

## Summary

**N.H.P.U.C No. 11  
 NORTHERN UTILITIES, INC.**

Anticipated Cost of Gas

New Hampshire Division  
 Period Covered: November 1, 2015 - April 30, 2016

Column A	Column B	Column C
1 <b><u>ANTICIPATED DIRECT COST OF GAS</u></b>		
2 <b>Purchased Gas for Sales Service:</b>		
3 Demand Costs:	\$ 2,512,004	
4 Supply Costs:	\$ 14,488,622	
5		
6 <b>Storage &amp; Peaking Gas for Sales Service:</b>		
7 Demand, Capacity:	\$ 6,035,707	
8 Commodity Costs:	\$ 3,129,201	
9		
10 <b>Hedging (Gain)/Loss</b>	\$ 83,993	
11		
12 <b>Interruptible Sendout Cost</b>	\$ -	
13		
14 <b>Inventory Finance Charge</b>	\$ 3,483	
15		
16 <b>Capacity Release</b>	\$ (3,401,720)	
17		
18 <b>Adjustment for Actual Costs</b>	<u>\$ -</u>	
19		
20 <b>Total Anticipated Direct Cost of Gas</b>		\$ 22,851,291
21		
22 <b><u>ANTICIPATED INDIRECT COST OF GAS</u></b>		
23 <b>Adjustments:</b>		
24 Prior Period Under/(Over) Collection	\$ (2,001,586)	
25 Miscellaneous	\$ -	
26 Interest	\$ 3,131	
27 Refunds	\$ -	
28 <u>Interruptible Margins</u>	\$ -	
29 Total Adjustments		\$ (1,998,455)
30		
31 <b>Working Capital:</b>		
32 Total Anticipated Direct Cost of Gas	\$ 22,851,291	
33 Working Capital Percentage	<u>0.0824%</u>	
34 Working Capital Allowance	\$ 18,821	
35		
36 Plus: Working Capital Reconciliation (Acct 182.11)	<u>\$ (3,542)</u>	
37		
38 Total Working Capital Allowance		\$ 15,279
39		
40 <b>Bad Debt:</b>		
41 Bad Debt Allowance	\$ 251,100	
42 Plus: Bad Debt Reconciliation (Acct 182.16)	<u>\$ (62,204)</u>	
43 Total Bad Debt Allowance		\$ 188,896
44		
45 <b>Local Production and Storage Capacity</b>		\$ 420,658
46		
47 <b>Miscellaneous Overhead-22.99% Allocated to Winter Season</b>		<u>\$ 394,798</u>
48		
49 <b>Total Anticipated Indirect Cost of Gas</b>		\$ (978,824)
50		
51 <b>Total Cost of Gas</b>		<u>\$ 21,872,467</u>
52		

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Anticipated Cost of Gas

New Hampshire Division  
 Period Covered: November 1, 2015 - April 30, 2016

<b>Column A</b>	<b>Column D</b>
1 <b><u>ANTICIPATED DIRECT COST OF GAS</u></b>	
2 <b>Purchased Gas for Sales Service:</b>	
3 Demand Costs:	Schedule 1A, LN 71 + Schedule 1A, LN 80
4 Supply Costs:	Schedule 1B, LN 14
5	
6 <b>Storage &amp; Peaking Gas for Sales Service:</b>	
7 Demand, Capacity:	Schedule 1A, LN 73 + Schedule 10C, LN 79
8 Commodity Costs:	Schedule 1B, LN 16 + Schedule 1B, LN 17
9	
10 <b>Hedging (Gain)/Loss</b>	Schedule 1B, LN 15
11	
12 <b>Interruptible Sendout Cost</b>	-(Schedule 1B, LN 22)
13	
14 <b>Inventory Finance Charge</b>	Schedule 22, LN 104
15	
16 <b>Capacity Release</b>	-(Schedule 1A, LN 76)
17	
18 <b>Adjustment for Actual Costs</b>	
19	
20 <b>Total Anticipated Direct Cost of Gas</b>	Sum ( LN 3 : LN 18 )
21	
22 <b><u>ANTICIPATED INDIRECT COST OF GAS</u></b>	
23 <b>Adjustments:</b>	
24 Prior Period Under/(Over) Collection	Schedule 3, LN 99: April
25 Miscellaneous	
26 Interest	Schedule 3, LN 0: Total
27 Refunds	
28 <u>Interruptible Margins</u>	-(Schedule 1A, LN 77)
29 Total Adjustments	Sum ( LN 24 : LN 28 )
30	
31 <b>Working Capital:</b>	
32 Total Anticipated Direct Cost of Gas	LN 20
33 Working Capital Percentage	NHPUC No. 10 Section 4.06.1
34 Working Capital Allowance	LN 32 * LN 33
35	
36 Plus: Working Capital Reconciliation (Acct 182.11)	Schedule 3, LN 80: April
37	
38 Total Working Capital Allowance	Sum ( LN 34 : LN 36 )
39	
40 <b>Bad Debt:</b>	
41 Bad Debt Allowance	Schedule 3B, LN 20
42 Plus: Bad Debt Reconciliation (Acct 182.16)	Schedule 3, LN 87: April
43 Total Bad Debt Allowance	LN 41 + LN 42
44	
45 <b>Local Production and Storage Capacity</b>	Schedule 1A, LN 85
46	
47 <b>Miscellaneous Overhead-22.99% Allocated to Winter Season</b>	Schedule 1A, LN 84
48	
49 <b>Total Anticipated Indirect Cost of Gas</b>	Sum ( LN 29 : LN 47 )
50	
51 <b>Total Cost of Gas</b>	LN 49 + LN 20
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**CALCULATION OF FIRM SALES COST OF GAS RATE**  
 Period Covered: November 1, 2015 - April 30, 2016

Column A	Column B	Column C
Total Anticipated Direct Cost of Gas	\$ 22,851,291	
Projected Prorated Sales (05/01/16 - 10/30/16)	33,294,125	
<b>Direct Cost of Gas Rate</b>		\$ 0.6863 per therm
<b>Demand Cost of Gas Rate</b>	\$ 5,145,991	\$ 0.1546 per therm
<b>Commodity Cost of Gas Rate</b>	<u>\$ 17,705,300</u>	<u>\$ 0.5318 per therm</u>
<b>Total Direct Cost of Gas Rate</b>	\$ 22,851,291	\$ 0.6864 per therm
Total Anticipated Indirect Cost of Gas	\$ (978,824)	
Projected Prorated Sales (05/01/16 - 10/31/16)	33,294,125	
<b>Indirect Cost of Gas</b>		\$ (0.0294) per therm
<b>TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE 11/01/15</b>		<b>\$ 0.6570 per therm</b>
<b>RESIDENTIAL COST OF GAS RATE - 11/01/15</b>		
COGwr		<b>\$ 0.6570 per therm</b>
Maximum (COG+25%)		<b>\$ 0.8213</b>
<b>COM/IND LOW WINTER USE COST OF GAS RATE - 11/01/15</b>		
COGwl		<b>\$ 0.6462 per therm</b>
Maximum (COG+25%)		<b>\$ 0.8078</b>
C&I HLF Demand Costs Allocated per SMBA	\$ 353,913	
PLUS: Residential Demand Reallocation to C&I HLF	<u>\$ 9,361</u>	
C&I HLF Total Adjusted Demand Costs	\$ 363,275	
C&I HLF Projected Prorated Sales (11/01/15 - 04/30/16)	3,239,784	
<b>Demand Cost of Gas Rate</b>	<b>\$ 0.1121</b>	
C&I HLF Commodity Costs Allocated per SMBA	\$ 1,833,704	
PLUS: Residential Commodity Reallocation to C&I HLF	<u>\$ (8,212)</u>	
C&I HLF Total Adjusted Commodity Costs	\$ 1,825,492	
C&I HLF Projected Prorated Sales (11/01/15 - 04/30/16)	3,239,784	
<b>Commodity Cost of Gas Rate</b>	<b>\$ 0.5635</b>	
<b>Indirect Cost of Gas</b>	<b>\$ (0.0294)</b>	
<b>Total C&amp;I HLF Cost of Gas Rate</b>	<b>\$ 0.6462</b>	
<b>COM/IND HIGH WINTER USE COST OF GAS RATE - 11/01/15</b>		
COGwh		<b>\$ 0.6616 per therm</b>
Maximum (COG+25%)		<b>\$ 0.8270</b>
C&I LLF Demand Costs Allocated per SMBA	\$ 2,404,210	
PLUS: Residential Demand Reallocation to C&I LLF	<u>\$ 63,592</u>	
C&I LLF Total Adjusted Demand Costs	\$ 2,467,802	
C&I LLF Projected Prorated Sales (11/01/15 - 04/30/16)	15,077,044	
<b>Demand Cost of Gas Rate</b>	<b>\$ 0.1637</b>	
C&I LLF Commodity Costs Allocated per SMBA	\$ 7,950,719	
PLUS: Residential Commodity Reallocation to C&I LLF	<u>\$ (7)</u>	
C&I LLF Total Adjusted Commodity Costs	\$ 7,950,713	
C&I LLF Projected Prorated Sales (11/01/15 - 04/30/16)	15,077,044	
<b>Commodity Cost of Gas Rate</b>	<b>\$ 0.5273</b>	
<b>Indirect Cost of Gas</b>	<b>\$ (0.0294)</b>	
<b>Total C&amp;I LLF Cost of Gas Rate</b>	<b>\$ 0.6616</b>	

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55	<b>CALCULATION OF FIRM SALES COST OF GAS RATE</b>	
56	Period Covered: November 1, 2015 - April 30, 2016	
57		
58	<b>Column A</b>	<b>Column D</b>
59		
60	Total Anticipated Direct Cost of Gas	LN 20
61	Projected Prorated Sales (05/01/16 - 10/30/16)	Schedule 10B, LN 11
62	<b>Direct Cost of Gas Rate</b>	LN 60 / LN 61
63		
64	<b>Demand Cost of Gas Rate</b>	Column B : SUM ( LN 3 , LN 7 , LN 16 )
65	<b>Commodity Cost of Gas Rate</b>	Column B : SUM ( LN 4 , LN 8 , LN 10 , LN 12 , LN 14 )
66	<b>Total Direct Cost of Gas Rate</b>	SUM ( LN 64 : LN 65 )
67		
68	Total Anticipated Indirect Cost of Gas	LN 49
69	Projected Prorated Sales (05/01/16 - 10/31/16)	LN 61
70	<b>Indirect Cost of Gas</b>	LN 68 / LN 69
71		
72		
73	<b>TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE 11/01/15</b>	LN 66 + LN 70
74		
75	<b>RESIDENTIAL COST OF GAS RATE - 11/01/15</b>	LN 73
76		LN 75 * 1.25
77		
78		
79	<b>COM/IND LOW WINTER USE COST OF GAS RATE - 11/01/15</b>	LN 96
80		LN 79 * 1.25
81		
82	C&I HLF Demand Costs Allocated per SMBA	Schedule 10A, LN 169
83	PLUS: Residential Demand Reallocation to C&I HLF	Schedule 23, LN 16
84	C&I HLF Total Adjusted Demand Costs	Sum ( LN 82 : LN 83 )
85	C&I HLF Projected Prorated Sales (11/01/15 - 04/30/16)	Schedule 10B, LN 14
86	<b>Demand Cost of Gas Rate</b>	LN 84 / LN 85
87		
88	C&I HLF Commodity Costs Allocated per SMBA	Schedule 10C, LN 139
89	PLUS: Residential Commodity Reallocation to C&I HLF	Schedule 23, LN 26
90	C&I HLF Total Adjusted Commodity Costs	Sum ( LN 88 : LN 89 )
91	C&I HLF Projected Prorated Sales (11/01/15 - 04/30/16)	LN 85
92	<b>Commodity Cost of Gas Rate</b>	LN 90 / LN 91
93		
94	<b>Indirect Cost of Gas</b>	LN 70
95		
96	<b>Total C&amp;I HLF Cost of Gas Rate</b>	Sum ( LN 86, LN 92, LN 94 )
97		
98		
99	<b>COM/IND HIGH WINTER USE COST OF GAS RATE - 11/01/15</b>	LN 116
100		LN 99 * 1.25
101		
102	C&I LLF Demand Costs Allocated per SMBA	Schedule 10A, LN 170
103	PLUS: Residential Demand Reallocation to C&I LLF	Schedule 23, LN 17
104	C&I LLF Total Adjusted Demand Costs	Sum ( LN 102 : LN 103 )
105	C&I LLF Projected Prorated Sales (11/01/15 - 04/30/16)	Schedule 10B, LN 15
106	<b>Demand Cost of Gas Rate</b>	LN 104 / LN 105
107		
108	C&I LLF Commodity Costs Allocated per SMBA	Schedule 10C, LN 140
109	PLUS: Residential Commodity Reallocation to C&I LLF	Schedule 23, LN 27
110	C&I LLF Total Adjusted Commodity Costs	Sum ( LN 108 : LN 109 )
111	C&I LLF Projected Prorated Sales (11/01/15 - 04/30/16)	LN 105
112	<b>Commodity Cost of Gas Rate</b>	LN 110 / LN 111
113		
114	<b>Indirect Cost of Gas</b>	LN 70
115		
116	<b>Total C&amp;I LLF Cost of Gas Rate</b>	Sum ( LN 106, LN 112, LN 114 )