



January 22, 2021

Via Electronic Filing

Debra Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301-2429

Re: Northern Utilities, Inc., New Hampshire Division - Docket DG 20-154
January 2021 Monthly Cost of Gas Report

Dear Director Howland:

Pursuant to Commission Order No. 26,420 in Docket DG 20-154, enclosed is Northern Utilities - New Hampshire Division's ("Northern") current calculation of its projected over or under-collection of gas costs for the 2020-2021 winter season.

Northern's current calculation of costs has been updated to reflect the Company's October 31, 2020 balance, actual costs and revenues for November and December 2020, revised demand cost estimates and NYMEX futures prices as of January 21, 2021. The updated calculations indicate that a rate change is not required at this time. Support for this decision is provided in the attached summary and tables.

In accordance with the Commission's temporary moratorium on paper filings, the Company is submitting this filing only in electronic format.

If you have any questions regarding this filing, please do not hesitate to contact me or Chris Kahl at (603)773-6425.

Sincerely

A handwritten signature in black ink, appearing to read "Patrick H. Taylor".

Patrick H. Taylor
Senior Counsel

Patrick Taylor
Senior Counsel
taylorp@unitil.com

6 Liberty Lane West
Hampton, NH 03842

New Hampshire Monthly Cost of Gas Report

Winter Period

January 2021 Summary

The objective of the Winter Period Monthly Cost of Gas (“COG”) analysis is to determine if COG rates need to be adjusted in order to minimize differences between the April 30, 2021 target balance and the corresponding estimated end of Winter Period balance. An adjustment is made to COG rates if the difference between the estimated and target end of Winter Period balances exceeds 2% of total projected gas costs.

For the January 2021 analysis, estimated costs and revenues for November and December 2020 have been replaced with actuals. Demand costs have updated to reflect the revenue from the recently executed asset management agreement for the PNGTS PXP capacity path as well as from the recently approved rate increase for Granite State Pipeline. Commodity costs have been updated to reflect NYMEX prices as of December 21, 2020. Lastly, the prior period balance has been updated to reflect the actual balance as of November 1, 2020¹. Due to the change in the November 1st balance, the April 30th target balance has been revised.

As shown on Table 1, Line 23, the estimated end of Winter Period balance is an over-collection of (\$5,767,408) and, Line 25, the target end of Winter Period balance is an over-collection of (\$5,447,209). The variance between the estimated and target balances is an over-collection of (\$320,199) (Line 27). This over-collection represents a variance of 1.82% of total gas costs (Line 31) and is below the 2% threshold for requiring a rate change. Therefore, no rate change is proposed at this time.

Support for the estimated end of Winter Period balance is provided in Table 2. Support for the revised target end of Winter Period balance is provided in Table 3.

¹ The COG rates effective November 1, 2020, reflect a prior period balance that utilizes estimated costs and revenues for August through October 2020.