

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

NORTHERN UTILITIES, INC.
PETITION FOR RATE ADJUSTMENTS

Docket No. DG 13-086

Stipulation and Settlement Regarding Temporary Rates

This Stipulation and Settlement is entered into this 13th day of June 2013, by Northern Utilities, Inc. (“Unitil” or “the Company”), the Office of Consumer Advocate (“OCA”), and the Staff of the Public Utilities Commission (“Staff”) (hereinafter referred to collectively as “Unitil, OCA and Staff”). This Stipulation and Settlement and associated Attachments resolve all issues regarding Unitil’s request for temporary rates in this proceeding.

A. INTRODUCTION

On April 15, 2013, Unitil filed a petition for temporary and permanent rate increases, accompanied by the pre-filed written testimonies, schedules and work papers of Mark H. Collin, Thomas P. Meissner, Jr., David L. Chong, George Long, Douglas J. Debski, James D. Simpson, Samuel C. Hadaway, and Paul M. Normand. The petition for temporary rates requested a temporary increase in distribution service revenues for effect on July 1, 2013, of \$2,518,576.

Unitil, Staff and the OCA met in a technical session immediately following the June 5, 2013 Pre-Hearing Conference, during which time the details of the Company’s temporary rate request were examined. In addition, the Staff and the OCA propounded oral data requests concerning the temporary rate request and other issues, which were responded to by the Company on June 12, 2013.

As a compromise and liquidation of the Company’s temporary rate proposal, Unitil, Staff and the OCA agree to a total annual temporary distribution service revenue level of \$2,500,000 above the current revenue level. This agreement on a total temporary revenue increase, however, does not constitute agreement on or a recommendation of any

specific adjustment included in the Company's request for temporary rates. The increase to distribution service rates shall be effective with service rendered on and after July 1, 2013.

B. SETTLEMENT OF TEMPORARY RATE REQUEST

1. Temporary Revenue Increase. The proposed temporary revenue increase of \$2,500,000 will be collected by applying a uniform per therm surcharge of \$0.0421 to all of Unitil's current rate schedules. The calculation of the temporary rate surcharge is provided in Attachment 1 hereto. The annual bill impact by customer class, Report of Proposed Rate Changes, is provided as Attachment 2. The average monthly bill impact by customer class and bill frequency is provided as Attachment 3. The monthly bill impact on residential customers, using weather normalized sales and average rate class consumption for each month, is provided as Attachment 4. A proposed tariff Supplement No. 2, effective July 1, 2013, incorporating the temporary rate surcharge, will be filed by the Company if this Settlement is approved. The difference between temporary rates and permanent rates as approved by the Commission will be fully reconciled in accordance with RSA 378:29.

C. MISCELLANEOUS PROVISIONS

Unitil, OCA and Staff agree to the following miscellaneous provisions:

1. Binding on Parties. Unitil, OCA and Staff agree to support the terms and conditions contained herein. Unitil, OCA and Staff understand that this Stipulation and Settlement is subject to Commission approval.

2. Integrated Terms of Settlement. This Stipulation and Settlement represents an integrated resolution of issues concerning Unitil's request for temporary rates. Accordingly, the effectiveness of this Stipulation and Settlement is conditioned upon the Commission adopting this Stipulation and Settlement in its entirety, without condition or

modification. If the Commission does not approve this Stipulation and Settlement in its entirety and without modification or condition, Unitil, OCA and Staff shall have an opportunity to amend or terminate this Stipulation and Settlement. If terminated, this Stipulation and Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose.

3. Procedure. Unitil, OCA and Staff shall cooperate in submitting this Stipulation and Settlement promptly to the Commission for approval so that it may be implemented on July 1, 2013. Unitil, OCA and Staff shall request that the Commission consider this Stipulation and Settlement at the proposed temporary rate hearing to be held June 17, 2013, and shall make a witness or witnesses available as necessary to answer questions in support of this Stipulation and Settlement, or provide such other support as the Commission requests. Unitil, OCA and Staff agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Stipulation and Settlement and to supplement the record accordingly.

4. No Precedent. Unitil, OCA and Staff enter into this Stipulation and Settlement to avoid further expense, uncertainty and delay in undertaking the permanent phase of the case. By executing this Stipulation and settlement, neither Unitil, OCA nor Staff shall be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at the terms of the Stipulation and Settlement, and except to the extent expressly set forth in this Stipulation and Settlement, Unitil, OCA and Staff shall not be deemed to have agreed that such a Stipulation and Settlement is appropriate for resolving any issues in the permanent rate portion of this proceeding or in any other proceeding. Unitil, OCA and Staff are free to take different positions on any of the issues and/or adjustments included in this temporary rate settlement for purposes of determining permanent distribution rates or in other future proceedings.

5. **Confidentiality.** This Stipulation and Settlement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during the course of such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.

6. **Execution.** This Stipulation and Settlement may be executed by Unitil, OCA and Staff in several counterparts, through original and/or facsimile signature, and as executed shall constitute one agreement.

WHEREFORE, Unitil, OCA and Staff recommend that the Commission issue an order authorizing Unitil to increase its gas service rates on a temporary basis, pursuant to RSA 378:27, by \$2,500,000 annually effective for service rendered on and after July 1, 2013, in the manner specified herein.

Respectfully submitted,

Northern Utilities, Inc.

By: 


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Unitil Service Corp.

Office of the Consumer Advocate

By: 

Rorie Hollenberg, Esq.
Office of Consumer Advocate

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By: 

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