

Supplemental Testimony of Christopher A. Kahl

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

WINTER 2011-2012 COST OF GAS

DG 11-270

Supplemental Prefiled Testimony of Christopher A. Kahl

October 14, 2011

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20 **I. INTRODUCTION**

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

22 A. My name is Christopher A. Kahl. My business address is 6 Liberty Lane
23 West, Hampton, New Hampshire. I am employed as a Senior Regulatory
24 Analyst with Unitil.Service Corp. ("Unitil").

25

26 **II. PURPOSE OF TESTIMONY**

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

1 A. The purpose of my testimony is to twofold. First, I wish identify certain
2 corrections to some numbers referenced in my initial testimony that do not
3 match those in the schedules accompanying my initial testimony. Second,
4 I wish to provide a general overview of the cost and rate changes that
5 result from Northern's revised Cost of Gas filing.

6

7 **Q. Please describe these corrections to your initial testimony.**

8 A. During the preparation of my initial testimony, certain numbers referenced
9 in that testimony were inadvertently not tied to the final rate calculations
10 presented in the schedules (which are correct). As a result, some of the
11 costs referenced in the initial testimony do not match the costs provided in
12 the corresponding schedules. A list of the correct information to my initial
13 testimony is contained in Attachment CAK-1 submitted herewith.

14

15 **Q. Do these changes have any impact on the rates requested in**
16 **Northern's initial filing in this docket?**

17 A. No. The rates were calculated correctly. It was only my initial testimony
18 that referenced inaccurate values.

19

20 **Q. Are the corrections contained in Attachment CAK-1 otherwise noted**
21 **in the revised filing?**

1 A. No. Attachment CAK-1 is submitted in order to correct inaccuracies in my
2 initial testimony and to provide the Commission with the ability to match up
3 my initial testimony (as corrected in Attachment CAK-1) with the
4 corresponding schedules. As previously stated, the schedules and
5 proposed rates in the Company's initial filing are correct.

6
7 **Q. How have Northern's rates been impacted in this revised filing?**

8 A. The revised filing produces lower rates than those presented in the initial
9 filing. The effects of this revision are shown in the Variance Analysis
10 Schedule. The change is mainly due to a reduction in Northern's Maine
11 Division Total Anticipated Direct Cost of Gas listed on Line 20 of the
12 Summary Schedule. In the revised filing, the Total Anticipated Direct Cost
13 of Gas is \$28,899,546. This is a reduction of about \$890,000 of the
14 Anticipated Direct Cost of Gas presented in the initial Cost of Gas filing.

15
16 **Q. What are the primary causes of the reduction in Total Anticipated
17 Direct Cost of Gas?**

18 The reduction is due to changes in expected demand and commodity
19 costs. Demand costs are lower due to revised forecasts of pipeline
20 demand costs, and commodity costs are lower due to the drop in NYMEX

1 prices. Francis Wells will discuss these changes in greater detail in his
2 supplemental testimony.

3

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

5 A. Yes, it does.