New Hampshire Monthly Cost of Gas Report

Summer Period

June 2021 Summary

The objective of the June Monthly Cost of Gas ("COG") Report is to determine if COG rates need to be adjusted in order to minimize the October 31, 2021 expected end-of-year COG balance. This analysis determines if the October 31, 2021 Summer Period ending balance exceeds the threshold for a COG rate change and, if exceeded, a COG rate change lowers the expected end-of-year COG balance.

For the June 2021 analysis, NYMEX prices were updated based on the closing prices on June 22, 2021 and are reflected in the projected direct gas costs shown on Line 19 of Table 1. The change in NYMEX prices also impacts the working capital component of projected indirect gas costs as shown on Line 20.

As shown on Line 23 of Table 1, the projected end of Summer Period balance is an over-collection of $208,614. This balance is below the threshold of $377,415 (Line 35) for requiring a rate change. Therefore, a Summer Period COG rate change is not required at this time.

Support for the estimated end of year balance is provided in Table 2.

NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
2020-2021 Summer Period Cost of Gas
DG 20-154
June 2021 Estimated

1	April 30, 2021 Target Balance			$	(5,447,209)	Table 2, PG. 3, Line 108
2						
3	Forecasted firm therm sales 06/01/21-10/31/21					
4	Residential Heat & Non Heat		2,716,098			Table 2, PG. 2, Line 2
5	HLF Classes		1,506,736			Table 2, PG. 2, Line 3
6	LLF Classes		2,129,041			Table 2, PG. 2, Line 4
7						
8	Current recovery rate per therm					
9	Residential heat & non heat		$0.4970			Table 2, PG. 1, Line 7
10	HLF classes		$0.4501			Table 2, PG. 1, Line 8
11	LLF classes		$0.5291			Table 2, PG. 1, Line 9
12						
13	Total	$	(3,154,558)			(LN 4 * Ln 9) + (LN 5 * LN 10) + (LN 6 * LN 11)
14						
15	Forecasted recovered costs at current rates 06/01/21 - 10/31/21			$	(3,154,558)	LN 13
16	Actual recovered costs 05/01/2021 - 05/31/2021			$	(1,042,222)	
17	Estimated total recovered costs 05/01/21 - 10/31/21			$	(4,196,780)	LN 15 + LN 16
18						
19	Revised projected direct gas costs [1]			$	9,352,747	Table 2, PG. 2, Line 69
20	Revised projected indirect gas costs [2]			$	82,628	Table 2, PG. 4, Line 101
21	Revised total projected gas costs 05/01/21 - 10/31/21			$	9,435,375	LN 19 + LN 20
22						
23	Projected October 31, 2021 Summer Season Balance			$	(208,614)	LN 1 + LN 17 + LN 21
24						
25	Projected Winter Season Variance			$	146,635	Table 2, Page 3, LN 111
26						
27	Projected End of Year Balance			$	(61,979)	Table 2, Page 3, LN 99, October
28						
29						
30						
31	Projected Summer Season Imbalance Type				Over-collection	
32						
33	Projected End of Year Variance				-2.21%	LN 27 / LN 21
34						
35	Summer Season Over-collection Threshold (4% of Projected Gas Costs)			$	(377,415)	(LN 21) * 4%
36						
37	Summer Season Under-collection Threshold (4% of Projected Gas Costs)				NA	LN 21 * 4%
38						
39	Over-collection Rate Adjustment Required				No	IF (ABS) LN 23 > (ABS) LN 35 Yes, ELSE No
40						
41	Under-collection Rate Adjustment Requried				NA	NA

NOTES
[1] Reflects futures prices as of June 22, 2021
[2] Includes: Working Capital Allowance, Bad Debt Allowance, Production and Storage Capacity, Miscellaneous Overhead and Interest

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

			Winter						Summer					
	Sales Revenues								(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
1	Volumes	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
2	Residential Heat & Non Heat									489,258	412,466	418,643	455,783	939,948
3	Sales HLF Classes									271,412	228,812	232,239	252,842	521,430
4	Sales LLF Classes									383,510	323,315	328,157	357,270	736,788
5	Total									1,144,180	964,593	979,040	1,065,895	2,198,166
6	Rates													
7	Residential Heat & Non Heat CGA									$0.4970	$0.4970	$0.4970	$0.4970	$0.4970
8	Sales HLF Classes CGA									$0.4501	$0.4501	$0.4501	$0.4501	$0.4501
9	Sales LLF Classes CGA									$0.5291	$0.5291	$0.5291	$0.5291	$0.5291
10	Revenues													
11	Residential Heat & Non Heat									$ (243,161)	$ (204,995)	$ (208,066)	$ (226,524)	$ (467,154)
12	Sales HLF Classes									$ (122,163)	$ (102,988)	$ (104,531)	$ (113,804)	$ (234,695)
13	Sales LLF Classes									$ (202,915)	$ (171,066)	$ (173,628)	$ (189,032)	$ (389,835)
14	Total Sales		$ (2,882,446)	$ (4,259,355)	$ (5,212,885)	$ (4,765,411)	$ (4,067,873)	$ (2,198,500)	$ (1,042,222)	$ (568,239)	$ (479,050)	$ (486,225)	$ (529,360)	$ (1,091,684)
15														
16										Summer				
17	**Gas Costs and Credits**									(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
18		Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
19	Demand Costs (net of Capacity Assignment)													
20	Pipeline									$ 457,604	$ 457,604	$ 457,604	$ 457,604	$ 457,604
21	Storage									$ 630,827	$ 630,827	$ 630,827	$ 630,827	$ 630,827
22	On-system Peaking									$ 16,338	$ 16,338	$ 16,338	$ 16,338	$ 16,338
23	Off-System Peaking									$ 317,658	$ 317,658	$ 317,658	$ 317,658	$ 317,658
24	Total Demand Costs									$ 1,422,428	$ 1,422,428	$ 1,422,428	$ 1,422,428	$ 1,422,428
25														
26	Asset Management and Capacity Release													
27	NUI AMA Revenue									$ (712,459)	$ (712,459)	$ (712,459)	$ (712,459)	$ (712,459)
28	NUI Capacity Release									$ -	$ -	$ -	$ -	$ -
29	NUI AMA Rev & Cap. Release Subtotal													
30	NH AMA Revenue									$ (288,787)	$ (288,787)	$ (288,787)	$ (288,787)	$ (288,787)
31	NH Capacity Release													
32	NH Total Asset Management and Capacity Release			$ -						$ (288,787)	$ (288,787)	$ (288,787)	$ (288,787)	$ (288,787)
33														
34	CNG Expenses									$ 9,972	$ 9,972	$ 9,972	$ 9,972	$ 9,972
35														
36	Re-entry Rate & Conversion Rate Revenue								$ -	$ -	$ -	$ -	$ -	$ -
37														
38	Net Demand Costs		$ 1,156,589	$ 1,106,649	$ 1,207,069	$ 1,252,487	$ 1,172,433	$ 1,283,306	$ 958,073	$ 1,143,612	$ 1,143,612	$ 1,143,612	$ 1,143,612	$ 1,143,612
39														
40	NUI Commodity Costs													
41	NUI Total Pipeline Volumes									337,173	291,023	294,102	320,183	619,360
42	Pipeline Costs Modeled in Sendout™									$ 886,662	$ 774,801	$ 782,079	$ 832,473	$ 1,619,126
43	NYMEX Price Used for Forecast									$ 2.2970	$ 2.3360	$ 2.3450	$ 2.3290	$ 2.3540
44	NYMEX Price Used for Update									$ 2.9840	$ 3.2580	$ 3.2770	$ 3.2620	$ 3.2760
45	Increase/(Decrease) NYMEX Price									$ 0.69	$ 0.92	$ 0.93	$ 0.93	$ 0.92
46	Increase/(Decrease) in Pipeline Costs									$ 231,638	$ 268,323	$ 274,103	$ 298,731	$ 571,050
47	Updated Pipeline Costs									$ 1,118,300	$ 1,043,124	$ 1,056,182	$ 1,131,204	$ 2,190,175
48	New Hampshire Allocated Percentage									34.20%	33.37%	33.52%	33.54%	35.85%
49	NH Updated Pipeline Costs									$ 382,453	$ 348,079	$ 353,991	$ 379,414	$ 785,208
50														
51	NH Peaking Volumes									616	621	623	604	667
52	NH Peaking Costs Modeled in Sendout									$ 4,130	$ 4,141	$ 4,153	$ 3,992	$ 4,396
53	Change in NYMEX Price %									$ 0.69	$ 0.92	$ 0.93	$ 0.93	$ 0.92
54	Change in Peaking Costs									$ 422.91	$ 572.25	$ 581.01	$ 563.28	$ 614.82
55	NH Updated Peaking Costs									$ 4,553	$ 4,714	$ 4,734	$ 4,555	$ 5,011
56														
57	NH Commodity Costs													
58	Pipeline									$ 382,453	$ 348,079	$ 353,991	$ 379,414	$ 785,208
59	Storage									$ -	$ -	$ -	$ -	$ -
60	Peaking									$ 4,553	$ 4,714	$ 4,734	$ 4,555	$ 5,011
61														
62	Off-System Gas Sales Margin													
63	New Hampshire Allocated Percentage													
64	NH Off-System Gas Sales Margin													
65														
66	Total Commodity Costs		$ 912,258	$ 1,908,761	$ 2,183,030	$ 1,508,422	$ 1,492,625	$ 794,282	$ 403,902	$ 387,006	$ 352,793	$ 358,725	$ 383,969	$ 790,219
67	Inventory Finance Charge								$ -	$ -	$ -	$ -	$ -	$ -
68														
69	**Total Anticipated Direct Cost of Gas**		$ 2,068,847	$ 3,015,410	$ 3,390,099	$ 2,760,909	$ 2,665,058	$ 2,077,588	$ 1,361,975	$ 1,530,618	$ 1,496,405	$ 1,502,337	$ 1,527,581	$ 1,933,831

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Anal

Line		Winter	Summer	Prior Period	Total
	Sales Revenues				
1	Volumes				
2	Residential Heat & Non Heat		2,716,098		
3	Sales HLF Classes		1,506,736		
4	Sales LLF Classes		2,129,041		
5	Total	-	6,351,874		
6	Rates				
7	Residential Heat & Non Heat CGA				
8	Sales HLF Classes CGA				
9	Sales LLF Classes CGA				
10	Revenues				
11	Residential Heat & Non Heat		$ (1,349,901)		
12	Sales HLF Classes		$ (678,182)		
13	Sales LLF Classes		$ (1,126,475)		
14	Total Sales	$ (23,386,468)	$ (4,196,780)		$ (27,583,248)
15					
16					
17	**Gas Costs and Credits**			Prior	
18		Winter	Summer	Period	Total
19	Demand Costs (net of Capacity Assignment)				
20	Pipeline				
21	Storage				
22	On-system Peaking				
23	Off-System Peaking				
24	Total Demand Costs				
25					
26	Asset Management and Capacity Release				
27	NUI AMA Revenue				
28	NUI Capacity Release				
29	NUI AMA Rev & Cap. Release Subtotal				
30	NH AMA Revenue				
31	NH Capacity Release				
32	NH Total Asset Management and Capacity Release	$ -			
33					
34	CNG Expenses				
35					
36	Re-entry Rate & Conversion Rate Revenue		$ -		
37					
38	Net Demand Costs	$ 7,178,533	$ 6,676,134		$ 13,854,667
39					
40	NUI Commodity Costs				
41	NUI Total Pipeline Volumes				
42	Pipeline Costs Modeled in Sendout™				
43	NYMEX Price Used for Forecast				
44	NYMEX Price Used for Update				
45	Increase/(Decrease) NYMEX Price				
46	Increase/(Decrease) in Pipeline Costs				
47	Updated Pipeline Costs				
48	New Hampshire Allocated Percentage				
49	NH Updated Pipeline Costs				
50					
51	NH Peaking Volumes				
52	NH Peaking Costs Modeled in Sendout				
53	Change in NYMEX Price %				
54	Change in Peaking Costs				
55	NH Updated Peaking Costs				
56					
57	NH Commodity Costs				
58	Pipeline				
59	Storage				
60	Peaking				
61					
62	Off-System Gas Sales Margin				
63	New Hampshire Allocated Percentage				
64	NH Off-System Gas Sales Margin	$ -			$ -
65					
66	Total Commodity Costs	$ 8,799,378	$ 2,676,613		$ 11,475,991
67	Inventory Finance Charge				$ -
68					
69	**Total Anticipated Direct Cost of Gas**	$ 15,977,911	$ 9,352,747		$ 25,330,658

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

		Winter						Summer					
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	(Forecast) Jun-21	(Forecast) Jul-21	(Forecast) Aug-21	(Forecast) Sep-21	(Forecast) Oct-21
Working Capital													
Total Anticipated Direct Cost of Gas		$ 2,226,786	$ 3,173,350	$ 3,548,038	$ 2,918,849	$ 2,822,998	$ 2,235,527	$ 1,380,128	$ 1,548,772	$ 1,514,559	$ 1,520,491	$ 1,545,735	$ 1,951,985
Working Capital Percentage		0.0892%	0.0892%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
Working Capital Allowance		$ 1,986	$ 2,831	$ 3,165	$ 2,604	$ 2,518	$ 1,994	$ 1,231	$ 1,382	$ 1,351	$ 1,356	$ 1,379	$ 1,741
Beginning Period Working Capital Balance		$ (41,358)	$ (39,481)	$ (36,753)	$ (33,683)	$ (31,168)	$ (28,730)	$ (26,811)	$ (25,651)	$ (24,337)	$ (23,050)	$ (21,755)	$ (20,433)
End of Period Working Capital Allowance		$ (39,371)	$ (36,650)	$ (33,588)	$ (31,080)	$ (28,649)	$ (26,736)	$ (25,580)	$ (24,270)	$ (22,986)	$ (21,694)	$ (20,376)	$ (18,692)
Interest		$ (109)	$ (103)	$ (95)	$ (88)	$ (81)	$ (75)	$ (71)	$ (68)	$ (64)	$ (61)	$ (57)	$ (53)
End of period with Interest	$ (41,358)	$ (39,481)	$ (36,753)	$ (33,683)	$ (31,168)	$ (28,730)	$ (26,811)	$ (25,651)	$ (24,337)	$ (23,050)	$ (21,755)	$ (20,433)	$ (18,745)
Bad Debt													
Projected Bad Debt	$ -	$ 4,903	$ 10,407	$ 12,015	$ 2,685	$ 5,854	$ 4,358	$ 734	$ 2,371	$ 2,371	$ 2,371	$ 2,371	$ 2,371
Beginning Period Bad Debt Balance		$ (7,408)	$ (2,518)	$ 7,896	$ 19,949	$ 22,692	$ 28,615	$ 33,056	$ 33,880	$ 36,347	$ 38,819	$ 41,299	$ 43,785
End of Period Bad Debt Balance		*$ (2,505)*	*$ 7,889*	*$ 19,911*	*$ 22,634*	*$ 28,546*	*$ 32,973*	*$ 33,790*	*$ 36,252*	*$ 38,718*	*$ 41,191*	*$ 43,670*	*$ 46,156*
Interest		$ (13)	$ 7	$ 38	$ 58	$ 69	$ 83	$ 91	$ 95	$ 102	$ 108	$ 115	$ 122
End of Period Bad Debt Balance with Interest	$ (7,408)	$ (2,518)	$ 7,896	$ 19,949	$ 22,692	$ 28,615	$ 33,056	$ 33,880	$ 36,347	$ 38,819	$ 41,299	$ 43,785	$ 46,278
Local Production and Storage Capacity		$ 79,351	$ 79,351	$ 79,351	$ 79,351	$ 79,351	$ 79,351	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -									
Miscellaneous Overhead		$ 78,589	$ 78,589	$ 78,589	$ 78,589	$ 78,589	$ 78,589	$ 18,154	$ 18,154	$ 18,154	$ 18,154	$ 18,154	$ 18,154
Gas Cost Other than Bad Debt and Working Capital Over/Under Collection													
Beginning Balance Over/Under Collection	$ 1,173,473	$ 1,191,118	$ 537,797	$ (548,222)	$ (2,216,808)	$ (4,071,874)	$ (5,329,462)	$ (5,306,818)	$ (4,982,827)	$ (4,014,462)	$ (2,988,423)	$ (1,960,850)	$ (948,409)
Net Costs - Revenues		$ (655,659)	$ (1,086,005)	$ (1,664,847)	$ (1,846,562)	$ (1,244,875)	$ 37,028	$ 337,906	$ 980,533	$ 1,035,509	$ 1,034,267	$ 1,016,375	$ 860,301
Ending Balance before Interest		$ 535,459	$ (548,208)	$ (2,213,069)	$ (4,063,370)	$ (5,316,749)	$ (5,292,435)	$ (4,968,912)	$ (4,002,295)	$ (2,978,953)	$ (1,954,157)	$ (944,475)	$ (88,108)
Average Balance		$ 863,289	$ (5,205)	$ (1,380,645)	$ (3,140,089)	$ (4,694,311)	$ (5,310,948)	$ (5,137,865)	$ (4,492,561)	$ (3,496,708)	$ (2,471,290)	$ (1,452,662)	$ (518,259)
Interest Rate		3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Interest Expense		$ 2,338	$ (14)	$ (3,739)	$ (8,504)	$ (12,714)	$ (14,384)	$ (13,915)	$ (12,167)	$ (9,470)	$ (6,693)	$ (3,934)	$ (1,404)
Ending Balance Incl Interest Expense	$ 1,191,118	$ 537,797	$ (548,222)	$ (2,216,808)	$ (4,071,874)	$ (5,329,462)	$ (5,306,818)	$ (4,982,827)	$ (4,014,462)	$ (2,988,423)	$ (1,960,850)	$ (948,409)	$ (89,512)
Total Over/Under Collection Ending Balance	$ 1,124,707	$ 495,798	$ (577,079)	$ (2,230,542)	$ (4,080,350)	$ (5,329,578)	**$ (5,300,574)**	$ (4,974,598)	$ (4,002,453)	$ (2,972,655)	$ (1,941,306)	$ (925,057)	$ (61,979)
Total Indirect Cost of Gas		$ 167,044	$ 171,068	$ 169,323	$ 154,694	$ 153,586	$ 149,916	$ 6,223	$ 9,766	$ 12,443	$ 15,236	$ 18,027	$ 20,931
Total Cost of Gas		$ 2,235,891	$ 3,186,478	$ 3,559,421	$ 2,915,603	$ 2,818,645	$ 2,227,504	$ 1,368,198	$ 1,540,384	$ 1,508,848	$ 1,517,573	$ 1,545,609	$ 1,954,763
Total Interest	$ -	$ 2,215	$ (110)	$ (3,797)	$ (8,534)	$ (12,725)	$ (14,376)	$ (13,895)	$ (12,140)	$ (9,433)	$ (6,645)	$ (3,876)	$ (1,335)

April 30th Target Balance	$ (5,447,209)
April 30th Ending Balance	$ (5,300,574)
Variance	$ 146,635

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Anal

	Winter	Summer	Prior Period	Total
Working Capital				
Total Anticipated Direct Cost of Gas				$ 26,387,219
Working Capital Percentage				
Working Capital Allowance	$ 15,098	$ 8,440	$ (41,358)	$ (17,820)
Beginning Period Working Capital Balance				
End of Period Working Capital Allowance				
Interest	$ (551)	$ (373)		$ (925)
End of period with Interest				
Bad Debt				
Projected Bad Debt	$ 40,222	$ 12,590	$ (7,408)	$ 45,404
Beginning Period Bad Debt Balance				
End of Period Bad Debt Balance				
Interest	$ 242	$ 632		$ 874
End of Period Bad Debt Balance with Interest				
Local Production and Storage Capacity				$ 476,106
				$ -
Miscellaneous Overhead	$ 471,532	$ 108,923		$ 580,455
Gas Cost Other than Bad Debt and Working Capital Over/U				
Beginning Balance Over/Under Collection				
Net Costs - Revenues	$ (6,460,919)	$ 5,264,890		$ (1,196,029)
Ending Balance before Interest				
Average Balance				
Interest Rate				
Interest Expense	$ (37,017)	$ (47,584)		$ (84,601)
Ending Balance Incl Interest Expense				
Total Over/Under Collection Ending Balance				
Total Indirect Cost of Gas	$ 965,631	$ 82,628	$ 1,124,707	$ 2,172,966
Total Cost of Gas	$ 16,943,542	$ 9,435,375	$ 1,124,707	$ 27,503,624
Total Interest	$ (37,327)	$ (47,325)		$ (84,651)