

Northern Utilities, Inc.  
Docket No. DG 21-123  
Record Requests – Set 2

Date Request Received: 02/02/22  
Request No. Record Request 2-02  
Hearing Exhibit No. 5

Date of Response: 02/09/2022  
Witness: C. Goulding

---

**REQUEST:**

Record Request 2-02

Please provide the history that allowed for the inclusion of the non distribution portion of the regulatory assessment as part of the Gas Assistance Program Regulatory Assessment (“GAPRA”) formally the Residential Low Income Assistance and Regulatory Assessment (“RLIARA”).

**RESPONSE:**

The origin of the recovery of the portion of the assessment not recovered in base rates through the GAPRA is from the complaint filed in DM 12-276 by Northern New England Telephone Operations LLC (NNETO) and Enhanced Communications of Northern New England, Inc (“Fairpoint”) and the resulting inquiry opened by the Commission in docket IR 13-038. It is the Company’s understanding that the income from the Commission’s assessments to all utilities had declined as the telecommunication industry was deregulated, and the Commission’s ability to assess the telecommunication companies became more limited, in line with its more limited jurisdictional overview and regulatory responsibilities. While no final order was issued in that docket, the Util Companies (Util Energy Systems, Inc., Northern Utilities, Inc. and Granite State Gas Transmission, Inc.) filed comments with the Commission on August 7 2013 stating that its “primary concern in this matter is that, to the extent that Commission expenses assessed against public utilities pursuant to RSA 363-A:2 may change significantly from year to year, a reasonable opportunity be provided to recover the increased amount not already factored into base rates.”

Prior to IR 13-038, Northern’s regulatory assessment was separated for recovery into a distribution and non-distribution portion. This separation was part of the Settlement Agreement approved by the Commission in docket DG 11-069 in Order 25,352. The non-distribution portion of the regulatory assessment was to be included for recovery as part of the Residential Low Income Assistance and Regulatory Assessment (RLIARA).

5.2. Non-Distribution Portion of PUC Assessment: In Schedule RevReq-3-10 in Exhibit 1, the Company removed from its 2010 test year distribution cost of service \$147,687 associated with the non-distribution portion of the annual PUC assessment as calculated in response to Staff 2-30. Effective May 1, 2012, the Company will begin recovery of the actual non-distribution portion of the annual PUC assessment in its Residential Low Income Assistance and Regulatory Assessment (RLIARA) by including estimated costs for the period August 1, 2011 through October 1, 2012 (15 months) over a twelve month recovery period. The Company shall calculate the non-distribution portion of the annual PUC assessment based on the proportion of non-distribution revenues to total revenues in the prior year. This cost component will be part of the annual reconciliation for future RLIARA rate calculations effective on November 1.

Northern Utilities, Inc.  
Docket No. DG 21-123  
Record Requests – Set 2

Date Request Received: 02/02/22  
Request No. Record Request 2-02  
Hearing Exhibit No. 5

Date of Response: 02/09/2022  
Witness: C. Goulding

---

Subsequently, in docket DG 13-086, the recovery of the regulatory assessment was modified to \$91,075 in base distribution rates with any amount of regulatory assessment above or below this level to be reconciled as part of the RLIARA.

In Docket No. DG 17-070 the recovery of the regulatory assessment was updated to comply with the requirements of RSA 363-A:6.II and III. As a result, the amount of regulatory assessment that was included in base distribution rates was \$368,964 with any amount above or below this level reconciled annual as part of the RLIARA.