

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 24-102**

**NORTHERN UTILITIES, INC.**

**Petition for Approval of 2024-2025 Winter and 2025 Summer Cost of Gas**

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING**

On September 17, 2024, Northern Utilities, Inc. (Northern) filed a winter 2024-2025 and summer 2025 cost of gas (COG) filing outlining its proposed COG for the winter period (November 1, 2024 through April 30, 2025) and the summer period (May 1, 2025 through October 31, 2025), including proposed local distribution adjustment charges (LDAC). In support of its petition, Northern filed proposed tariff pages and the pre-filed direct testimony and related attachments of Northern employees Christopher A. Kahl, Francis X. Wells, S. Elena Demeris, and Daniel T. Nawazelski. All docket filings, other than any information subject to confidential treatment, are available on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-102.html>.

**I. BACKGROUND AND PROCEDURAL HISTORY**

In its filing, Northern proposed a winter 2024-2025 COG rate of \$0.6553 per therm for heating and non-heating residential customers, a \$0.0461 per therm, or approximately 6.57 percent, decrease compared to last winter's average residential COG rate of \$0.7014. Kahl Testimony at 5, Bates Page 8. Based on the average use of 494 therms total for the winter period, the proposed changes to Northern's residential winter COG and LDAC rates, when combined with other Northern rate elements, are expected to result in a typical residential heating customer's total bill for the winter period being increased by approximately \$53.03 or 5.3 percent compared to the same

consumption last winter. (The increase in expected bills this upcoming winter period is being driven by projected increases in Northern's Revenue Decoupling Adjustment Factor (RDAF) charges, under consideration by the Commission in Docket No. DG 24-103). Demeris Testimony at 11, Bates Page 74; *see also* Attachment NUI-SED-3, Page 1 of 18, Bates Page 307. The proposed winter 2024-2025 commercial and industrial (C&I) high winter use COG rate is \$0.6135 per therm for High Load Factor C&I customers and \$0.6636 per therm for Low Load Factor C&I customers, a decrease of \$0.0184 (2.91 percent) and \$0.0483 (6.78 percent) respectively. Kahl Testimony at 5, Bates Page 8.

Northern's proposed summer 2025 COG rate is \$0.3884 per therm for residential heating and non-heating customers, a \$0.0598 per therm, or approximately 18.20 percent increase compared to last summer's average residential COG rate of \$0.3286 per therm. Kahl Testimony at 5-6, Bates Pages 8-9. Based on the average use of 105 therms total for the summer period, the proposed changes in residential COG and LDAC rates, when combined with other rate elements, are expected to result in a typical residential heating customer's summer bill being increased by approximately \$21.12 or 7.03 percent compared with the same consumption last summer. (As discussed above, the increase in expected bills this upcoming summer period, as for the winter period, is being driven by projected increases in Northern's RDAF charges, under consideration by the Commission in Docket No. DG 24-103). Attachment NUI-SED-3, Page 10 of 18, Bates Page 316. Northern proposed summer 2025 COG rates of \$0.3197 per therm for High Load Factor C&I customer and \$0.4624 per therm for Low Load Factor C&I customers; these are increases of \$0.0585 (22.4 percent) and \$0.0833 (21.97 percent) respectively. Kahl Testimony at 5-6, Bates Pages 8-9.

Northern requested approval of a LDAC rate for residential customers of \$0.0649 per therm, a decrease of \$0.0259 per therm from the current rate, and a LDAC rate for C&I customers of \$0.0374 per therm, a decrease of \$0.001 per therm from the current rate. Demeris Testimony at 2-3, Bates Pages 65-66. In addition, Northern proposed changes to several components of its LDAC: the Gas Assistance Program (GAP), the Environmental Response Cost (ERC) Rate, Reconciliation of Permanent Changes (RPC) in Distribution Rates, Property Tax Adjustment Mechanism (PTAM), and Regulatory Assessment Adjustment Mechanism (RAAM). *Id.* at 2-10, Bates Pages 65-73. Northern proposed: decreasing the GAP rate from \$0.0061 to \$0.0059 per therm; decreasing the ERC rate from \$0.0023 to \$0.0014 per therm; keeping the RCE rate unchanged at zero; decreasing the RPC rate for all rate classes to zero and collecting the balance remaining through the RAAM; proposing a PTAM rate of \$0.0017 per therm, an increase from the current PTAM rate of zero; and increasing the RAAM rate by \$0.0004 per therm to \$0.0014 per therm. *Id.*

Subsequent to Northern making its filing, on September 20, 2024, the New Hampshire Department of Energy (DOE), with the concurrence of Northern, made a filing outlining a proposed procedural schedule, including a proposal that a hearing in this matter be held by the Commission on October 25, 2024.

## **II. ISSUES PRESENTED**

The filing presents, *inter alia*, the following issues: issues related to RSA 374:2 and RSA chapter 378, including: the justness and reasonableness of rates, fares, and charges; the forecasting of sales, supplier prices, and transportation prices; weather normalization; operational issues; the retroactive adjustment of certain reconciling rates; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity and revenue projections related to transportation service and

released capacity; the reconciliation of prior period costs and revenue; the prudence and recovery of environmental remediation; and whether the COG and LDAC rates were appropriately calculated. 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 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.

With regard to the proposed hearing date of October 25, 2024, the Commission advises the parties that it does not have availability for a hearing on October 25; therefore, the Commission SCHEDULES a hearing in this matter for October 24, 2024. The Commission, however, APPROVES the remainder of the DOE/Northern procedural schedule proposal, and WAIVES the 10-day time frame for responses to this proposal under N.H. Code Admin. R. Puc 203.07(e), pursuant to N.H. Code Admin. R. Puc 201.05, as such waiver serves the public interest, and will not disrupt the orderly and efficient resolution of matters before the Commission.

**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 374:2 and RSA chapter 378, 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 October 24, 2024, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

**FURTHER ORDERED**, that the Commission APPROVES the New Hampshire Department of Energy's proposed procedural schedule filed on September 20, 2024, with the exception of the hearing date noted above, and WAIVES the 10-day time frame for responses under Puc 203.07(e) accordingly; and it is

**FURTHER ORDERED**, that the New Hampshire Department of Energy shall file its position regarding Northern's petition, including the reasons for this position, on or before October 18, 2024; 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 October 11, 2024. 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 October 18, 2024; 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](mailto: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

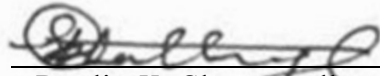
**FURTHER ORDERED**, that pursuant to N.H. Admin. R., Puc 203.12, Northern shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before October 2, 2024. 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-fourth day of September, 2024.



Daniel C. Goldner  
Chairman



Pradip K. Chattopadhyay  
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#: 24-102

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