



**REDACTED**

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 14-091

Liberty Utilities/iNATGAS Special Contract and Lease

Staff's Data Requests – Set 1

Date Request Received: 4/8/14  
Request No. Staff 1-1

Date of Response: 4/22/14  
Respondent: William J. Clark

**REQUEST:**

Ref. Hall Testimony, Attachment SRH-1. Please providing the following:

- a. The basis for the estimates used for the scenarios and supporting data regarding cost and revenue projections;
- b. Monthly revenue estimates for the first 5 years;
- c. Updated estimated annual costs to include O&M;
- d. A discounted cash flow analysis to determine the net present value; and
- e. Supporting work papers in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

**RESPONSE:**

- a. The basis for scenario one was the annual dekatherm usage if only the take or pay minimum requirements were met. Scenario two was a baseline annual dekatherm usage that iNATGAS projected as reasonably achievable. Scenario three was based on an annual dekatherm usage that iNATGAS felt was achievable if the CNG market for the portable pipeline model continues to accelerate. The revenue projections were based on the annual dekatherms usage multiplied by the \$[REDACTED] per therm special contract distribution rate. It also includes the monthly rent payments. The costs were based on the expected capital investment of \$[REDACTED] along with depreciation and taxes.
- b. Since each contract has such a large volume and timing of the contracts will vary it is very difficult to project a monthly revenue estimate.
- c. iNATGAS will be responsible for all electric meters and billing at the facilities including the compressor station. Liberty Utilities will not have any electrical expenses. iNATGAS will also be responsible for all maintenance of the compressors at no cost to Liberty Utilities.
- d. See Attachment Staff 1-1.e, column "D", lines 50, 55 and 60.
- e. See Attachment Staff 1-1.e in both hard copy and electronic (Microsoft Excel) formats.

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Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual revenue requirement	366,152	352,499	339,640	327,477	316,128	305,137	294,535	283,824	273,159	262,222	251,318	240,300	229,286	218,016	206,735
<b>Minimum Take-or-Pay Assumption Level</b>															
Annual estimated revenue at minimum take-or-pay level	192,600	192,600	314,600	314,600	802,600	802,600	802,600	802,600	802,600	802,600	802,600	802,600	802,600	802,600	802,600
Annual revenue requirement (line 6)	366,152	352,499	339,640	327,477	316,128	305,137	294,535	283,824	273,159	262,222	251,318	240,300	229,286	218,016	206,735
Excess revenue (deficiency)	(173,552)	(159,899)	(25,040)	(12,877)	486,472	497,463	508,065	518,776	529,441	540,378	551,282	562,300	573,314	584,584	595,865
NPV	\$1,767,310														
<b>Baseline Assumption Level</b>															
Annual estimated revenue at baseline level	314,600	467,100	619,600	924,600	1,077,100	1,229,600	1,229,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600
Annual revenue requirement (line 6)	366,152	352,499	339,640	327,477	316,128	305,137	294,535	283,824	273,159	262,222	251,318	240,300	229,286	218,016	206,735
Excess revenue (deficiency)	(51,552)	114,601	279,960	597,123	760,972	924,463	935,065	1,128,776	1,139,441	1,150,378	1,161,282	1,172,300	1,183,314	1,194,584	1,205,865
NPV	\$4,732,416														
<b>Accelerated Sales Assumption Level</b>															
Annual estimated revenue at accelerated level	467,100	558,600	802,600	1,229,600	1,229,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600	1,412,600
Annual revenue requirement (line 6)	366,152	352,499	339,640	327,477	316,128	305,137	294,535	283,824	273,159	262,222	251,318	240,300	229,286	218,016	206,735
Excess revenue (deficiency)	100,948	206,101	462,960	902,123	913,472	1,107,463	1,118,065	1,128,776	1,139,441	1,150,378	1,161,282	1,172,300	1,183,314	1,194,584	1,205,865
NPV	\$5,541,275														

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