STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

Re: EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England

Indirect Gas Costs

DG 07-050

PREFILED TESTIMONY OF ANNE E. LEARY

ENERGY NORTH NATURAL GAS INC. d/b/a KeySpan Energy Delivery N.E. Indirect Gas Costs DG-07-050

Prefiled Direct Testimony of Ann E. Leary

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KeySpan Energy-Energy North

Acct. 175.20+175.40 Deferred Gas Cost for Nov 05-Oct 06

	Billed	Staff's Proposal	Company's Proposal	Staff vs.	KeySpan vs
]	Revenue	Acrued Rev	Accrued Rev	Billed	Billed
Acct. 175.20					
Beginning Balance	\$4,152,233	\$4,152,233	\$4,152,233	\$0	\$0
Gas Costs	\$96,926,685	\$96,926,685	\$96,926,685	\$0	\$0
Billed Revenues	(\$102,115,491)	(\$102,115,491)	(\$97,650,910)	\$0	\$4,464,581
Ending Balance w/o Interest	(\$1,036,573)	(\$1,036,573)	\$3,428,008	(\$0)	\$4,464,581
Interest Applied	\$348,216	(\$16,577)	\$319,210	(\$364,793)	(\$29,006)
Ending Balance with Interest	(\$688,357)	(\$1,053,150)	\$3,747,218	(\$364,793)	\$4,435,575
Acct. 175.40					
Beginning Balance	\$5,724,337	\$1,262,972	\$5,724,337	(\$4,461,365)	\$0
Gas Costs	\$20,648,879	\$20,648,879	\$20,648,879	\$0	\$0 \$0
Billed Revenues	(\$22,720,852)	(\$22,299,428)	(\$26,760,793)		(\$4,039,941)
Ending Balance w/o Interest	\$3,652,365	(\$387,576)	(\$387,576)	(\$4,039,941)	(\$4,039,941)
Interest Applied	\$135,465	\$32,392	\$45,170	(\$103,073)	(\$90,295)
Ending Balance with Interest	\$3,787,830	(\$355,184)	(\$342,406)	(\$4,143,014)	(\$4,130,236)
			* *:		
Acct. 175.20+175.40					
Beginning Balance	\$9,876,571	\$5,372,167	\$9,876,571	(\$4,504,404)	\$0
Gas Costs	\$117,575,564	\$117,575,564	\$117,575,564	(\$4,204,404)	\$0 \$0
Billed Revenues	(\$124,836,343)	(\$124,414,919)	(\$124,411,703)	\$421,424	\$424,640
Ending Balance w/o Interest	\$2,615,792	(\$1,467,188)	\$3,040,432	(\$4,082,980)	\$424,640
Interest Applied	\$483,683	\$12,453	\$364,381	(\$471,230)	(\$119,302)
Ending Balance with Interest	\$3,099,475	(\$1,454,735)	\$3,404,813	(\$4,554,210)	\$305,338

Billed Revenue Period Length of period- Months Mid Oct 05- Mid Oct 06 Mid Oct 05- End Oct 05

Nov 05 - Oct 05

12

12.5

12.5

ENERGYNORTH NATURAL GAS, INC. D/BIA KEVSPAN ENERGY DELIVERY NEW ENGLAND MAY THROUGH OCTOBER 2005 PEAK DEMAND AND COMMODITY SCHEDULE 1 KeySpan's Proposal

FOR THE MONTH OF:	Nov-05	Dec-05	Jan-06	Feh-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-86	Total	Total	Total
2 DAYS IN MONTH	30	31	31	28	31	30	31	30	31	31	30	31	May-Oct.	Nov-Apr	May-Oct
3 BEGINNING BALANCE	\$ 4,152,233	\$ 9,169,557	S 6,745,312	\$ 4,590,161	S 7,185,378	\$ 4,497,557	\$ 2,126,709	S 2,423,563	S 2,658,206	\$ 2,905,201	\$ 3,153,582	\$ 3,423,841	S 5,877,928	\$ 4,152,233	\$ 2,126,709
5 Add: ACTUAL COSTS	13,097,244	20,823,227	20,770,445	18,425,287	13,228,153	6,378,982	257,415	206,255	298,868	253,490	253,316	244,090	2,954,325	92,723,339	1,513,435
7 Add: FUEL FINANCING COSTS	72,941	96,429	69,284	76,037	67,041	67,985	61,613	89,425	67,401	76,428	76,037	82,651	250,378	449,718	453,555
8 Add: MISC OH and P&S	492,771	492,771	492,771	492,771	492,771	492,771	-	-	-	,	.			2,956,627	-
10 Less: COLLECTED COST	(4,380,801)	(18,353,237)	(23,854,071)	(18,921,391)	(19,743,660)	(12,451,381) (4,410,950)	(4,410,950)	-	-		-		(4,489,119)	(97,704,540) (60,044,875)	(4,410,950)
Less: Unhilled Reverse Prior Month Unhilled	(8,632,661) 4,464,581	(14,094,855) 8,632,661	(13,754,911) 14,094,855	(11,208,983) 13,754,911	(7,942,515) 11,208,983	7,942,515	4,410,950				_		(4,489,119)	60,098,506 (97,650,909)	4,410,950 (0)
Total Accrued Rev	(8,548,881)	(23,815,431)	(23,514,127)	(16,375,463)	(16,477,192)	(8,919,816)	(0)	•		•	-	-	(4,402,112)	(37,030,303)	- (0)
12 Less: BROKER'S REVENUES	(62,628)	(38,708)	(28,532)	(33,376)	(11,988)	(6,382)	(13,058)	(31,738)	(59,227)	(25,696)	(14,834)	(5,263)	(226,090)	(181,614)	(149,817
14 Less: REFUND	_	_			-			-		-		-	-	-	-
15 Prior Period Adjustment - Reverse Non-Firm							-	-		-	-	-	11,735	-	-
16 Prior Period Adjustment - Interest	1						-		-	-	-	-	(22,082) 230,847	37,736	-
16 ADJUSTMENT	1		37,736				-	-	•	-	-	-	2,50,847	37,736	
18 NON FIRM MARGIN AND CREDITS	(69,615)	(26,341)	(16,325)	(21,572)	(21,233)	(404,744)	(24,388)	(45,992)	(79,470)	(76,992)	(66,486)	(23,137)	(526,737)	(559,830)	(316,465
20 ENDING BALANCE PRE INTEREST	9,134,066	6,701,504	4,556,565	7,153,846	4,462,931	2,106,354	2,408,291	2,641,512	2,885,778	3,132,430	3,401,616	3,722,182	4,061,184	1,927,301	3,627,416
22 MONTH'S AVERAGE BALANCE	6,643,150	7,935,531	5,650,938	5,872,003	5,824,154	3,301,955	2,267,500	2,532,537	2,771,992	3,018,816	3,277,599	3,573,011			
24 INTEREST RATE	6,50%	6.50%	7.00%	7.00%	7,00%	7,50%	7.93%	8.02%	8.25%	8.25%	8.25%	8.25%			
26 INTEREST APPLIED	35,491	43,808	33,596	31,532	34,626	20,355	15,272	16,694	19,423	21,152	22,225	25,036	91,049	199,408	119,802
28 ENDING BALANCE	\$ 9,169,557	\$ 6,745,312	\$ 4,590,161	\$ 7,185,378	\$ 4,497,557	\$ 2,126,709	\$ 2,423,563	\$ 2,658,206	5 2,905,201	\$ 3,153,582	5 3,423,841	5 3,747,218	S 4,152,233	s 2,126,709	\$ 3,747,218

ENERGYNORTH NATURAL GAS, INC. D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND MAY THROUGH OCTOBER 2005 OFF PEAK DEMAND AND COMMODITY SCHEDULE 1 ACCOUNT 175.40

I FOR THE MONTH OF:	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-86	Sep-06	Oct-06	Total	Total	Total
2 DAYS IN MONTH	30	31	31	28	31	30	. 31	30	31	31	30	31	May-Oct	Nov-Apr	May-Oct
															TS
3 BEGINNING BALANCE	\$ 5,724,337	\$ 1,281,638	\$ 1,288,713	S 1,296,375	s 1,303,336	s 1,311,085	\$ 1,319,167	\$ 484,133	s (382,394)	\$ (758,234)	s (656,050)	s (739,106)	\$ (87,960)	5 5,724,337	\$ 1,319,167
4 5 Add: ACTUAL COSTS		-	-	-	-	•	4,357,050	2,531,489	2,176,722	2,718,282	2,638,693	6,100,800	22,712,586		20,523,036
7 Add: MISCELLANEOUS OVERHEADS							20,974	20,974	20,974	20,974	20,974	20,974	126,796	-	125,843
8				ı					,				.	-	- 1
9 Add: HEDGING PREMIUM	-	-	-		-		-	-	-	-	-	-	-	-	-
10 11 Less: COLLECTED COSTS	(4,461,365)	-	-		-		(2,358,079)		(2,715,569)	(2,319,299)		(3,911,825)	(17,081,531)	\$ (4,461,365)	\$ (18,259,487)
Less: Unbilled	-						(2,861,031)		(1,797,227)	(2,110,062)	(2,230,467)	(4,039,941)	-	-	(14,981,970)
Reverse Prior Month Unbilled								2,861,031	1,943,242	1,797,227	2,110,062	2,230,467			10,942,029
Total Accrued Revenue	(4,461,365)	-	-	- 1	- 1	•	(5,219,110)	(3,419,323)	(2,569,554)	(2,632,134)	(2,738,008)	(5,721,299)	(17,081,531)	(4,461,365)	(22,299,428)
12 13 Add: ADJUSTMENTS				.		_	_		_	-	_		:] [
14															
15 ENDING BALANCE PRE INTEREST	1,262,973	1,281,638	1,288,713	1,296,375	1,303,336	1,311,085	478,081	(382,728)	(754,252)	(651,112)	(734,392)	(338,630)	5,669,890	1,262,973	(331,382)
17 MONTH'S AVERAGE BALANCE	3,493,655	1,281,638	1,288,713	1,296,375	1,303,336	1,311,085	898,624	50,702	(568,323)	(704,673)	(695,221)	(538,868)			
19 INTEREST RATE	6.50%	6.50%	7,00%	7.00%	7.00%	7.50%	7.93%	8.02%	8.25%	8.25%	8.25%	8,25%			
20 21 INTEREST APPLIED 22	18,665	7,075	7,662	6,961	7,749	8,082	6,052	334	(3,982)	(4,938)	(4,714)	(3,776)	54,447	\$ 56,194	
23 ENDING BALANCE	S 1,281,638	5 1,288,713	5 1,296,375	\$ 1,303,336	S 1,311,085	\$ 1,319,167	\$ 484,133	\$ (382,394)	\$ (758,234)	S (656,050)	5 (739,106)	S (342,406)	\$ 5,724,337	s 1,319,167	\$ (342,406)

ENERGYNORTH NATURAL GAS, INC. D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND MAY THROUGH OCTOBER 2005 OFF PEAK DEMAND AND COMMODITY SCHEDULE 1 ACCOUNT 175.20, 175.21 & 175.40

I FOR THE MONTH OF:	Nov-05	Dec-05	Jan-06	Feb-86	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-86	Sep-06	Oct-86	Total	Total	Total May-Oct
2 DAYS IN MONTH	30	31	31	28	31	30	31	30	31	31	30	31	May-Oct	Nov-Apr	May-Oct
2 JUNION IN											2 400 477	2,684,736	\$ 5,789,968	\$ 9,876,571	\$ 3,445,876
3 BEGINNING BALANCE	\$ 9,876,571	5 10,451,195	S 8,034,026	\$ 5,886,537	S 8,488,715	\$ 5,808,642	\$ 3,445,876	\$ 2,907,695	\$ 2,275,812	\$ 2,146,967	\$ 2,497,533	2,084,730	3 3,787,208	3 7,070,577	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
4 5 Add: ACTUAL COSTS	13,097,244	20,823,227	20,770,445	18,425,287	13,228,153	6,378,982	4,614,465	2,737,744	2,475,590	2,971,773	2,892,009	6,344,891	25,666,911	92,723,339	22,036,47
6 7 Add: MISCELLANEOUS OVERHEADS	565,712	589,200	562,055	568,808	559,812	560,757	82,587	110,399	88,375	97,402	97,011	103,624	377,174 -	3,406,345	579,391
8 Add: HEDGING PREMIUM													-	-	•
1 Less: COLLECTED COSTS	(8,842,165)	(18,353,237)	(23,854,071)	(18,921,391) (11,208,983)	(19,743,660) (7,942,515)	(12,451,381)	(6,769,029) (2,861,031)	(4,337,112) (1,943,242)	(2,715,569) (1,797,227)	(2,319,299) (2,110,062)	(2,617,603)	(3,911,825) (4,039,941)	(21,570,650)	\$ (60,044,875)	
Less: Unbilled Reverse Prior Month Unbilled	(8,632,661) 4,464,581	(14,094,855) 8,632,661	(13,754,911) 14,094,855	13,754,911	11,208,983	7,942,515	4,410,950 (5,219,110)	2,861,031 (3,419,323)	1,943,242 (2,569,554)	1,797,227 (2,632,134)	2,110,062 (2,738,008)	2,230,467 (5,721,299)	(21,570,650)	\$ 60,098,506 (102,112,274)	\$ 15,352,979 (22,299,429
Total Accrued Revenue	(13,010,245)	(23,815,431)	(23,514,127)	(16,375,463)	(16,477,192)	,	(37,446)	(77,730)	(138,697)	(102,689)	(81,320)	(28,400)	(532,327)	(703,707)	(466,28
3 Add: ADJUSTMENTS	(132,243)	(65,049)	(7,121)	(54,948)	(33,221)	(411,126)	(37,446)	(77,750)	(130,071)	(102,332)					
5 ENDING BALANCE PRE INTEREST	10,397,639	7,983,142	5,845,279	8,450,222	5,766,268	3,417,439	2,886,371	2,258,784	2,131,526	2,481,318	2,667,225	3,383,553	9,731,075	3,190,274	3,296,03
6 7 MONTH'S AVERAGE BALANCE	10,136,805	#REF! 9,217,169	#REF! 6,939,653	7,168,380	7,127,492	4,613,040	3,166,124	2,583,240	2,203,669	2,314,143	2,582,379	3,034,145			
9 INTEREST RATE	6,50%	6,50%	7,00%	7,00%	7.00%	7.50%	7,93%	8.02%	8.25%	8,25%	8.25%	8.25%			
20 21 INTEREST APPLIED	54,156	50,884	41,258	38,493	42,374	28,437	21,324	17,028	15,441	16,215	17,511	21,260	145,496		
22 ENDING BALANCE	S 10,451,195	S 8,034,026	\$ 5,886,537	S 8,488,715	S 5,808,642	S 3,445,876	S 2,907,695	S 2,275,812	S 2,146,967	\$ 2,497,533	S 2,684,736	S 3,404,813	\$ 9,876,571	\$ 3,445,876	\$ 3,404,81

EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England]

Indirect Gas Costs

DG 07-050

Responses of the New Hampshire Public Utilities Commission To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests

Date Received: July 2, 2007 Data Request No.: 1-50 Data of Response: July 16, 2007 Respondent: George McCluskey

RESPONSE:

Did Mr. McCluskey contact any utilities other than KeySpan to obtain data or other information for possible use in this proceeding? If so, please indicate the name of such utility and the individual or individuals contacted and provide a copy of any information provided, whether or not the information was relied upon by Mr. McCluskey in his testimony.

RESPONSE:

Yes, Mr. McCluskey contacted Northern, National Grid, Unitil and PSNH. The Northern contacts were Joe Ferro and John Skirtich. The National Grid contacts were Scott McCabe and Mike La Flamme. The Unitil contacts were Robin Tafoya and Mark Lambert. The PSNH contact was Steve Hall. Copies of the written responses are attached.

Northern Utilities, Inc.
New Hampshire Division
DG 07-072
Staff Request – Northern Set No. 1
Response: 5
Responsible: Joseph A. Ferro
Manager, Regulatory Policy

Request:

Follow-up to Staff 1 - 18 in DG 07-033. The response states that the information requested for 2006 is not readily available. Staff needs this data in order to estimate Northern's gas supply expense lead for 2006. Please explain what steps Northern must take to provide this information.

Response:

Attachment Staff-Northern 1-5-A contains the requested data for the calendar year 2006. The Gas Cost lead days for 2006 totals 37.90 days compared to 38.48 days from Northern's 2001 rate case; a modest change of 0.58 days.

The gas cost working capital formula is the net of Northern's revenue lag and gas purchase lead. Both components need to be considered. Therefore, Northern is providing in Attachment Staff-Northern 1-5-B its revenue lag calculation for 2006. The revenue lag for 2006 totals 48.16 days compared to 44.81 days from Northern's 2001 rate case, an increase of 3.35 days. Northern included in its 2006 revenue lag a 1 day billing lag which was not included in the 2001 case. The billing lag was included in the 2006 calculation since Northern would include such a lag if a lead-lag study was filed before the commission in support of its working capital requirement. The remaining revenue lag change may be attributable to a number of items that could affect customer behavior such as higher gas costs, increase usage of extended payment plans, budget payment plans, etc.

Northern's net gas cost working capital lag for 2006 increased to 10.26 days (48.16 less 37.90) from 6.33 days (44.81 less 38.48) as determined in its 2001general rate case.

I attest this response was prepared by me or under my direct supervision and control and is true and accurate as to the best of my information and belief at the date of filing.

Collection Lag using Gas Costs

	ſ		TME	TME	TME	Firm	Firm	Gas Accts	Days Lag
		Firm	Firm	Firm	Firm GC/	Accounts	Gas Accounts	Receivable/	Receivable %
		Gas Cost	Gas Costs	Revenues	Firm Revenue	Receivable	Receivable	TME GC	*365 Days
1			(a)	(b)	(c)=(a)/(b)	(d)	(e)=(c)x(d)	(f)=(e)/(a)	(g)=(f)*365
1	Jan-04	\$19,862,340	75/	\$22,938,134	(0) (0)/(0)	\$22,845,763	(6) (6)/(6)	(1) (0)/(0)	(9/ (./ 000
2	Feb-04	\$12,681,513		\$49,628,376		\$26,689,454			
3	Mar-04	\$10,025,527		\$69,451,140		\$19,821,976			
4	Apr-04	\$6,083,805		\$83,921,392		\$14,457,888			*. *
5	May-04	\$3,530,395		\$91,141,843		\$7,204,586			
6	Jun-04	\$3,162,179		\$95,733,971		\$4,581,080			
7	Jul-04	\$2,840,944		\$99,627,432		\$3,882,966			
8	Aug-04	\$2,651,852		\$103,421,247		\$3,784,217			
9	Sep-04	\$2,645,064		\$107,283,695		\$3,834,152			
10	Oct-04	\$5,553,394		\$112,136,570		\$4,839,648			
11	Nov-04	\$8,674,360		\$121,412,538		\$9,217,268			
12	Dec-04	\$15,777,101	\$93,488,473	\$137,416,987	68.03%	\$14,483,822	\$9,853,734	10.54%	38.47
13	Jan-05	\$17,938,217	\$91,564,350	\$138,560,681	66.08%	\$21,781,964	\$14,394,065	15.72%	57.38
14	Feb-05	\$14,572,609	\$93,455,446	\$136,794,391	68.32%	\$26,461,590	\$18,078,078	19.34%	70.61
15	Mar-05	\$13,100,373	\$96,530,292	\$138,960,739	69.47%	\$25,272,490	\$17,555,756	18.19%	66.38
16	Apr-05	\$5,924,511	\$96,370,998	\$140,590,138	68.55%	\$23,579,719	\$16,163,303	16.77%	61.22
17	May-05	\$5,015,142	\$97,855,746	\$143,197,879	68.34%	\$20,290,960	\$13,866,037	14.17%	51.72
18	Jun-05	\$3,388,995	\$98,082,562	\$145,115,608	67.59%	\$16,324,453	\$11,033,577	11.25%	41.06
19	Jul-05	\$3,222,720	\$98,464,338	\$145,432,175	67.70%	\$13,944,984	\$9,441,402	9.59%	35.00
20	Aug-05	\$2,660,234	\$98,472,721	\$145,301,831	67.77%	\$10,533,578	\$7,138,727	7.25%	26.46
21	Sep-05	\$3,765,068	\$99,592,725	\$145,735,922	68.34%	\$9,438,172	\$6,449,839	6.48%	23.64
22	Oct-05	\$7,614,751	\$101,654,083	\$146,232,179	69.52%	\$8,228,023	\$5,719,754	5.63%	20.54
23	Nov-05	\$13,085,240	\$106,064,963	\$148,711,275	71.32%	\$9,755,043	\$6,957,564	6.56%	23.94
24	Dec-05	\$20,823,227	\$111,111,089	\$156,137,784	71.16%	\$19,641,902	\$13,977,611	12.58%	45.92
25									
26									l
27		1.1.1		***************************************					
28 29	Total Day	s- Last 13 Mont	hs						562.33
	13 Month	Average							43.26

	1		TME	TME	TME	Firm	Firm	Gas Accts	Days Lag
	-	Firm	COG	Firm	Firm GC/	Accounts	Gas Accounts	Receivable/	Receivable %
	•	COG Rev	Revenues	Revenues	Firm Revenue	Receivable	Receivable	TME GC	*365 Days
			(a)	(b)	(c)=(a)/(b)	(d)	(e)=(c)x(d)	(f)=(a)/(e)	(g)=(f)*365
1	Jan-04	16,587,325		\$22,938,134		\$22,845,763			
2	Feb-04	19,802,852		\$49,628,376		\$26,689,454			
3	Mar-04	14,424,355		\$69,451,140		\$19,821,976			
4	Apr-04	10,134,773		\$83,921,392		\$14,457,888			
5	May-04	3,185,471		\$91,141,843		\$7,204,586			
6	Jun-04	\$4,519,063		\$95,733,971		\$4,581,080			
7	Jul-04	\$2,533,638		\$99,627,432		\$3,882,966			
8	Aug-04	\$2,032,335		\$103,421,247		\$3,784,217			
9	Sep-04	\$2,007,510		\$107,283,695		\$3,834,152			
10	Oct-04	\$2,079,780		\$112,136,570		\$4,839,648			
11	Nov-04	\$6,241,621		\$121,412,538		\$9,217,268			
12	Dec-04	\$11,530,752	\$95,079,476	\$137,416,987	69.19%	\$14,483,822	\$10,021,427	10.54%	38.47
13	Jan-05	\$16,902,486	\$95,394,637	\$138,560,681	68.85%	\$21,781,964	\$14,996,192	15.72%	57.38
14	Feb-05	\$17,655,061	\$93,246,846	\$136,794,391	68.17%	\$26,461,590	\$18,037,726	19.34%	70.61
15	Mar-05	\$15,392,850	\$94,215,341	\$138,960,739	67.80%	\$25,272,490	\$17,134,741	18.19%	66.38
16	Apr-05	\$11,078,288	\$95,158,855	\$140,590,138	67.69%	\$23,579,719	\$15,960,003	16.77%	61.22
17	May-05	\$6,693,766	\$98,667,150	\$143,197,879	68.90%	\$20,290,960	\$13,981,012	14.17%	51.72
18	Jun-05	\$4,265,445	\$98,413,532	\$145,115,608	67.82%	\$16,324,453	\$11,070,808	11.25%	41.06
19	Jul-05	\$2,410,054	\$98,289,948	\$145,432,175	67.58%	\$13,944,984	\$9,424,681	9.59%	35.00
20	Aug-05	\$2,072,653	\$98,330,266	\$145,301,831	67.67%	\$10,533,578	\$7,128,400	7.25%	26.46
21	Sep-05	\$2,552,052	\$98,874,809	\$145,735,922	67.85%	\$9,438,172	\$6,403,345	6.48%	23.64
22	Oct-05	\$3,576,679	\$100,371,707	\$146,232,179	68.64%	\$8,228,023	\$5,647,599	5.63%	20.54
23	Nov-05	\$8,842,166	\$102,972,252	\$148,711,275	69.24%	\$9,755,043	\$6,754,691	6.56%	23.94
24	Dec-05	\$18,353,237	\$109,794,737	\$156,137,784	70.32%	\$19,641,902	\$13,812,016	12.58%	45.92
25	200 00	410,000,20	Ψ100,701,707	Ψ100,107,101	70.0270	ψ.ο,ο,οο <u>π</u>	ψ10,012,010	.2.0070	.0.02
26									
27									
2 <i>1</i> 28	Total Day	s- Last 13 Mont	hs				<u> </u>		562.33
29									
30	13 Month	Average							43.26

5

EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England]

Indirect Gas Costs

DG 07-050

Responses of the New Hampshire Public Utilities Commission To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests

Date Received: July 2, 2007 Data Request No.: 1-52 Data of Response: July 16, 2007 Respondent: George McCluskey

REQUEST:

Reference Page 10, Line 9. Please provide a revised version of Exhibit GRM-3 computing the average collection lag on the basis of gas accounts receivable using the net write-offs method.

RESPONSE:

See attached electronic spreadsheet.

KeySpan
Collections Lag
Accounts Receivable Turnover Method
(Based on Net Write-Offs)

				Gas Accounts	Gas Accounts	Gas	Gas			Collections
		Total Accounts	Firm Accounts	Receivable	Receivable	Revenues	Revenues w/o	Total Gas	Gross less	Lag
		<u>Receivable</u>	Receivable 1	(Net Write-offs)	(GrossWrite-offs)	with interest	interest	Revenues	Net Write-offs	(Days)
	2005 January	\$21,793,379	\$21,781,964	\$14,394,065	\$14,334,683	\$16,902,486	\$922,383	\$17,824,869	\$59,382	·
	February	\$26,462,190	\$26,461,590	\$18,078,078	\$18,057,242	\$17,655,061	\$971,150	\$18,626,211	\$20,836	
	March	\$25,272,690	\$25,272,490	\$17,555,756	\$17,506,480	\$15,392,850	\$842,747	\$16,235,597	\$49,276	
	April	\$23,593,178	\$23,579,719	\$16,163,303	\$16,122,087	\$11,078,288	\$575,395	\$11,653,683	\$41,216	
	May	\$20,290,960	\$20,290,960	\$13,866,037	\$13,834,329	\$6,693,766	\$207,141	\$6,900,907	\$31,708	
	June	\$16,360,626	\$16,324,453	\$11,033,577	\$10,987,215	\$4,265,445		\$4,265,445	\$46,362	
	July	\$13,958,597	\$13,944,984	\$9,441,402	\$9,411,547	\$2,410,054		\$2,410,054	\$29,855	
	August	\$10,754,556	\$10,533,578	\$7,138,727	\$7,110,711	\$2,072,653		\$2,072,653	\$28,016	
	September	\$9,466,652	\$9,438,172	\$6,449,839	\$6,422,664	\$2,552,052		\$2,552,052	\$27,175	
	October	\$8,228,023	\$8,228,023	\$5,719,754	\$5,692,540	\$3,576,679		\$3,576,679		
	November	\$9,960,750	\$9,755,043	\$6,957,564	\$6,914,838	\$8,842,166		\$8,842,166		
	December	\$19,672,827	\$19,641,902	\$13,977,611	\$13,969,456	\$18,353,237		\$18,353,237	· · · · · · · · · · · · · · · · · · ·	
Avera	ge Accounts Red	ceivable Balanc	e	\$11,731,309						
Avera	ge Daily Revenu	e		, , , , , , , , , , , ,				\$310,448		
Avera	ge Collections La	ag								37.79
Differe	ence									5.77

KeySpan Collections Lag Accounts Receivable Turnover Method (Based on Net Write-Offs)

	Total Accounts	Firm Accounts	Gas Accounts Receivable	Gas Accounts Receivable	Gas Revenues	Gas Revenues	Total Gas	Gross less	Collections Lag	2005 COG Annual	Gas Accts Receivable/	Days Lag Receivable %
	Receivable	Receivable	(Not Write offs)	(GrossWrite-offs)	with interest	w/o interest	Revenues	Net Write-offs	(Days)	Revenue	TME COG Rev	*365 Days
2005 January	Neceivable	Neceivable	\$14,394,065	\$14,334,683	\$16,902,486		\$17,824,869	\$59,382	1	\$113,313,553	12.7%	46.17
February			\$18,078,078	\$18,057,242	\$17,655,061		\$18,626,211	\$20,838		\$113,313,553	15.9%	58.17
March			\$17,555,756	\$17,506,480	\$15,392,850		\$16,235,597	\$49,276		\$113,313,553	15.4%	56.39
April			\$16,163,303	\$16,122,087	\$11,078,288		\$11,653,683	\$41,216		\$113,313,553	14.2%	51.93
May			\$13,866,037	\$13,834,329	\$6,693,766	\$207,141	\$6,900,907	\$31,708		\$113,313,553	12.2%	44.56
June			\$11,033,577	\$10,987,215	\$4,265,445	VLU 1,171	\$4,265,445	\$46,362		\$113,313,553	9.7%	35.39
July			\$9,441,402	\$9,411,547	\$2,410,054		\$2,410,054	\$29,855		\$113,313,553	8.3%	30.3
August			\$7,138,727	\$7,110,711	\$2,072,653		\$2,072,653	\$28,016		\$113,313,553	6.3%	22.90
September			\$6,449,839	\$6,422,664	\$2,552,052		\$2,552,052	\$27,175		\$113,313,553	5.7%	20.69
October	,		\$5,719,754	\$5,692,540	\$3.576.679		\$3,576,679	\$27,214		\$113,313,553	5.0%	18.34
November			\$6,957,564	\$6,914,838	\$8,842,166		\$8,842,166	\$42,726		\$113,313,553	6.1%	22.27
December			\$14,000,403	\$13,992,248	\$18,353,237		\$18,353,237	\$8,155		\$113,313,553	12.3%	45.0
December			Ψ14,000,410		Ψ10,000,20·		* 10,000,000					
Average Accounts	Receivable Bala	ance	\$11,733,209	\$11,698,882								→ 37.68
Average Daily Rev	/enue						\$310,448					
Average Collection	ns Lag								37.68			
V									43.26			
KeySpan Method												
Variance									-5.57			
Variance	N	***							-5.57			
	nate Net Writeo	ffs_	Gas Accounts	Gas Accounts	Gas	Gas		***************************************	-5.57	- 100 H	Gas Accts	Days Lag
Variance		-	Gas Accounts	Gas Accounts	Gas	Gas Revenues	Total Gas	Gross less	Collections	2005 COG	Gas Accts Receivable/	Days Lag Receivable %
Variance	nate Net Writeo	-		Gas Accounts Receivable	Gas Revenues	Gas Revenues	Total Gas	Gross less		2005 COG Annual		
Variance	Total Accounts	Firm Accounts	Receivable	Receivable	Revenues	Revenues	Total Gas	Gross less	Collections			
Variance Scenario 1- Elimi		Firm Accounts	Receivable (Net Write-offs)	Receivable (GrossWrite-offs)	Revenues with interest	Revenues w/o interest			Collections Lag	Annual	Receivable/	Receivable % *365 Days
Variance Scenario 1- Elimi 2005 January	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065	Receivable (GrossWrite-offs) \$14,394,065	Revenues with interest \$16,902,486	Revenues w/o interest \$922,383	Revenues \$17,824,869		Collections Lag	Annual Revenue	Receivable/ TME COG Rev	*365 Days 46.37 58.23
Variance Scenario 1- Elimi 2005 January February	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078	with interest \$16,902,486 \$17,655,061	Wo interest \$922,383 \$971,150	Revenues \$17,824,869 \$18,626,211		Collections Lag	Annual Revenue \$113,313,553	Receivable/ TME COG Rev 12.7%	*365 Days 46.37 58.23 56.55
Variance Scenario 1- Elimi 2005 January February March	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850	Revenues w/o interest \$922,383 \$971,150 \$842,747	Revenues \$17,824,869 \$18,626,211 \$16,235,597		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0%	*365 Days 46.37 58.23 56.55 52.06
Variance Scenario 1- Elimi 2005 January February March April	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303	with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5%	*365 Days 46.37 58.23 56.55 52.06
Variance Scenario 1- Elimi 2005 January February March April May	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037	with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766	Revenues w/o interest \$922,383 \$971,150 \$842,747	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3%	*365 Days 46.37 58.23 56.55 52.06 44.66
Variance Scenario 1- Ellmi 2005 January February March April May June	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577	with interest \$16,902,486 \$17,655,651 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2%	*365 Days 46.37 58.23 56.55 52.00 44.66 35.54
Variance Scenario 1- Ellmi 2005 January February March April May June July	Total Accounts	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402	with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7%	*365 Days 46.37 58.23 56.55 52.06 44.66 35.54 30.41
Variance Scenario 1- Elimi 2005 January February March April May June July August	Total Accounts Receivable	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727	With interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3%	*365 Days 46.37 58.23 56.55 52.06 44.66 35.54 30.41 22.95
Variance Scenario 1- Elimi 2005 January February March April May June July August Septembei	Total Accounts Receivable	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3%	*365 Days 46.37 58.25 56.55 52.06 44.66 35.54 30.41 22.99
Variance Scenario 1- Ellmi 2005 January February March April May June July August September October	Total Accounts Receivable	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3% 5.7% 5.0%	*365 Days 46.37 56.55 52.06 44.66 35.54 30.44 22.99 20.77 18.42
Zoos January February March April May June July August September	Total Accounts Receivable	Firm Accounts	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3% 5.7%	*365 Days 46.3' 58.2' 56.5' 52.0' 44.6' 35.5' 30.4 22.9' 20.7' 18.4' 22.4'
2005 January February March April May June July August September October November December	Total Accounts Receivable	Firm Accounts Receivable	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564 \$14,000,403	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564 \$14,000,403	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3% 5.7% 5.0% 6.1%	*365 Days 46.31 58.22 56.55 52.06 44.66 35.54 22.93 20.76 18.42 22.41
Variance Scenario 1- Ellmi 2005 January February March April May June July August September October November December Average Accounts	Total Accounts Receivable	Firm Accounts Receivable	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166 \$18,353,237		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3% 5.7% 5.0% 6.1%	*365 Days 46.31 58.22 56.55 52.00 44.60 35.54 30.4* 22.99 20.78 18.44 22.4
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Variance Scenario 1- Ellmi 2005 January February March April May June July August September October November December Average Accounts	Total Accounts Receivable	Firm Accounts Receivable	Receivable (Net Write-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564 \$14,000,403	Receivable (GrossWrite-offs) \$14,394,065 \$18,078,078 \$17,555,756 \$16,163,303 \$13,866,037 \$11,033,577 \$9,441,402 \$7,138,727 \$6,449,839 \$5,719,754 \$6,957,564 \$14,000,403	Revenues with interest \$16,902,486 \$17,655,061 \$15,392,850 \$11,078,288 \$6,693,766 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166	Wo interest \$922,383 \$971,150 \$842,747 \$575,395	Revenues \$17,824,869 \$18,626,211 \$16,235,597 \$11,653,683 \$6,900,907 \$4,265,445 \$2,410,054 \$2,072,653 \$2,552,052 \$3,576,679 \$8,842,166 \$18,353,237		Collections Lag	Annual Revenue \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553 \$113,313,553	Receivable/ TME COG Rev 12.7% 16.0% 15.5% 14.3% 12.2% 9.7% 8.3% 6.3% 5.7% 5.0% 6.1%	*365 Days 46.37 58.23 56.55 52.06 44.66 35.54 30.41 22.92 20.78 18.42 22.41 45.10

	COG	Firm	TME COG	TME Firm	TME COG/	Total	Gas Accounts Receivable	Gas Accounts Receivable	Gas Revenues	Gas Revenues	Total Gas	2005 COG Annual	Gas Accts Receivable/	Days Lag Receivable
	Revenues	Revenues	Revenues	Revenues	TME Firm Rev	A/R	(Net Write-offs	(GrossWrite-off	with interest	w/o interest	Revenues	Revenue	TME COG Rev	*365 Days
2004 January	\$16,587,325	\$22,938,134		-					\$15,598,123	\$989,202	\$16,587,325			
February	\$19,802,852	\$26,690,242							\$18,661,235	\$1,141,617	\$19,802,852			
March	\$14,424,355	\$19,822,764							\$13,608,880	\$815,475	\$14,424,355			
April	\$10,134,773	\$14,470,253							\$9,540,558	\$594,215	\$10,134,773			
May	\$4,519,112	\$7,220,450							\$4,330,157	\$188,956	\$4,519,112			
June	\$2,533,638	\$4,592,128							\$2,533,638		\$2,533,638			
July	\$2,032,335	\$3,893,461							\$2,032,335		\$2,032,335			
August	\$2,007,510	\$3,793,816							\$2,007,510		\$2,007,510			
September	\$2,079,780	\$3.862.448							\$2,079,780		\$2,079,780			
October	\$2,809,760	\$4,852,875							\$2,809,760		\$2,809,760			
November	\$6,241,621	\$9,275,968							\$6,086,687	\$154,934	\$6,241,621			
December	\$11,530,752	\$16,004,448							\$10,942,088	\$588,664	\$11,530,752			
2005 January	\$17.824.869	\$24.081.828	\$95.941.358	\$138,560,681	69.24%	\$21,781,964	\$15,082,137	\$15,022,755	\$16,902,486	\$922,383	\$17,824,869	\$113,313,553	13.3%	
February	\$18,626,211	\$24,923,952	\$94,764,717	\$136,794,391	69.28%	\$26,461,590	\$18.331.344	\$18,310,508	\$17,655,061	\$971,150	\$18,626,211	\$113,313,553	16.2%	
March	\$16,235,597	\$21,989,112	\$96,575,959	\$138,960,739	69.50%	\$25,272,490	\$17.564.061	\$17,514,785	\$15,392,850	\$842,747	\$16,235,597	\$113,313,553	15.5%	
April	\$11,653,683	\$16,099,652	\$98,094,868	\$140,590,138	69.77%	\$23,579,719	\$16,452,430	\$16,411,214	\$11,078,288	\$575,395	\$11,653,683	\$113,313,553	14.5%	52.8
May	\$6,900,907	\$9,828,191	\$100,476,663	\$143,197,879	70,17%	\$20,290,960	\$14,237,417	\$14,205,709	\$6,693,766	\$207,141	\$6,900,907	\$113,313,553	12.5%	45.7
June	\$4,265,445	\$6,509,858	\$102,208,470	\$145,115,608	70.43%	\$16,324,453	\$11,497,712	\$11,451,350	\$4,265,445		\$4,265,445	\$113,313,553	10.1%	36.8
July	\$2,410,054	\$4,210,027	\$102,586,189	\$145,432,175	70.54%	\$13,944,984	\$9,836,632	\$9,806,777	\$2,410,054		\$2,410,054	\$113,313,553	8.7%	31.5
August	\$2,072,653	\$3,663,472	\$102,651,333	\$145,301,831	70.65%	\$10,533,578	\$7,441,653	\$7,413,637	\$2,072,653		\$2,072,653	\$113,313,553	6.5%	23.8
September	\$2,552,052	\$4,296,540	\$103,123,605	\$145,735,922	70.76%	\$9,438,172	\$6,678,507	\$6,651,332	\$2,552,052		\$2,552,052	\$113,313,553	5.9%	21.4
October	\$3,576,679		\$103,890,523	\$146,232,179	71.04%	\$8,228,023	\$5,845,592	\$5,818,378	\$3,576,679		\$3,576,679	\$113,313,553	5.1%	18.7
November	\$8,842,166	\$11.755.065	\$106,491,068	\$148,711,275	71.61%	\$9,755,043	\$6,985,515	\$6,942,789	\$8,842,166		\$8,842,166	\$113,313,553	6.1%	22.3
	\$18,353,237	\$23,430,957	\$113,313,553	\$156,137,784	72.57%	\$19,671,827	\$14,276,395	\$14,268,240	\$18.353,237		\$18,353,237	\$113,313,553	12.6%	45.9
December	\$ 10,353,237	\$23,430,937	\$113,313,333	\$100,107,704	12.3170	ψ13 ₁ 071 ₁ 021	ψ14,210,000	ψ14,200,240	ψ10,000,E07		•	• • - • - • - • - •		
verage Accounts F	Pagainable Pat	\$156 127 70 <i>1</i>					\$12,019,116	\$11,984,790			\$113,313,553		_	>38.60
		\$130,137,704					Ø12,010,110	ψ,σσ,.σσ			\$310,448			
erage Daily Reve											38.60-			
verage Collections fference	Lag										(4.66)			

	Total Firm Rev	TME Firm Rev	Gas Revenues with interest	Gas Revenues w/o interest	Total Gas Revenues	TME Firm COG Rev	% COG Rev/	Total Accounts Receivable	Gas Accounts Receivable (Net Write-offs)	Gross less Net Write-offs	Gas Accounts Receivable (GrossWrite-offs)	2005 COG Annual Revenue	Gas Accts Receivable/ TME COG Rev	Days Lag Receivable % *365 Days	TME Annual COG Rev	Gas Accts Receivable/ TME COG Rev	Days Lag Receivable % *365 Days
	(a)	(b)	(c)	(d)	(e=c+d)	(f)	(g=f/b)	(h)	(i=g*h)	(i)	(k=i-j)	(1)	(m=k/l)	(n=m*365)	(o=f)	(p=i/o)	(q=p*365)
2004 January	22,938,134		\$15,598,123	\$989,202	\$16,587,325												
February	26,690,242		\$18,661,235	\$1,141,617	\$19,802,852												
March	19,822,764		\$13,608,880	\$815,475	\$14,424,355												
April	14,470,253		\$9,540,558	\$594,215	\$10,134,773												
May	7,220,450		\$4,330,157	\$188,956	\$4,519,112												
June	4,592,128		\$2,533,638	\$0	\$2,533,638												
July	3,893,461		\$2,032,335	\$0	\$2,032,335												
August	3,793,816		\$2,007,510	\$0	\$2,007,510												
September	3,862,448		\$2,079,780	\$0	\$2,079,780												
October	4,852,875		\$2,809,760	\$ 0	\$2,809,760												
November	9,275,968		\$6,086,687	\$154,934	\$6,241,621												
December	16,004,448	137,416,987	\$10,942,088	\$588,664	\$11,530,752	94,703,814	68.92%	\$14,483,822	\$9,981,832		\$9,981,832				94,703,814	10.5%	
2005 January	24,081,828	138,560,681	\$16,902,486	\$922,383	\$17,824,869	95,941,358	69,24%	\$21,781,964	\$15,082,137	\$59,382	\$15,022,755	\$113,313,553	13.3%		95,941,358	15.7%	
February	24,923,952	136,794,391	\$17,655,061	\$971,150	\$18,626,211	94,764,717	69.28%	\$26,461,590	\$18,331,344		\$18,310,508	\$113,313,553	16.2%		94,764,717	19.3%	
March	21,989,112	138,960,739	\$15,392,850	\$842,747	\$16,235,597	96,575,959	69.50%	\$25,272,490	\$17,564,061	\$49,276	\$17,514,785	\$113,313,553	15.5%	56.42	96,575,959	18.2%	
April	16,099,652	140,590,138	\$11,078,288	\$575,395	\$11,653,683	98,094,868	69.77%	\$23,579,719	\$16,452,430	\$41,216	\$16,411,214	\$113,313,553	14.5%	52.86	98,094,868	16.8%	
May	9.828.191	143,197,879	\$6,693,766	\$207,141	\$6,900,907	100,476,663	70.17%	\$20,290,960	\$14,237,417	\$31,708	\$14,205,709	\$113,313,553	12.5%	45.76	100,476,663	14.2%	
June	6,509,858	145,115,608	\$4,265,445	\$0	\$4,265,445	102,208,470	70.43%	\$16,324,453	\$11,497,712	\$46,362	\$11,451,350	\$113,313,553	10.1%		102,208,470	11.2%	
July	4,210,027	145,432,175	\$2,410,054	\$0	\$2,410,054	102,586,189	70.54%	\$13,944,984	\$9,836,632	\$29,855	\$9,806,777	\$113,313,553	8.7%	31.59	102,586,189	9.6%	
August	3,663,472	145,301,831	\$2,072,653	\$0	\$2,072,653	102,651,333	70.65%	\$10,533,578	\$7,441,653	\$28,016	\$7,413,637	\$113,313,553	6.5%	23.88	102,651,333	7.2%	
September	4,296,540	145,735,922	\$2,552,052	\$0	\$2,552,052	103,123,605	70.76%	\$9,438,172	\$6,678,507	\$27,175	\$6,651,332	\$113,313,553	5.9%	21.42	103,123,605	6.5%	
October	5,349,132		\$3,576,679	\$0	\$3,576,679	103,890,523	71.04%	\$8,228,023	\$5,845,592	\$27,214	\$5,818,378	\$113,313,553	5.1%	18.74	103,890,523	5.6%	
November	11,755,065		\$8,842,166	\$0	\$8,842,166	106,491,068	71.61%	\$9,755,043	\$6,985,515	\$42,726	\$6,942,789	\$113,313,553	6.1%	22.36	106,491,068	6.6%	
December	23,430,957	156,137,784		\$0	\$18,353,237	113,313,553	72.57%	\$19,671,827	\$14,276,395	\$8,155	\$14,268,240	\$113,313,553	12.6%	45.96	113,313,553	12.6%	45.99
Average Accounts Re	ceivable Balan	ce									\$11,984,790			38.60			
Average Daily Revenu	10				\$310,448												
Average Collections L	ag													38.60			
KeySpan Method	-																43.26

2004 COG Rev	\$94,703,814
2005 COG Rev	\$113,313,553
Variance	\$18,609,739
Percent Increase	19.7%

EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England]

Indirect Gas Costs

DG 07-050

Responses of the New Hampshire Public Utilities Commission To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests

Date Received: July 26, 2007 Data Request No.: 2-22 Data of Response: August 9, 2007

Respondent: Stephen Frink

REQUEST:

Based on discussions with Staff, it is KeySpan's understanding that the Staff is willing to stipulate to the following statement of facts. Please confirm that the Staff agrees that the following facts are correct:

At the time of the hearing on the merits in Docket DG 06-121, the Staff had not communicated to KeySpan, either orally or in writing, that it had any concerns regarding the company's lead/lag study or the net lag that was used in determining any costs included in the indirect gas costs at issue in that case. In discussions with KeySpan in Docket DG 06-121, the Staff did not object to the inclusion of any of the indirect gas costs submitted by the company, other than the level of the allowance for bad debt. The Staff also identified the use of billed revenues, instead of accrued revenues, for purposes of calculating the interest on deferred balances as an issue. The Staff identified KeySpan's lead/lag study as a potential issue to be addressed by the Commission only after the Commission issued its Order No. 24,688.

RESPONSE:

Staff agrees that the above facts are correct.

indirect gas costs, of specific concern are the working capital allowance and the bad debt percentage. The bad debt percentage has gone from 0.97 to a proposed 2.982 percent. We discussed it at a tech session on September 28th. And, the Company responded to tech session data requests, Questions 1-1, 1-2, and 1-3, which were received on October 13th. And, those responses indicate that further discovery is warranted on the bad debt topic.

MS. ROSS: If you could hesitate for a

MS. ROSS: If you could hesitate for a moment, I'm going to pass out the responses and ask that they be marked for identification as an exhibit.

BY MS. ROSS:

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- Q And, if you could, Mr. Frink, just summarize what these responses show.
- A (Frink) Response 1-1, which the second page of is actually Exhibit 4, shows that the bad debt average over the past -- bad debt percentage over the past three years has averaged 2.57 percent. Response 2 shows that collection policies have changed since 1999. The response doesn't indicate what the policies were in the test year, that was 2005. But, regardless, Staff would like to review the recent changes that have been made, or could be made, that

would reduce the bad debt from that experienced in 2005. Response 3 shows that the bad debt percentage of other LDCs in New Hampshire and Massachusetts are lower in all cases except one. That's ten utilities. New Hampshire's other natural gas utility, Northern, has a 2005 bad debt percentage of 0.85 percent. Staff would like to broaden the sample, looking at electric utilities as well, and determine what factors give rise to the difference.

EnergyNorth three year average bad debt percentage of 2.57 at this time, pending further review. Staff proposes to work with the OCA and the Company to determine what an appropriate bad debt percentage should be going forward and will file its findings and recommendation upon completion of its review.

If approved, Staff's recommendation would decrease the indirect gas costs by \$438,108 and lower the proposed cost of gas rates by approximately one half of a penny, 0.0045 per therm.

And, Mr. Frink, do you know whether the Company is willing to take your recommendation with regard to the averaging three years for this cost of gas filing?

[Witness panel: Wyatt|Frink]

1	Α	(Frink) Yes. Prior to the hearing, Staff discussed
2		this proposal with the Company. And, they are
3		willing to implement that proposed change at this
4		time, with the understanding that there could be some
5		other number coming out of the investigation.
6	Q	Thank you. And, now, if you would summarize your
7		concerns with regard to the working capital expense?
8	A	(Frink) Well, as a background, I'm going to explain.
9		Regulatory agencies generally recognize that the
10		level of investment required to operate a utility is
11		not limited to the net plant in service, and that
12		there are other items that require investor-supplied
13		capital. These non-plant items are generally
14		referred to as "working capital". These are
15		typically two components There are typically two
16		components that comprise working capital: Items
17		booked to capital accounts, such as inventories and
18		prepayments; and the cash needed to support expense
19		outlays due to timing differences between receipt of
20		revenues from customers and payment of vendor bills.
21		The latter component can be further subdivided into
22		gas supply- and non-gas supply-related timing
23		differences.
24		Each New Hampshire gas utility is