

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-020

NORTHERN UTILITIES, INC.

Petition for Approval of Step Adjustment

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On April 1, 2022, Northern Utilities, Inc. (Northern or the Company) filed a petition for step adjustment requesting a revenue requirement increase to recover the costs of eligible non-growth capital additions to rate base made during calendar year 2021. This petition was revised by the Company on June 8, 2022, presenting a revised revenue requirement increase of \$1,554,966. In support of its petition, Northern filed the direct testimony of Christopher J. Goulding, Director of Rates and Revenue Requirements for Unitil Service Corp. (Unitil Service), Kevin E. Sprague, Vice President of Engineering for Unitil Service, and Christopher J. LeBlanc, Vice President of Gas Operations for Unitil Service, as well as related schedules. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-020.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

In Docket No. DG 21-104, in Order No. 26,650 (July 20, 2022), the Commission approved the settlement agreement filed on May 26, 2022 (Settlement Agreement), which authorized Northern to request one step adjustment to recover the costs of eligible non-growth plant capital additions made during calendar year 2021. *See* Order No. 26,650, at 14-15, 20 (July 20, 2022). The step adjustment would be effective September 1, 2022. *Id.* at 14.

The settling parties agreed that Northern would recover the annual revenues associated with the step adjustment over the eleven-month period beginning September 1, 2022 and ending July 31, 2023. *Id.* at 15. These revenues would be recovered over the twelve-month period from August 1 to July 31 in subsequent years. *Id.* at 15.

In its revised filing on June 8, 2022, Northern requested the Commission to grant its 2022 step adjustment for a revenue increase in the amount of \$1,554,966. The Company indicated in the revised filing that it had adjusted its calculation methodology to incorporate a different "net plant" approach rather than the "list approach" presented in Northern's initial step adjustment filing of April 1, 2022. See Letter of Patrick H. Taylor, Esq., Chief Regulatory Counsel, June 8, 2022. Technical details regarding the calculation of the proposed step adjustment according to this revised methodology are presented in the direct testimony of Company witnesses Christopher J. Goulding, Kevin E. Sprague, and Christopher J. LeBlanc, with supporting schedules.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether the eligible non-growth plant additions Northern constructed in 2021 were prudent, and used and useful, as required by RSA 378:28; whether Northern appropriately calculated the proposed revenue requirement associated with eligible non-growth capital investments in calendar year 2021; and whether the resulting rates are just and reasonable, as required by RSA 374:2 and RSA 378:5 and :7. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid

format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 378:28, RSA 374:2, and RSA 378:5 and :7, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on August 25, 2022, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is,

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Northern and any other parties on the service list, on or before August 12, 2022. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or

other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before August 22, 2022; and it is

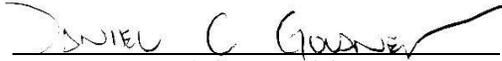
FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

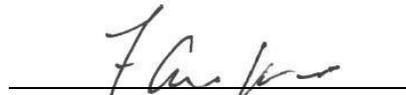
FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Northern shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before August 10, 2022. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this twenty-eighth day of July, 2022.



Daniel C. Goldner
Chairman



F. Anne Ross
Special Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the 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 - Docket Related

Docket# : 22-020

Printed: 7/28/2022

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