

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

DG 15-393

NORTHERN UTILITIES, INC.

2015-2016 Winter Period Cost of Gas Adjustment

ORDER OF NOTICE

On September 17, 2015, Northern Utilities, Inc. (Northern), a public utility supplying natural gas service to approximately 31,150 customers in the seacoast region of New Hampshire, filed its proposed cost of gas (COG) rates for the winter period November 1, 2015, through April 30, 2016. Northern also proposed its local distribution adjustment clause (LDAC) charges and certain supplier charges for the year November 1, 2015, through October 31, 2016. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The proposed residential COG rate is \$0.6570 per therm, a \$0.3219 per therm decrease from last winter's weighted average residential COG rate of \$0.9789 per therm. The estimated impact of the proposed COG and LDAC rates on a typical residential heating customer's winter period bill, when offset by the base rate increase (step adjustment) approved by Order No. 25,779 (April 15, 2015) in Docket No. DG 15-083, is a decrease of approximately \$192, or 17 percent, compared to last winter. The proposed commercial/industrial (C&I) low winter use COG is \$0.6462 per therm and the proposed C&I high winter use COG is \$0.6616 per therm.

A variety of components make up the proposed LDAC charges of \$0.0374 per therm for all residential customers and \$0.0223 per therm for all C&I customers, which represents a

decrease from the current residential LDAC charge of \$0.0446 per therm and C&I LDAC charge of \$0.0234 per therm. The proposed surcharge to recover expenses and lost revenues related to the residential low income assistance program and regulatory assessment expense is \$0.0099 per therm, an increase from the current charge of \$0.0078 per therm. The proposed surcharge to recover environmental remediation costs is a proposed credit to customers of (\$0.0022) per therm, due to an over-collection, a decrease from the current charge of \$0.0031 per therm. The proposed conservation charge for residential customers is \$0.0297 per therm, a decrease from the current charge of \$0.0350 per therm. The proposed conservation charge for C&I customers is \$0.0146 per therm, an increase from the current charge of \$0.0138 per therm.

Northern is also updating its supplier balancing charges, which are the charges that suppliers are required to pay Northern for balancing services as Northern attempts to meet the shifting loads for the customers' supplier pools. The proposed balancing charge of \$0.77 per MMBtu of daily imbalance volumes is unchanged from the current rate. The proposed peaking demand charge of \$23.40 per MMBtu of peak maximum daily quantity is an increase from the current charge of \$18.86 per MMBtu. The changes are based on an update of the volumes and costs used in calculating the charges. The proposed capacity allocator percentages used to allocate pipeline, storage, and local peaking capacity to a customer's supplier under New Hampshire's policy of mandatory capacity assignment, required for firm transportation service, have been updated to reflect Northern's supply portfolio for the upcoming year. Finally, the proposed re-entry fee for capacity exempt (grandfathered) transportation customers that choose to revert back to firm sales service is \$5.18 per MMBtu, a decrease from the current rate of \$5.79 per MMBtu.

The filing raises, inter alia, issues related to RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier and transportation prices, the firm sales service re-entry fee, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, cost allocations between Northern's New Hampshire and Maine divisions, the causes and treatment of any over and under recoveries, the reconciliation of prior period costs and revenues, and the prudence of environmental remediation costs for which recovery is being sought. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit Street, Suite 10, Concord, New Hampshire on October 20, 2015, at 9:00 a.m.; and it is

FURTHER ORDERED, that Northern, the Staff of the Commission, and any intervenors hold a technical session at the Commission on October 7, 2015, at 9:00 a.m.; and it is

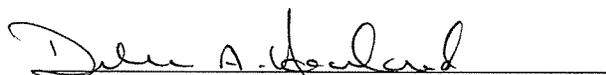
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 6, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 16, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before October 16, 2015, such Petition stating the facts demonstrating

how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 20, 2015.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of September, 2015.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 15-393-1 Printed: September 28, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.