

Supplemental Testimony of Joseph F. Conneely

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**NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION**

WINTER 2011-2012 COST OF GAS

DG 11-207

Supplemental Prefiled Testimony of Joseph F. Conneely

October 17, 2011

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I. INTRODUCTION

Q. Please state your name, business address, and position.

A. My name is Joseph F. Conneely. My business address is 6 Liberty Lane West, Hampton, New Hampshire. I am a Senior Regulatory Analyst.

II. PURPOSE OF TESTIMONY

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

A. The purpose of my supplemental testimony is to describe updates to Northern Utilities, Inc.'s, ("Northern's") proposed changes to its Local

1 Delivery Adjustment Clause (“LDAC”) tariff. I also present the impact the
2 updated Cost of Gas (“COG”) will have on bills to Northern New
3 Hampshire Division’s typical customers.

4 Also, while working on the revised 2011-2012 COG filing, I noticed an
5 inadvertent error in the forecast used in the denominator for determining
6 the three LDAC rate components. The initial filing showed a forecast of
7 61,510,387 therms which excluded one G-50 customer. The revised
8 LDAC rates now reflect that customer in the corrected Company’s forecast
9 of 61,817,387 therms which is illustrated in Attachment 2 to Schedule 10B
10 page 1 of 3 line 41. Please note, the forecast unit used in the LDAC
11 calculations is therms, the unit used in Attachment 2 to Schedule 10B is
12 dekatherm (Dth). By subtracting the “Special Contracts” volume on line 41
13 of 1,029,983 dth from the “Total Division” volume on line 41 of 7,2,11,722
14 dth, you come to 6,181,739 dth.

15
16 **Q. Please describe the update to the Residential Low Income**
17 **Assistance Program (“RLIAP”) rate.**

18 A. Northern has updated its filing to provide actual data for the month of
19 September 2011 in Revised Schedule 16. This updated information
20 changes the estimated beginning balance in November 2011 and is
21 reflected in Revised Schedule 16, RLIAP, page 1, at line 22, as an over
22 collection in the amount of \$18,911. This update changes the RLIAP rate

1 that was proposed on September 15, 2011 for effect November 1, 2011
2 from \$0.0056 to \$0.0059.

3

4 **Q. What, if anything, have you updated with regard to the Demand Side**
5 **Management (“DSM”) charges?**

6 A. The Company proposed in the September 15, 2011 filing to increase the
7 DSM charge for the residential classes from the currently- approved rate
8 of \$0.0359 per therm to \$0.0315 per therm. After updating the actual data
9 for the month of September 2011, Northern proposes the same rate of
10 \$0.0315 and a decrease in the rate for the commercial and industrial
11 (“C&I”) customer classes from the currently- approved rate of \$0.0152 to
12 \$0.0078 per therm. The C&I rate is a decrease from the September 15,
13 2011 rate of \$0.0094. These updates are provided on Revised Schedule
14 16, DSM, page 3, for Residential Customers and Revised Schedule 16,
15 DSM, page 4 for C&I Customers.

16

17 **Q. Please describe the change to Northern’s Environmental Response**
18 **Cost (“ERC”) rate that is proposed for effect November 1, 2011.**

19 A. Northern has added September 2011 actual data to Revised Schedule 16,
20 ERC page 1, in the “Less Current (Over) Collection (Estimated)” line item.
21 The estimated ERC over collection is now \$27, 021. As a result of this

1 change, Northern proposes to decrease the ERC charge to \$0.0051 per
2 therm from its September 15, 2011 rate of \$0.0053.

3

4 **Q. Have you prepared updated typical bill analyses showing the impacts**
5 **of the proposed COG and LDAC rate changes for effect on November**
6 **1, 2011 for typical gas customers?**

7 A. Yes, Revised Schedule 8 provides the updated analyses. Revised
8 Schedule 8, Page 5 shows a typical residential heating customer
9 consuming 50 therms per month during the 2011/2012 Winter Season will
10 see a monthly bill of \$87.79. This is a decrease of \$0.97 or 1.1% from the
11 2010/2011 Winter Season bill for the same consumption level.

12

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

14 A. Yes, it does.