

**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**

**Cost of Service**

	<b><u>Period End</u></b>
Gas Service Revenue	\$ 51,359,287
Other Operating Revenue	1,138,453
<b>Total Revenue - Adjusted</b>	<b><u>52,497,740</u></b>

Gas Costs	476,556
Other Production	98,763
Distribution	4,004,989
Customer Accounting	2,603,925
Sales & New Business	45,139
General & Administrative	7,041,126
Federal & State Income Tax - Adjusted	3,329,075
Property Tax	5,779,592
Other Tax	315,723
Depreciation	13,193,483
Amortization	1,001,642
Interest on Customer Deposits	12,684
<b>Total Operating Expenses</b>	<b><u>37,902,697</u></b>

**Operating Income - Adjusted** **\$ 14,595,043**

**Rate Base**

	<b><u>Period End</u></b>
NH Plant	\$ 340,740,433
Supplemental Plant Adjustment	723,986
Total Plant	341,464,419
Less: Reserve for Depreciation & Amortization	118,093,700
<b>Net Utility Plant</b>	<b><u>223,370,719</u></b>

<i>Plus :</i>	
Materials and Supplies	3,474,445
Cash Working Capital Requirement	2,304,633
Regulatory Assets	-

<i>Less :</i>	
Customer Deposits	174,207
Accumulated Deferred Income Taxes	27,038,191
Regulatory Liabilities	5,410,605
Reimbursable Contributions	-

**Total Rate Base** **\$ 196,526,794**

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**

	<b><u>Amount</u></b>	<b><u>Percent</u></b>	<b><u>Cost Rate</u></b>	<b><u>Weighted</u></b>
	<b><u>Outstanding</u></b>	<b><u>Total</u></b>		<b><u>Cost Rate</u></b>
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%
<b>Total Allowed</b>	<b><u><u>\$ 492,409,889</u></u></b>	<b><u><u>100.0%</u></u></b>		<b><u><u>7.19%</u></u></b>

(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 legible than the last name "Nawazelski".

Daniel Nawazelski  
Manager, Revenue Requirements  
Unitil Service Corp.

cc: Donald Kreis, Consumer Advocate