09/27/16

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 16-819

NORTHERN UTILITIES, INC.

2016 – 2017 Winter & Summer Seasons Cost of Gas Adjustment

ORDER OF NOTICE

On September 16, 2016 Northern Utilities, Inc. (Northern or the Company), a public utility supplying natural gas service in New Hampshire filed a petition for proposed cost of gas (COG) rates for the 2016–2017 winter and summer periods. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The proposed winter season COG rate is $0.7558 per therm which is $0.1388 higher than the actual 2015-2016 Winter weighted average COG rate of $0.6370 per therm. The projected 2017 summer season COG rate is $0.3582 per therm which is $0.0649 per therm higher than the summer 2016 COG of $0.2933 per therm. Northern is also proposing adjustments to its Local Delivery Adjustment Clause (LDAC) tariff to be effective November 1, 2016. The Company is proposing an LDAC surcharge of $0.0483 per therm for residential customers and $0.0294 per therm for commercial/industrial classes for the winter season. For the 2017 summer season, the LDAC surcharge would be $0.0374 and $0.0223 respectively. A number of components make up the LDAC adjustment charge that recovers expenses and lost revenues related to, among other things, the residential low income assistance program, energy efficiency programs, and the annual regulatory assessment expense. Northern is also filing a new rate mechanism to reflect lost distribution revenue called the Lost Revenue Rate (LRR) surcharge. This new charge will

take effect on January 1, 2017 with a proposed surcharge of $0.0006 per therm for residential classes and $0.0002 per therm for commercial/industrial classes and is designed to recover lost revenue due to the installation of energy efficiency measures beginning January 1, 2017.

Northern is also updating its supplier balancing charges, which are charges that suppliers are required to pay Northern for balancing services as Northern attempts to meet the shifting loads for customer supplier pools. The proposed balancing charge effective November 1 will remain at the current rate of $0.77 per MMBtu.

With this filing Northern is submitting one annual COG reconciliation to show how the COG will be adjusted for the 2016-2017 winter and 2017 summer seasons. The Company is not projecting any re-entry fees for capacity exempt transportation customers.

A typical residential heating customer consuming 695 therms during the winter 2016-2017 season can expect a bill of $1,076.23 for an increase of $90.20 or 9% compared to the 2015-2016 winter season with the same consumption. A typical residential heating customer consuming 127 therms during the 2017 summer season will expect a bill of $240.28 for an increase of $7.33 or 3% compared to the 2016 summer season with the same consumption.

The filing raises, inter alia, issues related to RSA 378 relating to the justness and reasonableness of rates, sales forecasting, supplier and transportation pricing, purchasing decisions related to the current and past winter supplies and capacity; revenue projections related to transportation services and released capacity, cost allocations between Northern's New Hampshire and Maine divisions, the causes and treatment of any over and under recoveries, the reconciliation of prior period costs and revenues, and the prudence of environmental remediation costs for which recovery is being sought. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 11, 2016 at 10:00 a.m.; and it is

FURTHER ORDERED, that Northern, the Staff and any intervenors hold a technical session at the Commission on October 3, 2016 at 2:00 p.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 3, 2016, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 7, 2016; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before October 7, 2016, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 11, 2016.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of September, 2016.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, 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.