



June 8, 2022

BY E-MAIL

Daniel Goldner, Chair
New Hampshire Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, N.H. 03301-2429

Re: DG 22-020 Northern Utilities, Inc. – Revised Step Adjustment

Chairman Goldner:

On August 2, 2021, Northern Utilities, Inc. (“Northern” or the “Company”) submitted its petition to implement new permanent rates beginning September 1, 2021 for gas service in Docket DG 21-104. Included in the Company’s filing was a request to implement a multi-year rate plan with step adjustments for certain non-growth capital post-test year investment years. The Company proposed to make step adjustment compliance filings on or before the last day of March for the prior year’s additions. Accordingly, the Company submitted its filing to recover the revenue requirement associated with investment year 2021 additions on March 31, 2022 and requested that rates take effect on August 1, 2022.

The Commission subsequently removed Northern’s step adjustment filing for 2021 additions to Docket DG 22-026. On May 27, 2022, the Company submitted a comprehensive Settlement Agreement with the Department of Energy and the Office of the Consumer Advocate in DG 21-104, resolving all issues in the case, including the proposed rate plan. The Commission conducted a hearing on the Settlement Agreement on June 7, 2022. Under the Settlement Agreement, the Company may seek one Step Adjustment to recover the revenue requirement resulting from changes in Net Plant in Service associated with non-growth investments for the 2021 investment year. DG 21-104, Settlement Agreement at Section 2.2, Settlement Attachment 2 (May 27, 2022).

The Settlement Agreement and its attachments establish a different methodology for determining the revenue requirement associated with 2021 non-growth investments – the “net plant” approach rather than the “list approach” proposed in the Company’s initial filing in DG 21-104. Also, under the terms of the Settlement Agreement Settling Parties agreed that the Company shall recover revenues associated with the full Rate Year (August 1, 2022 – July 31, 2023) over the eleven-month period beginning September 1, 2022 and ending July 31, 2023. Beginning August 1, 2023, distribution rates rate shall be

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adjusted going forward to reflect a 12-month recovery of the Step Adjustment. DG 21-104, Settlement Agreement at Section 5.2, Settlement Attachment 2 (May 27, 2022). The Company is therefore submitting the following exhibits and schedules to reflect the changed methodology:

1. Revised Exhibit GSL-1
2. Revised Schedule GSL-1
3. Revised Schedule GSL-5
4. Schedule GSL-6
5. Schedule GSL-7
6. Schedule GSL-7
7. Schedule GSL-9
8. Schedule GSL-10

As of this writing, the Commission has not scheduled a hearing on the Company's filing. In light of the Commission's busy calendar, the Company requests that the Commission schedule a hearing in this matter at its earliest convenience to ensure that the Commission has sufficient time to issue an order in advance of the rate effective date,

Please do not hesitate to contact me with any questions that you have regarding the enclosed filing.

Sincerely,



Patrick H. Taylor

cc: Service List