



July 12, 2022

**BY E-MAIL**

Daniel Goldner, Chair  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

Re: DG 21-131, Northern Utilities, Inc. d/b/a Unitil  
Update on Proposed COG Rate Adjustment

Dear Chair Goldner:

On June 13, 2022, Northern Utilities, Inc. – New Hampshire Division (“Northern”) submitted to the Commission a motion and accompanying information seeking an adjustment to its 2022 summer season cost of gas (“COG”) rate effective as of July 1, 2022. The summer season COG rate had initially been set by the Commission in Order No. 26,539 (October 29, 2021) and a subsequent COG rate increase, effective June 1, 2022, was set by Order No. 26,626 (May 12, 2022). The June 13 filing noted that should the Commission not act upon Northern’s proposed adjustment in time to implement the change for July 1, Northern would update the information in that filing on or around July 11, 2022 for a potential adjustment on August 1, 2022.

On June 23, 2022, the Commission issued a procedural order in the docket setting a hearing for July 28, 2022 on Northern’s pending request. Accordingly, in that Northern’s proposed July 1, 2022 adjustment was not acted upon for July 1, and that Northern had stated that it would update the information in the filing on or around July 11, Northern submits this letter as its update.

Northern’s June 13 filing with the Commission relied upon NYMEX pricing information as of June 10, 2022. Since that time, Northern has continued to monitor NYMEX prices which have remained volatile. Contrary prior months, however, in the time since Northern’s June 13 filing, although the NYMEX prices have fluctuated, the overall trend has been lower. As a result, Northern is now experiencing an estimated over-collection in its COG rate rather than the under-collection that had been estimated at the time of the June 13 filing. Based upon current NYMEX pricing, it is possible, or likely, that Northern will not require an increase in the COG rate as it had anticipated on June 13.

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Despite the overall lower trend in recent weeks, Northern is concerned that the NYMEX pricing remains volatile and is, therefore, reluctant to modify or withdraw its pending rate request at this time since that may leave Northern, and its customers, exposed to an unexpected upward change in prices. To address the concern about potential unexpected increases, while recognizing the Commission's need for information upon which to determine the appropriateness of a rate adjustment on August 1, Northern intends to use the following process.

In the Commission's June 23, 2022 hearing guidelines in this docket, it required that materials for the July 28 hearing be filed 5 business days prior to the hearing, by July 21, 2022. To satisfy this requirement as well as acknowledge the trend in prices, on July 21, 2022 Northern will either: 1) file the required materials if NYMEX prices have trended upward and the hearing is needed; or 2) withdraw the pending request to increase the rate if prices have remained lower and request to cancel the hearing. Further, pursuant to the Commission's directive in Order No. 26,627 (May 17, 2022), Northern is permitted to decrease the COG rate without further Commission action, should the required trigger point for a decrease be met. If the NYMEX prices decrease sufficiently to justify withdrawing the pending request, Northern will also review whether the NYMEX prices justify decreasing the rate. Should a rate decrease be appropriate, Northern will make a filing for such an adjustment. Making a filing later in July will provide additional information to Northern, the Commission, and others about the trend in NYMEX prices and will allow for a more informed and reasonable determination about the proper COG rate.

Lastly, Northern had previously stated that its filing on or about July 11 would act as its monthly report on the COG rate. In light of the unanticipated downward trend in NYMEX prices, as well as the issues noted above, this filing will not act as Northern's monthly report. Instead, that report will be included with information filed later in July as described above. Please do not hesitate to contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Fossum", written over a white rectangular background.

Matthew J. Fossum  
Senior Counsel

CC: Service List

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