



NHPUC APR22'15 AM 9:42

April 21, 2015

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2425

Re: DG 15-083 Affidavit of Publication

Dear Director Howland:

Pursuant to Order No. 25,779, issued by the New Hampshire Public Utilities Commission on April 15, 2015, in the above-referenced docket, enclosed please find an Affidavit of Publication and proof of publication in the New Hampshire Union Leader on Monday, April 20, 2015, on behalf of Northern Utilities, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Robbins".

Joanne Robbins
Paralegal for Unitil

Enclosure

cc: Service List (electronically)

Joanne Robbins
Paralegal
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STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Petition of Northern Utilities, Inc.
for Step Adjustment to Rates
Order *Nisi* (Order No. 25,779)

DG 15-083

AFFIDAVIT OF PUBLICATION

Joanne Robbins, having been duly sworn, states under oath as follows:

I certify that Order No. 25,779 in Docket DG 15-083, issued by the New Hampshire Public Utilities Commission on April 15, 2015, was published in the New Hampshire Union Leader on April 20, 2015.

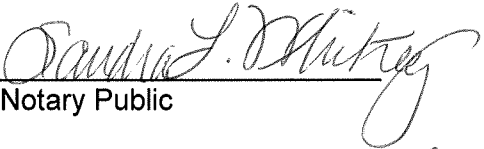
DATED this 21st day of April, 2015



Joanne Robbins

STATE OF NEW HAMPSHIRE)
) :ss
COUNTY OF ROCKINGHAM)

On this 21st day of April, 2015, personally appeared before me Joanne Robbins, the signer of the above instrument, who duly acknowledged to me that she executed the same.



Notary Public

My commission expires: FEB 25, 2020.

SANDRA L. WHITNEY
Notary Public - New Hampshire
My Commission Expires February 25, 2020

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSIO

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DG 15-083 NORTHERN UTILITIES, INC. Petition for Step Adjustment to Rates Order Nisi Approving Step Adjustment to Rates O R D E R N O. 25,779 April 15, 2015 In this order, the Commission approves Northern's request for a step adjustment in its distribution rates, which will result in a \$1,823,611, or 6.8%, increase in its annual distribution revenues, with rates effective on May 1, 2015. For a typical residential heating customer, based on monthly average usage for that customer class, the annual bill impact will be an increase of \$43.57, or 3.1%. This order is being issued on a nisi basis to ensure that all interested parties receive notice of the Commission's order and have the opportunity to request a hearing prior to its effective date. I. BACKGROUND Northern Utilities, Inc. (Northern), is a public utility that supplies natural gas to its New Hampshire Division customers in southeastern New Hampshire. (Northern also has a separate Maine Division serving customers in southern Maine that is not a subject of this Order.) On April 21, 2014, in Order No. 25,653, the Commission approved a Settlement Agreement (Settlement) in Docket No. DG 13-086, Northern's most recent full distribution rate case. See Hearing Exhibit 3, Docket No. DG 13-086. The Settlement contemplated a "Step 2 Distribution Rate Adjustment" (Step Adjustment) to enable Northern to recover for certain qualifying investments made in its physical plant. Specifically, the Step Adjustment is designed to recover the annual revenue requirement associated with Northern's capital investments in "Eligible Facilities," as defined by the Settlement, of up to \$12.0 million during calendar year 2014. On February 27, 2015, in accordance with the Settlement, Northern requested activation of the Step Adjustment in its current rates, to be effective on May 1, 2015. Northern's requested Step Adjustment would result in a \$1,823,611, or 6.8%, increase in its annual distribution revenues. Northern's filing identified \$13,684,364 in Eligible Facilities investments placed in service during calendar year 2014. As Northern's Eligible Facilities Investments exceeded the \$12.0 million capped amount specified by the Settlement, the revenue requirement calculations applied by Northern in its Step Adjustment request corresponded only to the first \$12.0 million of the investment, which produced a revenue requirement for the proposed Step Adjustment of \$1,823,611 using the methodology specified by the Settlement. In support of its petition, Northern also filed financial schedules (including bill impact schedules) and proposed amended Tariff schedules. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://puc.nh.gov/Regulatory/Docketbk/2015/15-083.html>. On April 10, 2015, Commission Staff (Staff) filed a letter recommending Commission approval of Northern's Step Adjustment petition, with some technical observations regarding minor, non-material accounting errors in Northern's filing. See Letter of Stephen P. Frink to Executive Director Debra A. Howland, April 10, 2015. In its letter, Staff noted that it had reviewed the filing, conducted discovery, and performed an audit of Northern's petition. Staff, through its review, confirmed that for the purposes of Step Adjustment recovery: Northern's carry-over of certain calendar year 2013 investment projects to calendar year 2014 was consistent with project carry-over in other years; Northern properly applied the correct return on equity (ROE) percentage of 9.25% specified in the Settlement for the corresponding rate of customer growth in 2014 on Northern's system; Northern properly applied the Settlement's terms for depreciation methodology; and Northern properly applied the Settlement's terms for property taxes. Staff concluded that Northern had complied with the terms of the Settlement and was eligible for Commission approval of its proposed Step Adjustment. II. COMMISSION ANALYSIS RSA 378:7 authorizes the Commission to fix rates after a hearing upon determining that the rates, fares, and charged are just and reasonable. Traditional rate-of-return principles permit a utility to recover prudently incurred operating expenses along with "the opportunity to make a profit on its investment, in an amount equal to its rate base multiplied by a specified rate of return." See Appeal of Conservation Law Foundation, 127 N.H. 606, 634 (1986). Having reviewed Northern's filing and Staff's recommendation, we find that the subject plant improvements in Eligible Facilities were prudently incurred, and were used and useful in the provision of utility service, consistent with RSA 378:28. We further find that the Step Adjustment to the revenue requirement and the associated increase to customer rates are just and reasonable, and in conformity with the terms of the Settlement and Order No. 25,653. Based upon the foregoing, it is hereby ORDERED NISI, that subject to the effective date below, Northern's request to include certain plant in rate base and increase its annual revenue requirement by \$1,823,611 is hereby APPROVED; FURTHER ORDERED, that Northern's request to increase customer rates as specified in its proposed Tariff schedules supplied with the instant petition is hereby APPROVED; FURTHER ORDERED, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than April 20, 2015, and to be documented by affidavit filed with this office on or before April 27, 2015; and it is FURTHER ORDERED, that all persons interested in responding to this Order Nisi 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 April 23, 2015, 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 April 27, 2015; and it is FURTHER ORDERED, that this Order Nisi shall be effective April 28, 2015, 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 Northern shall file a compliance tariff with the Commission on or before May 15, 2015, in accordance with N.H. Code Admin.

Rules Puc 1603.02(b). By order of the Public Utilities Commission of New Hampshire this fifteenth day of April, 2015. Martin P. Honigberg Chairman Robert R. Scott Commissioner Attested by: Debra A. Howland Executive Director

Appeared in: **The Union Leader** on Monday, 04/20/2015

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