

**NORTHERN UTILITIES, INC.  
NEW HAMPSHIRE DIVISION  
WINTER PERIOD 2015 / 2016  
COST OF GAS ADJUSTMENT FILING  
SUPPLEMENTAL PREFILED TESTIMONY OF  
CHRISTOPHER A. KAHL**

1 **I. INTRODUCTION**

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

3 A. My name is Christopher A. Kahl. My business address is 6 Liberty Lane West,  
4 Hampton, New Hampshire.

5 **Q. Have you previously submitted testimony in this proceeding?**

6 A. Yes, I submitted pre-filed testimony on September 17, 2015, on behalf of the New  
7 Hampshire Division of Northern Utilities, Inc. d/b/a Unitil (“Northern”).

8 **Q. Please briefly explain the purpose of your supplemental direct testimony in this**  
9 **proceeding.**

10 A. In Northern’s September 17, 2015 filing, I credited back a portion of the total PNGTS  
11 refund to Northern’s sales customers by applying the refund dollars to the total demand  
12 dollars. This methodology was initially used in the 2015 Summer Cost of Gas  
13 Proceeding, Docket No. DG 15-090, and was referred to as the Alternate Refund  
14 Proposal. By using this approach, the refund mirrors the same method used to assign  
15 each rate class the PNGTS costs that were in effect during the pendency of the rate  
16 proceeding. This allows the rate classes that paid a larger share of the PNGTS costs to  
17 receive a larger share of the refund. However, in the September 17, 2015 filing, I did not  
18 quantify what the refund would be per rate class. I have completed those calculations  
19 here.

1 **Q. What is the refund per rate class?**

2 A. For residential customers the refund is \$0.1536 per therm, for low load factor customers  
3 the refund is \$0.1548 per therm and for high load factor customers the refund is \$0.0759  
4 per therm.

5 **Q. Why is the refund lower for high load factor customers than for the low load factor  
6 and residential customers?**

7 A. Most of the refund is attributable to PNGTS contract No. 1997-004 which transports  
8 storage gas. Residential and low load factor customers use a much larger share of storage  
9 gas to meet their winter needs. High load factor customers, on the other hand, use a  
10 much larger share of pipeline gas to meet their winter needs. Northern does have PNGTS  
11 contract No. 1997-003 which is a pipeline resource, but the amount of the refund  
12 attributable to this contract is only a small fraction of the total refund. Therefore, the  
13 high load factor per unit refund is smaller than that for residential and low load factor  
14 customers.

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

16 A. Yes it does.