

Northern Utilities, Inc.
New Hampshire Division
Puc 509.01 -- F-1 Rate of Return
12 Months Ending September 30, 2022

Schedule 1: Calculation of Per Books Rate of Return

Cost of Service

Gas Service Revenue
Other Operating Revenue
Weather Adjustment
Total Revenue - Adjusted

<u>Period End</u>
\$ 46,898,262
1,256,872
1,072,048
49,227,182

Rate Base

NH Plant
Supplemental Plant Adjustment
Total Plant
Less: Reserve for Depreciation & Amortization
Net Utility Plant

<u>Period End</u>
\$ 326,931,150
554,327
327,485,478
105,110,753
222,374,724

Gas Costs	436,513
Other Production	78,688
Distribution	3,887,705
Customer Accounting	2,421,263
Sales & New Business	54,736
General & Administrative	7,221,095
Federal & State Income Tax - Adjusted	3,252,007
Property Tax	5,404,458
Other Tax	271,620
Depreciation	11,167,882
Amortization	973,490
Interest on Customer Deposits	6,609
Total Operating Expenses	35,176,064
Operating Income - Adjusted	\$ 14,051,118

Plus :

Materials and Supplies	3,325,289
Cash Working Capital Requirement	2,246,675
Regulatory Assets	-

Less :

Customer Deposits	180,282
Accumulated Deferred Income Taxes	23,896,576
Regulatory Liabilities	5,794,778
Reimbursable Contributions	-

Total Rate Base

\$ 198,075,051

Utility Operating Income - Curr Cost of Capital
Utility Operating Income - Adjusted
Operating Income Deficiency (Surplus)
Income Tax Gross-Up
Revenue Deficiency (Surplus)

\$ 14,223,194
14,051,118
\$ 172,076
63,658
\$ 235,734

Return on Rate Base - Actual
Current Cost of Capital

7.09%
7.18%

ROE - Actual
ROE - Authorized

9.13%
9.30%

Schedule 2: Current Cost of Capital

	<u>Amount</u> <u>Outstanding</u>	<u>Percent</u> <u>Total</u>	<u>Cost Rate</u>	<u>Weighted</u> <u>Cost Rate</u>
Common Equity	\$ 244,598,659	51.5%	9.30%	4.79%
Long Term Debt	230,000,000	48.5%	4.93%	2.39%
Short Term Debt (a)	-	0.00%	4.04%	0.00%
Total Allowed	\$ 474,598,659	100.0%		7.18%

(a) Excluding Accrued Revenue, Purchased Gas Working Capital, and CWIP



November 9, 2022

BY OVERNIGHT AND ELECTRONIC FILING

Daniel C. Goldner
Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: PUC 509.01 – F-1 Rate of Return
for the Twelve Months Ended September 30, 2022

Dear Chairman Goldner:

Northern Utilities, Inc. ("Northern") hereby submits its F-1 Rate of Return report for its New Hampshire Division, showing the historical weather-normalized rate of return on rate base for the twelve months ended September 30, 2022, in accordance with PUC 509.01.

Northern's F-1 Rate of Return report reflects the following:

Cost of Service

- Federal and state income taxes are calculated at statutory rates to reflect the Tax Cuts and Jobs Act of 2017

Rate Base

- Rate base is calculated for the year ending September 30, 2022.
- Cash working capital is calculated using a 29.39-day net lag based on the most recent lead lag study filed with the Commission in Docket 21-104.

Cost of Capital

- Cost of Capital reflects Northern's current cost of capital and capital structure.

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Daniel C. Goldner, Chairman
Northern Utilities F-1 Rate of Return Report
Twelve Months Ended September 30, 2022

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If you have any questions, please contact me at 603-379-3836.

Sincerely,



Daniel Nawazelski
Manager, Revenue Requirements
Unitil Service Corp.

cc: Donald Kreis, Consumer Advocate