



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

DG 17-135

Winter 2017/2018 Cost of Gas and Summer 2018 Cost of Gas

Staff Data Requests – Technical Session Set 1

Date Request Received: 10/3/17
Request No. Staff Tech 1-7

Date of Response: 10/10/17
Respondent: David Simek

REQUEST:

Please explain the reasons for the decrease in the proposed 2017-2018 winter COG rates and the weighted average 2016-2017 winter COG rates.

RESPONSE:

The Winter 2017/2018 proposed Non-FPO COG R-3 rate of \$0.6445 per therm is an increase of \$0.0540 or 9.15% from the Winter 2016/2017 actual COG rate of \$0.5905. The 9.15% increase ties to the revised model that was sent to Staff and OCA on October 10, 2017. The various COG components are shown below:

	Projected Winter 2017/2018		Actual Winter 2016/2017		\$/Therm % Change
	Cost	\$/Therm	Cost	\$/Therm	
Demand	\$9,975,490	\$0.1175	\$10,137,504	\$0.1300	-9.59%
Commodity	50,350,561	0.5931	37,485,767	0.4806	23.42%
Prior Period Adjustment & Interest	1,601,147	0.0189	5,000,098	0.0641	-70.58%
Broker Revenues	(4,580,575)	-0.0540	(4,580,575)	-0.0587	-8.12%
Managed Capacity	(2,509,868)	-0.0296	(2,509,868)	-0.0322	-8.12%
Transportation Revenues	(138,320)	-0.0016	28,808	0.0004	-541.17%
Capacity Release	(2,099,545)	-0.0247	(2,099,545)	-0.0269	-8.12%
FPO Administrative Costs	45,000	0.0005	45,000	0.0006	-8.12%
Working Capital	71,819	0.0008	18,508	0.0002	256.54%
Bad Debt	8,806	0.0001	546,084	0.0070	-98.52%
Production & Storage Capacity	1,980,428	0.0233	1,980,428	0.0254	-8.12%
Miscellaneous Overhead	<u>\$10,737</u>	<u>\$0.0001</u>	<u>\$7,926</u>	<u>\$0.0001</u>	<u>24.47%</u>
Cost of Gas	\$54,715,680	\$0.6445	\$46,060,135	\$0.5905	9.15%