

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 24-103

NORTHERN UTILITIES, INC.

**Petition for Approval of Revenue Decoupling Adjustment Factor and Waiver of
Revenue Decoupling Adjustment Cap**

**Order *Nisi* Approving Peak RDAF Rates on a Provisional Basis and Suspending
Non-Peak RDAF Tariff**

O R D E R N O. 27,068

October 28, 2024

In this order, the Commission approves on *a nisi* and provisional basis, pending further review and hearing, Northern Utilities, Inc.'s Peak Revenue Decoupling Adjustment Factor (RDAF) rates, effective November 1, 2024.

I. BACKGROUND

On September 16, 2024, Northern Utilities, Inc. (Northern, or the Company) filed a petition for Commission approval of its Peak (November 1, 2024 to April 30, 2025) and Off-Peak (May 1, 2025 to October 31, 2025) RDAF rates for its upcoming RDAF rate year. The Company's Petition includes a waiver of the Revenue Decoupling Adjustment Cap (RDA Cap). The Company's 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/2024/24-103.html>

Following a motion for logistic relief filed by the New Hampshire Department of Energy (DOE), the Commission issued a procedural order dispositioning the next phase of this case in the following way on October 23, 2024:

1. The Commission deferred the issue of whether the RDA Cap should be waived. The deferral was based on a finding that the RDA Cap was a

material term of the settlement between the parties in docket DG 21-104 that could not subsequently be waived by the Commission until such time as a supplemental order of notice was issued to include RSA 365:28;

2. The Commission cancelled the October 29, 2024 hearing and indicated that it would approve Northern's requested Peak RDAF rates on a *Nisi* basis for implementation on, November 1, 2024, in this proceeding, consistent with the RDA cap that will be subject to future reconciliation based on the parties', and the Commission's, review; and
3. The Commission would schedule final hearing in this matter in December 2024. The final hearing will include review and approval of Northern's requested RDAF rates for the Peak and Off-Peak Periods including the rates proposed if the RDA Cap was waived.

See Commission's October 23, 2024 Procedural Order. This Order *Nisi* addresses the issue of Northern's requested Peak RDAF rates on a *Nisi* basis for implementation on November 1, 2024 in this proceeding consistent with the RDA cap.

II. COMMISSION ANALYSIS

The Commission has broad statutory authority to set rates in addition to the "powers inherent within its broad grant" of express authority. *See Appeal of Verizon New England, Inc.*, 153 N.H. 50, 64-66 (2005) (citations omitted). In circumstances where a utility seeks to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. The RDAF mechanism was a result of a permanent rate settlement. In Order No. 26,650 (July 20, 2022) in Docket No. DG 21-104, the Commission approved a settlement agreement permitting Northern to implement revenue decoupling. Northern's decoupling mechanism uses a "Revenue

Per Customer” model that reconciles actual and authorized revenue per customer by four rate classes, including residential heat and general service, and implements the Revenue Decoupling Adjustment Factor—or RDAF rate—to either recover or refund the difference. See Order No. 26,650 at 5; see also Northern Gas Tariff No. 12, First Revised Pages 163–167 (explaining how Northern’s RDAF rate is calculated). The settlement envisioned RDAF filings occurring in September to set rates, per the RDAF mechanism, by November 1, 2024.

The proposed schedule outlined by Order No. 26,650 does not provide sufficient time for a final review of the issues presented in this, the 2024 RDAF petition, before November 1, 2024. See October 23, 2024 procedural order. However, pursuant to the terms of the parties’ settlement in DG 21-104, peak RDAF rates are set to go in effect on November 1, 2024. Therefore, comparable to the procedure that occurred concerning the 2023 RDAF filing, we are issuing an interim provisional order concerning the Peak RDAF rates. In making this interim order, we rely on the testimony provided by the Company concerning the calculation of the peak rates subject to the RDA Cap. See October 18, 2024 revised SED 1B attachment.

Therefore, for the purposes of interim approval of Northern’s proposed Peak RDAF rates effective November 1, 2024, subject to our further review and reconciliation, we find that the Company-proposed Peak RDAF rates were calculated pursuant to previously approved RDA mechanism¹ and we approve them on such an interim, *nisi* basis. Our final review and approval of the Peak RDAF rates will happen in the December hearing in this proceeding. We will also address the proposed Non-Peak RDAF rates in that hearing, and to enable our ongoing review, we suspend the

¹ Order No. 26,650 approved the Company’s Revenue Decoupling mechanism as a just and reasonable rate pursuant to RSA 374:2, RSA 378:5, and RSA 378:7

proposed Non-Peak RDAF Tariff for three months, or until February 1, 2025, pursuant to RSA 378:6, I(b).

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below, Northern Utilities, Inc.’s proposed Peak Period RDAF Rates, as delineated in the table below, are APPROVED on an INTERIM BASIS, pending further review and hearing in December 2024; and it is

Class of Customer	Peak RDAF Rate (\$/therm)
Residential Heat	\$0.0447
Residential Non-Heat	\$0.1117
General Service HLF	(\$0.0112)
General Service LLC	\$0.0166

See October 18, 2024 Revised Attachment SED-1B.

FURTHER ORDERED, that Northern’s proposed RDAF Non-Peak Tariff pages are suspended pursuant to RSA 378:6, I(b), for a period not to exceed 3 months, or February 1, 2025, pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that Northern Utilities, Inc. shall cause a copy of this order to be published on its website, with such publication to be no later than one business day after this order is issued, and to be documented by affidavit filed with the Commission on or before November 1, 2024; and it is

FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than November 13, 2024; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than November 18, 2024; and it is

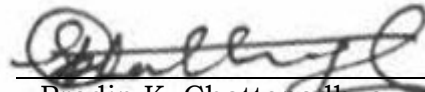
FURTHER ORDERED, that this order shall be effective November 1, 2024, unless Northern fails to satisfy the publication obligation as set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that Northern Utilities, Inc. shall file a compliance Tariff with the Commission regarding the Peak RDAF Interim Rates addressed herein on or before November 4, 2024.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of October, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-103

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