



July 15, 2015

NH-PUC 28JUL'15 9:41

**BY OVERNIGHT MAIL AND E-MAIL**

Debra A. Howland, Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**RE: Docket No. 15-090 Northern Utilities, Inc. Summer Cost of Gas – PNGTS  
Refund Methodology**

Dear Director Howland:

Northern Utilities, Inc. submits the following reply to the June 26, 2015, letter (the "June 26 Letter") from counsel for Sprague Operating Resources, LLC ("Sprague") and Global Montello Group Corp. ("Global") regarding the Settlement Agreement in the above captioned proceeding.

Northern finds much to dispute in the June 26 Letter. However, rather than have this matter devolve into a "he said, she said" exchange, Northern submits that:

- 1) The transcript of the June 2 hearing speaks for itself.
- 2) Northern will not attempt to opine on the motivations of Sprague and Global, or any other party, to settle, or refrain from settling.
- 3) Northern's position, representations and statements on any material issue in this dispute did not and have not changed.
- 4) Northern believes that the Settlement Agreement submitted to the Commission on June 26, 2015, signed by Northern, the Commission Staff and the Office of Consumer Advocate is an accurate representation of the oral settlement agreed to by all parties during the June 2 hearing.
- 5) Northern recommends against a finding that further procedures are necessary:
  - i) All pre-filed testimony has been introduced into the record. Sprague's pre-filed testimony was submitted in response to Northern's original refund proposal, which

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was to flow the PNGTS refund to delivery service customers through a credit to the PNGTS demand rate in future Company-managed supply billings. The Settlement Agreement incorporates that same refund methodology, and only changes the portion to be flowed through in each of the three years of the refund period (which Sprague's witness testified "is a better scenario than a ratable 33 percent across three years" (Tr. 24:18-19)), so Sprague and Global have already had an opportunity to have their say on that issue.

ii) All parties had an opportunity for issuing discovery. Although the submission into the record of Sprague and Global's responses to the data requests of Staff and Northern was contingent upon Sprague and Global's entering into the settlement (see Tr. 23:8-15), and they did not, the Settlement Agreement provides that the data responses "be admitted into the record in their entirety as Exhibit 7." Northern does not object to allowing the responses into the record.

iii) Finally, during the June 2 hearing, Sprague and Global were afforded an opportunity, in addition to their pre-filed testimony, and through their own witness, to "summarize Sprague's initial concerns with the original proposal," (Tr. 24:11-12); and to explain and then further elaborate on whether the "agreement will make Global and Sprague whole at the end of the day for what they're owed." (Tr. 34:7-35:13)

Northern submits that, considering the entire record at this point, all parties have been afforded sufficient due process and an opportunity to be heard on this matter. Accordingly, Northern respectfully requests that the Commission proceed with consideration of the Settlement Agreement as resolution of the single outstanding issue in this docket, which is the methodology by which Northern will distribute a demand charge refund from PNGTS to its New Hampshire Division customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler", with a stylized flourish at the end.

Gary Epler  
Attorney for Northern Utilities, Inc.

cc: Service List (by e-mail only)