

NEW HAMPSHIRE GAS CORPORATION

Summer 2011 Cost of Gas Rate - DG 11-054

Supplemental Testimony of Brian R. Maloney

1 **Q. Please state your name, employer and business address.**

2 A. My name is Brian R. Maloney. I am employed by Rochester Gas and Electric
3 Corporation and my business address is 89 East Avenue, Rochester, NY 14649.

4
5 **Q. Have you previously submitted testimony in this proceeding?**

6 A. Yes, on March 21, 2011, I submitted testimony in support of New Hampshire Gas
7 Corporation's cost of gas ("COG") rate for the 2011 summer period of May 1 to
8 October 31.

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10 **Q. What is the purpose of your supplemental testimony in this proceeding?**

11 A. The primary purpose of this supplemental testimony is to update the summer
12 period COG rate to reflect an increase in propane futures prices since the filing of
13 the original testimony. This testimony also identifies some additional exhibits
14 based on conversations with Commission Staff.

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16 **Q. Please identify the changes from the original testimony and exhibits.**

- 17 • Mt Belvieu propane futures prices for May-October have increased by
18 approximately \$0.12 per gallon compared to prices used in the original filing on
19 March 21 (Supplemental Schedule B, Column 1).
- 20 • The estimated cost of propane for the summer period has increased from \$1.6634
21 to \$1.7807 per therm (Attachment B, Line 6), and the estimated total cost of the
22 forecasted propane sendout has increased from \$534,401 to \$572,103
23 (Attachment B, Line 7).
- 24 • Net interest on the (over)/under collection has changed from (\$649) to (\$729)
25 (Attachment C).

- 1 • Based on the above changes, the COG rate for the summer period has increased
2 from \$1.8233 to \$1.9493 per therm (Attachment B, Line 9).
- 3 • Proposed tariff page 25 (48th Revised) and Attachment A have been updated to
4 reflect the changes discussed above.
- 5 • The revised projected summer 2011 COG rate of \$1.9493 is an increase of
6 \$0.2684 per therm from the average summer 2010 COG rate of \$1.6809. As
7 shown on Supplemental Schedule A, for a typical residential heat, hot water and
8 cooking customer using 318 therms over the summer period (Line 3), this would
9 be an \$85.36 or 16.0% increase for the gas component of their bill (Lines 32 and
10 33). If the Monthly Customer Charge, per therm Delivery Rates and Rate Case
11 Surcharge are factored into the calculation, the customer would see an increase of
12 \$73.86 or 7.8% in their total bill for the period (Lines 35 and 36).
- 13 • The principal reason for the increases is the higher projected spot market prices of
14 propane compared to last summer.
- 15 • Supporting documentation for the primary components of Propane Spot Market
16 Purchase Cost Analysis (Supplemental Schedule B) has been included as
17 Attachments 1 to 3 of Supplemental Schedule B.
- 18 • Supplemental Schedule C (Hedging Analyses) has been expanded to include Page
19 3 showing a monthly schedule of pre-purchases and deliveries.

20

21 **Q. Does this conclude your supplemental testimony?**

22 A. Yes, it does.