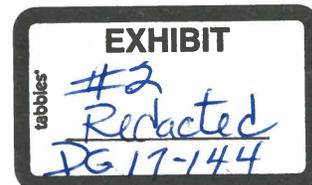




FILED ELECTRONICALLY AND VIA HAND DELIVERY

September 18, 2017

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, New Hampshire 03301



Re: **Northern Utilities, Inc. -- DG 17 , 2017 / 2018 Annual Cost of Gas and Associated Charges Filing**

Dear Director Howland,

Enclosed please find an original, one redacted and six (6) confidential copies of Northern Utilities, Inc. ("Northern" or the "Company") 2017 / 2018 Annual Cost of Gas ("COG") Adjustment filing and other associated proposed tariff changes.

Northern respectfully requests approval for the following Tariff Sheets:

Supplement No. 2, Original Page 1,
Supplement No. 2, Original Page 2,
Supplement No. 2, Original Page 3,
Supplement No. 2, Original Page 4,
Supplement No. 2, Original Page 5,
Supplement No. 2, Original Page 6,
Sixth Revised Page 42 (COG),
First Revised Page 42.1 (COG),
Fourteenth Revised Page 43 (COG),
First Revised Page 43.1 (COG),
Fifth Revised Page 59 (LDAC),
Fourth Revised Page 153 (Appendix A),
Fourth Revised Page 168 (Appendix C), and
Fourth Revised Page 171 (Appendix D).

The above listed Tariff Sheets are issued September 18, 2017 by Mark H. Collin, Senior Vice President, to be effective November 1, 2017.

Supplement No. 2, Original Pages 1, 2, and 3 (Rate Summaries) have been updated to reflect the proposed 2017 / 2018 Winter Period COG and LDAC rates. These Tariff Pages are labeled as Supplement due to the distribution rates shown on these pages including a temporary rate component related to Northern's base rate case filing, Docket No. DG 17-070.

Supplement No. 2, Original Pages 4, 5, and 6, (Rate Summaries) have been updated to reflect the proposed 2018 Summer Period COG and LDAC rates. These Tariff Pages are labeled as Supplement due to the distribution rates shown on these

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pages including a temporary rate component related to Northern's base rate case filing, Docket No. DG 17-070.

Sixth Revised Page 42 (COG) is the statement of the Company's anticipated direct and indirect costs of gas for the 2017 / 2018 Winter Period.

First Revised Page 42.1 (COG) is the statement of the Company's anticipated direct and indirect costs of gas for the 2018 Summer Period.

Nineteenth Revised Page 43 (COG) contains the calculations of the proposed 2017 / 2018 Winter Period COG Adjustment Rates for Residential and General Service Firm Sales Customers.

First Revised Page 43.1 (COG) contains the calculations of the proposed 2018 Summer Period COG Adjustment Rates for Residential and General Service Firm Sales Customers.

Sixth Revised Page 59 (LDAC) contains proposed rates for the Company's RLIARA Rate, EEC Rate, LRR, and ERC Rate, all of which are components of the Company's Local Distribution Adjustment Clause Rate. Support for the ERC Component was filed under separate cover on September 18, 2017. The rate presented on the Sixth Revised Page 59 is \$0.0560 for Residential Class Customers and \$0.0293 for C&I Class Customers.

Fourth Revised Page 153 (Appendix A), Schedule of Administrative Fees and Charges; the Supplier Balancing Charge has been updated to reflect the Company's latest Supplier Balancing Charge, Company Allowance Calculation and Peaking Service Demand Charge.

Fourth Revised Page 168 (Appendix C) contains the proposed Capacity Assignment Allocators.

Fourth Revised Page 171 (Appendix D) contains the Firm Sales Service Re-Entry Fee Bill Adjustment. Support for this charge was provided to the Commission in the Company's annual report filed under separate cover on September 18, 2017.

The proposed 2017 / 2018 Winter Season COG rate for residential customers is \$0.7103 per therm, \$0.0528 per therm or 6.9% percent lower than the average 2016 / 2017 Winter Season COG rate. The proposed 2018 Summer Season COG rate for residential customers is \$0.3975 per therm, \$0.008 per therm or 2% percent lower than the average 2017 Summer Season COG rate.

The proposed LDAC for a residential customer is \$0.0560, an increase of \$0.0071 per therm, or 14.5% higher than the 2016 / 2017 Winter Season LDAC.

The typical bill for a residential heating customer for the 2017 / 2018 Winter Season is projected to be \$954.13; this is lower than the 2016 / 2017 Winter Season bill of \$960.34 by \$6.21 or 0.65%. The typical bill for a residential heating customer for the 2018 Summer Season is projected to be \$259.91; this is higher than the 2017

Summer Season bill of \$258.24 by \$1.67 or 0.65%. This increase is due to a higher LDAC and the temporary rate component of the distribution charge.

Please note that Sixty (60) pages of the filing contain CONFIDENTIAL data: delivered city-gate costs and delivered cost per dekatherm (Schedule 2, pp 1 & 2 of 2); peaking demand cost estimates (Schedule 5-A, p. 5 of 6); asset management agreement revenue (Schedule 5A, p. 6 of 6); natural gas commodity price forecast (Attachment to Schedule 5-A, p. 1 of 31); liquified natural gas ("LNG") LNG trucking/transportation costs (Attachment to Schedule 5A, pp. 20 of 31); the projected value of asset management agreements (Schedule 5B, p. 6 of 9); LNG inventory costs (Schedule 14); total commodity cost and per unit commodity cost by supply source (Schedule 6A, pp. 1, 3, 4 & 6 of 6); reconciliation costs and volumes Schedule 15 Form III, Schedule 4, pp. 3 and 4 of 4); and detailed basis price information (Schedule 6B, pp. 1-10 and 13 through 19 of 19, Schedule 6C, pp 1 -10 and 13 - 19 of 23 and Schedule 21A, pp 1 & 2 of 2). The Company submits that this material falls within the provisions of Puc 201.06(a)(26), and it is relying upon the procedures outlined in Puc 201.06 and 201.07 to protect confidentiality.

If you have any questions or need additional information, please contact me.

Respectfully Yours,



George H. Simmons Jr.

Enclosures

CC: Alexander Speidel, Staff Counsel (with confidential material)
D. Maurice Kreis, Consumer Advocate (with confidential material)