

**NORTHERN UTILITIES, INC.  
NEW HAMPSHIRE DIVISION  
NOVEMBER 2024 / OCTOBER 2025 ANNUAL PERIOD  
COST OF GAS ADJUSTMENT FILING**

**PREFILED TESTIMONY OF  
DANIEL T. NAWAZELSKI**

1 **I. INTRODUCTION**

2 **Q. Please state your names and business address.**

3 **A.** My name is Daniel T. Nawazelski, and my business address is 6 Liberty Lane West,  
4 Hampton, New Hampshire 03842.

5 **Q. Mr. Nawazelski, what is your position and what are your responsibilities?**

6 **A.** I am the Manager of Revenue Requirements for Unitil Service Corp. (“Unitil  
7 Service”) a subsidiary of Unitil Corporation that provides managerial, financial,  
8 regulatory and engineering services to Unitil Corporation’s utility subsidiaries  
9 including Northern Utilities, Inc., which has operating divisions in New  
10 Hampshire and Maine (the New Hampshire operating division is hereinafter  
11 referred to as “Northern” or the “Company”). In this capacity I am responsible for  
12 the preparation and presentation of distribution rate cases and in support of other  
13 various regulatory proceedings.

14 **Q. Mr. Nawazelski, please describe your business and educational background.**

15 **A.** I began working for Unitil Service in June of 2012 as an Associate Financial  
16 Analyst and have held various positions with increasing responsibilities leading to  
17 my current role of Manager of Revenue Requirements. I earned a Bachelor of  
18 Science degree in Business with a concentration in Finance and Operations

1 Management from the University of Massachusetts, Amherst in May of 2012. I  
2 am also currently pursuing my Masters in Business Administration at the  
3 University of New Hampshire.

4 **Q. Have you previously testified before the Commission or other regulatory**  
5 **agencies?**

6 **A.** Yes, I testified before this Commission on various financial, ratemaking and  
7 utility regulation matters. I have also testified in proceedings before the Maine  
8 Public Utilities Commission and the Massachusetts Department of Public  
9 Utilities.

10 **II. SUMMARY OF TESTIMONY**

11 **Q. What is the purpose of your testimony?**

12 **A.** The purpose of my testimony is to provide the Company's request for approval of  
13 recovery of the increase in property taxes associated with House Bill 700, An Act  
14 Relative to Valuation of Utility Company Assets for Local Property Taxation  
15 ("HB 700").

16 **Q. What did HB 700 allow for?**

17 **A.** HB 700 established a methodology for valuing utility distribution assets for  
18 property tax purposes, codified as RSA 72:8-d and -e. Part of that law established  
19 a new methodology for assessing utility property, and a five-year phase-in period  
20 to fully transition to that new methodology. The first property tax year of the  
21 phase-in period is the tax year beginning April 1, 2020. The law also requires the

1 Commission to establish by order a rate recovery mechanism for the property  
2 taxes paid by a public utility.

3 **Q. Has the Company included recovery of the change in state related property**  
4 **taxes?**

5 A. No. The Company has excluded the changes in the state related property taxes  
6 from the recovery request consistent with the language of HB 700. Recovery of  
7 the state portion of the property taxes will continue to occur as it does now as part  
8 of the normal rate case process.

9 **Q. How has the Company calculated the increase in property taxes related to**  
10 **local property taxes?**

11 A. The Company compared the amount of property tax recovery currently in rates to  
12 the actual 2023 property tax expense.

13 **Q. How did the Company calculate the amount of property tax recovery**  
14 **currently in rates?**

15 A. Attachment NUI-DTN-1, page 1, lines 1-4, provides the amount of property tax  
16 recovery that was in rates from January 1, 2023 through December 31, 2023 per  
17 the rate case settlement in Docket DG 21-104 and the subsequent step adjustment  
18 filing in Docket DG 22-020. The annual property tax recovery for that respective  
19 period is \$5,579,610. This amount was further assigned to state property tax  
20 recovery of \$1,426,756 and local property tax recovery of \$4,152,854.

21

22

1 **Q. What was the property tax expense for 2023?**

2 A. As shown on line 5 of Attachment NUI-DTN-1, page 1, the total property tax  
3 expense for the Company in 2023 was \$5,745,262 of which \$1,461,016 was for  
4 state property taxes and \$4,284,246 was for local property taxes. Attachment  
5 NUI-DTN-1, page 2, provides a summary of the local property tax bill detail by  
6 town. Finally, Attachment NUI-DTN-2 provides the local property tax bills.

7 **Q. Were any abatements received in 2023 related to 2020-2023 property tax**  
8 **bills?**

9 A. No.

10 **Q. How much higher was the 2023 local property tax expense than the amount**  
11 **currently included in rates?**

12 A. As shown on Attachment NUI-DTN-1, page 1, line 7, the 2023 local property tax  
13 expense was \$131,392 higher than the amount currently included in base  
14 distribution rates.

15 **Q. Through what mechanism is the Company allowed recovery of the increase**  
16 **in local property taxes?**

17 A. In Order No. 26,581 (February 15, 2022) in Docket No. DG 21-123, the  
18 Commission approved the Company's proposed method for reconciliation of local  
19 property taxes consistent with the authority in RSA 72:8-e as an element of the  
20 Company's Local Delivery Adjustment Charge ("LDAC") through the Property  
21 Tax Adjustment Mechanism ("PTAM").

1 **Q. Please provide a summary of the Company's request.**

2 A. The Company is requesting that the Commission approve the recovery of  
3 \$131,392 of property taxes in 2023 related to the impacts of HB 700 through the  
4 Company's PTAM. This represents an increase of \$13,609 from the amount  
5 approved in last year's PTAM of \$117,782<sup>1</sup>. The settlement agreement in Docket  
6 DG 21-104, section 9.7, provided that Excess Accumulated Deferred Income Tax  
7 ("ADIT") from 2018-2020 in the amount of \$515,202, shall be applied to offset  
8 the Company's property tax deferral balance to be recovered through the PTAM.  
9 In Docket DG 22-029, the Company offset recovery of 2021 property taxes as  
10 well as the prior period reconciliation resulting in a total application of \$406,801  
11 of the Excess ADIT balance, resulting in the approved recovery in the PTAM of  
12 \$0 (zero). This left a remaining Excess ADIT balance of \$108,401 to offset future  
13 PTAM recoveries. In Docket DG 23-085, the Company offset recovery of 2022  
14 property taxes as well as the prior period reconciliation resulting in a total  
15 applicable of \$106,023 of the Excess ADIT balance, resulting in the approved  
16 recovery in the PTAM of \$0 (zero). This left a remaining Excess ADIT balance of  
17 \$2,378<sup>2</sup> to offset future PTAM recoveries. In the instant case the Company has  
18 applied \$2,378 of the remaining Excess ADIT balance to the Company's  
19 proposal, resulting in a proposed recovery in the PTAM of \$128,961, including  
20 prior period reconciliation. The calculation of the proposed PTAM rate and prior

---

<sup>1</sup> The Company agreed to reduce its as-filed recovery of \$117,831, by \$48.74 to account for the December 5, 2023 Audit Issue #2 resulting in an approved recovery of \$117,783 in DG 23-085.

<sup>2</sup> The remaining balance of \$2,378 takes into account the \$48.74 Audit Issue #2 described in FN 1.

1           period reconciliation is provided in the testimony and attachments of S. Elena  
2           Demeris.

3       **III. CONCLUSION**

4       **Q.     Does this conclude your testimony?**

5       A.     Yes, it does.