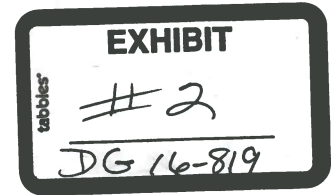




DG 16-819

REDACTED



FILED ELECTRONICALLY AND VIA HAND DELIVERY

September 16, 2016

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

NHPUC 16SEP'16PM3:55

Re: Northern Utilities, Inc. -- DG 16 , 2016 / 2017 Winter Season
Cost of Gas and Associated Charges Filing

Dear Director Howland,

Enclosed please find an original, one redacted and six (6) confidential copies of Northern Utilities, Inc. ("Northern" or the "Company") 2016-2017 Winter Season Cost of Gas ("COG") Adjustment filing and other associated proposed tariff changes.

Northern respectfully requests approval for the following Tariff Sheets:

- Fifth Revised Page 42 (COG),
- Original Page 42.1 (COG),
- Fourteenth Revised Page 43 (COG),
- Original Page 43.1 (COG),
- First Revised Pages 44 through 58 C (LDAC),
- Fourth Revised Page 59 (LDAC¹),
- Fifth Revised Page 59 (LDAC),
- Fourteenth Revised Page 96 (Rate Summary),
- Original Page 96.1 (Rate Summary),
- Fourteenth Revised Page 97 (Rate Summary),
- Original Page 97.1 (Rate Summary),
- Fifth Revised Page 98 (Rate Summary),
- Original Revised Page 98.1 (Rate Summary),
- Third Revised Page 153 (Appendix A),
- Third Revised Page 168 (Appendix C) and
- Third Revised Page 171 (Appendix D).

The above listed Tariff Sheets are issued September 16, 2016 by Mark H. Collin, Senior Vice President, to be effective November 1, 2016.

Fifth Revised Page 42 (COG) is the statement of the Company's anticipated direct and indirect costs of gas for the 2016 / 2017 Winter Period.

Original Page 42.1 (COG) is the statement of the Company's anticipated direct and indirect costs of gas for the 2017 Summer Period.

George H. Simmons Jr.
Manager Regulatory Services

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Hampton, NH 03842

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¹ LDAC: Local Distribution Adjustment Charge.

Fourteenth Page 43 (COG) contains the calculations of the proposed 2016 / 2017 Winter Period COG Adjustment Rates for Residential and General Service Firm Sales Customers.

Original Page 43.1 (COG) contains the calculations of the proposed 2017 Summer Period COG Adjustment Rates for Residential and General Service Firm Sales Customers.

First Revised Pages 44 through 58 C (LDAC) contains updated tariff language for the Local Distribution Adjustment Clause. The Company has made changes to incorporate the Lost Revenue Rate, made housekeeping changes related to the Energy Efficiency Charge, the Residential Low Income Assistance and Regulatory Assessment Costs Rate, and the change to the annual Cost of Gas filing approved by the Commission in DR 16-564.

Fourth Revised Page 59 (LDAC) contains proposed rates for the Company's RLIARA Rate, EEC Rate, and ERC Rate, all of which are components of the Company's Local Distribution Adjustment Clause Rate. Support for the ERC Component was filed under separate cover on September 16, 2016. This page also includes the new LDAC component of the Lost Revenue Rate. This sheet is proposed effective November 1, 2016.

Fifth Revised Page 59 (LDAC) contains the proposed Lost Revenue Rate for residential and commercial/industrial customers effective January 1, 2017 pursuant to Order 25,932 in Docket DE 15-137.

Fourteenth Revised Pages 96, 97 and Fifth Revised Page 98, (Rate Summaries) have been updated to reflect the proposed 2016 / 2017 Winter Period COG and LDAC rates.

Original Pages 96.1, 97.1 and 98.1, (Rate Summaries) have been updated to reflect the proposed 2017 Summer Period COG and LDAC rates.

Third Revised Page 153 (Appendix A), Schedule of Administrative Fees and Charges; the Supplier Balancing Charge has been updated to reflect the Company's latest balancing resources and associated capacity costs, and the Peaking Service Demand Charge has been updated to reflect the Company's Peaking resources and associated costs.

Third Revised Page 168 (Appendix C) contains the proposed Capacity Assignment Allocators.

Third Revised Page 171 (Appendix D) contains the Firm Sales Service Re-Entry Fee Bill Adjustment. Support for this charge was provided to the Commission in the Company's annual report filed under separate cover on September 16, 2016.

The proposed 2016 / 2017 Winter Season COG rate for residential customers is \$0.7558 per therm, \$0.1221 per therm or 19% percent higher than the 2015 / 2016 Winter Season COG rate. The proposed 2017 Summer Season COG rate for

residential customers is \$0.4055 per therm, \$0.0859 per therm or 27% percent higher than the initial 2016 Summer Season COG rate.

The proposed LDAC for a residential customer is \$0.0483, an increase of \$0.0109 per therm, or 29% higher than the 2015 / 2016 Winter Season LDAC.

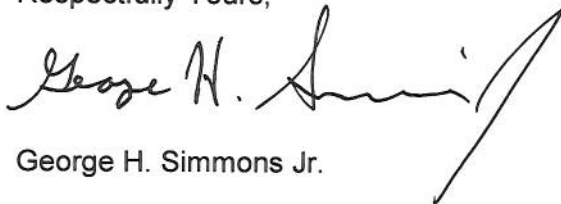
The typical bill for a residential heating customer for the 2016 / 2017 Winter Season is projected to be \$1,076.23; this is higher than the 2015 / 2016 Winter Season bill of \$986.03 by \$90.20 or 9.15%. The typical bill for a residential heating customer for the 2017 Summer Season is projected to be \$255.00; this is higher than the 2016 Summer Season bill of \$247.61 by \$7.39 or 3%.

Please note that sixty-three (63) pages of the filing contain CONFIDENTIAL data: delivered city-gate costs and delivered cost per dekatherm (Schedule 2, pp 1 & 2 of 2); peaking demand cost estimates (Schedule 5-A, p. 5 of 6); asset management agreement revenue (Schedule 5A, p. 6 of 6); natural gas commodity price forecast (Attachment to Schedule 5-A, p. 1 of 36); liquified natural gas ("LNG") transportation/delivery terms and conditions and LNG trucking/transportation costs (Attachment to Schedule 5A, pp. 12 & 13 of 36); the projected value of asset management agreements (Schedule 5B, p. 5 of 7); LNG inventory costs (Schedule 14); total commodity cost and per unit commodity cost by supply source (Schedule 6A, pp. 1, 3, 4 & 6 of 6); reconciliation costs and volumes)Schedule 15A, Form III, Schedule 4, pp. 3, 4, 7, 8, 10, 12 of 12 and Schedule 15B, Form III, Schedule 4, pp. 3 and 4 of 4); and detailed basis price information (Schedule 6B, pp. 1-16 and 19 through 23 of 23, and Schedule 6C, pp 1 -16 and 19 -23 of 23). The Company submits that this material falls within the provisions of Puc 201.06(a)(26), and it is relying upon the procedures outlined in Puc 201.06 and 201.07 to protect confidentiality.

If recommended by Commission Staff, the Company will submit to the Commission a revised 2016 / 2017 Winter Season COG filing reflecting any revisions and updated costs a few weeks before the November 1, 2016 effective date.

If you have any questions or need additional information, please contact me.

Respectfully Yours,



George H. Simmons Jr.

Enclosures

CC: Alexander Speidel, Staff Counsel (with confidential material)
Donald Kreis, Consumer Advocate (with confidential material)