

New Hampshire Monthly Cost of Gas Report

Summer Period

July 2024 Summary

The objective of the summer period Monthly Cost of Gas (“COG”) Report is to determine if COG rates need to be adjusted in order to minimize differences between the October 31, 2024 target balance and the corresponding estimated end of summer period balance. An adjustment is made to COG rates if the difference between the target balance and estimated end of summer period balance exceeds 4% of total projected gas costs.

For the July 2024 report, estimated costs and revenues for May and June 2024 have been replaced with actuals, commodity costs have been updated to reflect NYMEX prices as of July 16, 2024, and the October 31, 2023 reconciliation balance now reflects the actual costs and revenues for the entire 2023 summer season¹. In addition, the reconciliation balances for working capital and bad debt have been further updated to reflect the correct summer allocation.

As shown on Table 1, Line 23, the estimated summer period ending balance is an under-collection of \$2,426,693 and, Line 25, the target summer period ending balance is an under-collection of \$2,636,390. The variance between the estimated and target balances is an over-collection of (\$209,698) (Line 27). This over-collection is primarily due to a drop in NYMEX prices.

The over-collection represents a variance of 4.30% of total gas costs (Line 31) and exceeds the 4% threshold for requiring a rate change. As a result, Northern will decrease its COG rates by \$0.0566 per therm effective August 1, 2024.

Support for the estimated end of summer period balance is provided in Table 2. This table has been modified to focus on the six month summer period only.

Support for the revised target end of winter period balance, an over-collection of (\$2,636,930), is provided in Table 3. This table reflects the updated October 31, 2023 reconciliation balance. Summer COG rates are designed to fully offset the target over-collection and will be adjusted if the monthly variance between the target balance and projected balance exceeds 4% of total gas costs.

¹ The initial COG rates effective May 1, 2024 reflected a prior period balance that includes estimated costs and revenues for August through October 2023. These estimates have been replaced with actual costs and revenues as of the November 2023 Monthly Cost of Gas Report. This update results in a revision to the April 30, 2024 target balance.