

Northern Utilities, Inc.
New Hampshire Division
Puc 509.01 -- F-1 Rate of Return
12 Months Ending September 30, 2023

Schedule 1: Calculation of Per Books Rate of Return

<u>Cost of Service</u>	<u>Period End</u>	<u>Rate Base</u>	<u>Period End</u>
Gas Service Revenue	\$ 51,359,287	NH Plant	\$ 340,740,433
Other Operating Revenue	1,138,453	Supplemental Plant Adjustment	723,986
Total Revenue - Adjusted	52,497,740	Total Plant	341,464,419
		Less: Reserve for Depreciation & Amortization	118,093,700
		Net Utility Plant	223,370,719
Gas Costs	476,556	<i>Plus :</i>	
Other Production	98,763	Materials and Supplies	3,474,445
Distribution	4,004,989	Cash Working Capital Requirement	2,304,633
Customer Accounting	2,603,925	Regulatory Assets	-
Sales & New Business	45,139		
General & Administrative	7,041,126	<i>Less :</i>	
Federal & State Income Tax - Adjusted	3,329,075	Customer Deposits	174,207
Property Tax	5,779,592	Accumulated Deferred Income Taxes	27,038,191
Other Tax	315,723	Regulatory Liabilities	5,410,605
Depreciation	13,193,483	Reimbursable Contributions	-
Amortization	1,001,642		
Interest on Customer Deposits	12,684		
Total Operating Expenses	37,902,697	Total Rate Base	\$ 196,526,794
Operating Income - Adjusted	\$ 14,595,043	Utility Operating Income - Curr Cost of Capital	\$ 14,127,650
		Utility Operating Income - Adjusted	14,595,043
		Operating Income Deficiency (Surplus)	\$ (467,393)
		Income Tax Gross-Up	(172,907)
		Revenue Deficiency (Surplus)	\$ (640,300)
		Return on Rate Base - Actual	7.43%
		Current Cost of Capital	7.19%
		ROE - Actual	9.77%
		ROE - Authorized	9.30%

Schedule 2: Current Cost of Capital

	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Weighted</u>
	<u>Outstanding</u>	<u>Total</u>		<u>Cost Rate</u>
Common Equity	\$ 251,758,452	51.1%	9.30%	4.75%
Long Term Debt	230,000,000	46.7%	4.93%	2.30%
Short Term Debt (a)	10,651,437	2.16%	6.15%	0.13%
Total Allowed	\$ 492,409,889	100.0%		7.19%

(a) Excluding Accrued Revenue, Purchased Gas Working Capital, and CWIP



November 14, 2023

BY ELECTRONIC FILING

Daniel C. Goldner
Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: PUC 509.01 – F-1 Rate of Return
for the Twelve Months Ended September 30, 2023

Dear Chairman Goldner:

Northern Utilities, Inc. ("Northern") hereby submits its F-1 Rate of Return report for its New Hampshire Division, showing the historical rate of return on rate base for the twelve months ended September 30, 2023, in accordance with PUC 509.01.

Northern's F-1 Rate of Return report reflects the following:

Cost of Service

- Federal and state income taxes are calculated at statutory rates to reflect the Tax Cuts and Jobs Act of 2017

Rate Base

- Rate base is calculated for the year ending September 30, 2023.
- Cash working capital is calculated using a 29.39-day net lag based on the most recent lead lag study filed with the Commission in Docket 21-104.

Cost of Capital

- Cost of Capital reflects Northern's current cost of capital and capital structure.

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Daniel C. Goldner, Chairman
Northern Utilities F-1 Rate of Return Report
Twelve Months Ended September 30, 2023

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If you have any questions, please contact me at 603-379-3836.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Nawazelski". The signature is fluid and cursive, with the first name "Daniel" being more prominent and the last name "Nawazelski" following in a similar style.

Daniel Nawazelski
Manager, Revenue Requirements
Unitil Service Corp.

cc: Donald Kreis, Consumer Advocate