st day of March 2022, a copy of the foregoing Petition was served pursuant to N.H. Code Admin. Rule Puc 203.11.



Patrick H. Taylor