

**NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
SUMMER PERIOD 2014
COST OF GAS ADJUSTMENT FILING
PREFILED TESTIMONY OF
JOSEPH F. CONNEELY**

1 I. INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Joseph F. Conneely. My business address is 6 Liberty Lane West,
4 Hampton, New Hampshire.

5

6 Q. For whom do you work and in what capacity?

7 A. I am a Senior Regulatory Analyst for Unitil Service Corp. ("Unitil Service"), a
8 subsidiary of Unitil Corporation that provides managerial, financial, regulatory
9 and engineering services to Unitil Corporation's principal subsidiaries Fitchburg
10 Gas and Electric Light Company, d/b/a Unitil ("FG&E"), Granite State Gas
11 Transmission, Inc. ("Granite"), Northern Utilities, Inc. d/b/a Unitil ("Northern"),
12 and Unitil Energy Systems, Inc. ("UES") (together "Unitil"). In this capacity I
13 am responsible for managing reporting requirements and filing required reports.

14

15 Q. Please summarize your professional and educational background.

16 A. I graduated from Saint Anselm College, Manchester, New Hampshire in 1999
17 with a Bachelor of Arts degree in Financial Economics. Before joining Unitil, I
18 worked for the Royal Bank of Scotland- Sempra Energy Trading Corp. joint
19 venture ("RBS") in Greenwich, Connecticut as a senior electricity and natural gas
20 trader. Prior to working for RBS, I was employed as a mid-term electricity and

1 natural gas trader at Morgan Stanley in New York City. Before this position at
2 Morgan Stanley, I ran an energy trading book at Shell Gas and Energy Trading
3 North America in La Jolla, California. I joined Usource, a subsidiary of Unitil
4 Service Corp. in August 2008. In December 2008, I joined the Regulatory
5 Services Department at Unitil Service.

6
7 **Q. Have you previously testified before the New Hampshire Public Utilities**
8 **Commission?**

9 A. Yes. I have testified before the Commission in several of Northern's Winter and
10 Summer Period Cost of Gas ("COG") proceedings.

11

12 **II. PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is twofold. First, I will give an update on two
15 components of the Local Distribution Adjustment Charge ("LDAC"). I will also
16 provide a typical bill impact analysis for the rate changes proposed in this docket
17 for effect May 1, 2014.

18

19 **Q. Please give an update to the LDAC components of Rate Case Expense and**
20 **Reconciliation of Permanent Changes in Delivery Charges effective May 1,**
21 **2014.**

1 A. The Rate Case Expense (“RCE”) and Reconciliation of Permanent Changes in
2 Delivery Charges (“RPC”) components of the LDAC are currently under review
3 in Docket DG 13-086 and are included within the Settlement Agreement on
4 Permanent Delivery Rates submitted on March 4, 2014 in that docket. The
5 proposed RCE and RPC rates, if approved, will go into effect May 1, 2014.
6 The RCE is a reconciling mechanism that allows the Company to adjust its rates
7 for the recovery of rate case expenses. The proposed RCE is \$0.0042 per therm.
8 The RPC is a reconciling mechanism that allows the Company to adjust its rates
9 for the reconciliation of revenues between temporary and permanent rates
10 approved by the Commission in a rate case. The proposed RPC is \$0.0161 per
11 therm.

12
13 **Q. How does the 2014 Summer Period proposed cost of gas rate for residential**
14 **heating customers compare with the 2013 Summer Period cost of gas rate?**

15 A. The proposed residential heating 2014 Summer Period COG rate of \$0.6833 per
16 therm is \$0.1072 per therm higher than the weighted residential heating average
17 2013 Summer Period COG rate of \$0.5761 per therm. This is discussed in the
18 testimony of Mr. Kahl.

19
20 **Q. Have you prepared a typical bill analysis showing the impact of the proposed**
21 **COG changes in this docket for effect on May 1, 2014 on a typical residential**
22 **heating customer?**

1 A. Yes. Page 1 of Schedule 8 provides this analysis and shows the impact of only
2 the proposed COG in this docket.
3 A typical residential heating customer consuming 135 therms during the 2014
4 Summer Period will see a bill of \$246.45 for the entire Summer Period of May
5 through October. This is \$16.50 or 7.18% higher than the bill for the same usage
6 during the 2013 Summer Period.
7 Pages 2 through 5 of Schedule 8 show typical bill impacts on residential non-
8 heating and all types of commercial and industrial customers.

9

10 **Q. Have you prepared a typical bill analysis showing the impact of the proposed**
11 **COG changes in this docket as well as the distribution rate changes and**
12 **addition of RPC and RCE LDAC components as filed in Docket DG 13-086**
13 **for effect on May 1, 2014 on typical residential heating customers?**

14 A. Yes. Page 6 of Schedule 8 provides this analysis and shows the impact of the
15 proposed COG as well as LDAC changes and distribution rates as proposed in
16 Docket DG 13-086.
17 A typical residential heating customer consuming 135 therms during the 2014
18 Summer Period will see a bill of \$290.55 for the entire Summer Period of May
19 through October. This is \$60.61, or 26.36% higher than the bill for the same
20 usage during the 2013 Summer Period.
21 Pages 7 through 10 of Schedule 8 shows typical bill impacts on residential non-
22 heating and all types of commercial and industrial customers using the proposed

1 distribution rates, RCE and RPC LDAC components and the proposed COG in
2 this docket.

3

4 **Q. On an annual basis, how do the rates in effect from November 2012 to**
5 **October 2013 compare with rates from November 2013 through April 2014**
6 **taking into account the proposed residential heating customer COG rate in**
7 **this Docket as well as the LDAC and distribution rate changes proposed in**
8 **Docket DG 13-086 for the period May through October 2014?**

9 A. The typical residential heating customer using 738 therms/year paid \$1,080.20 for
10 the period November 2012 through October 2013. A typical residential heating
11 customer using the same 738 therms/year will pay \$1,238.16 if the COG rate in
12 this docket and the rates in Docket DG 13-086 are approved as filed. This is an
13 increase of \$157.96 or 14.62%.

14

15 **Q. Does this conclude your testimony?**

16 A. Yes, it does.