

# New Hampshire Monthly Cost of Gas Report

## Summer Period

### October 2023 Summary

The objective of the Summer Period Monthly Cost of Gas (“COG”) analysis is to determine if COG rates need to be adjusted in order to minimize the 2023 Summer Period estimated ending balance<sup>1</sup>. An adjustment is made to COG rates if the estimated ending balance exceeds 4% of total projected gas costs.

The October 2023 analysis and summary incorporates the revised April 30, 2023 target balance of (\$4,229,669)<sup>2</sup>, updates commodity costs based on the NYMEX closing price for October 2023, and replaces estimated costs and revenues for May through September 2023 with actuals.

As shown on Table 1, Line 17, projected Summer Period revenues are \$2,516,835 and the total net projected Summer Period costs<sup>3</sup>, Line 24, are \$2,475,158. Total net costs also reflect the reallocation of asset management agreement (“AMA”) revenues (Line 20) that occur in the summer months but are solely allocated to the winter period<sup>4</sup>. This amount, \$863,886, represents the summer portion of the increase in AMA revenue that occurred from April through October 2023.

The resulting ending balance, Line 26, is an over-collection of (\$41,677). This over-collection represents a variance of 0.62% of total gas costs, Line 31. Due to Winter Season rates going into effect November 1<sup>st</sup>, no assessment is required regarding a rate change.

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

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<sup>1</sup> The Summer Period runs from May 1<sup>st</sup> to October 31<sup>st</sup>.

<sup>2</sup> The initial target balance and associated COG rates effective May 1, 2023 reflected a prior period balance that includes estimated costs and revenues for August through October 2022. These estimates were replaced with actual costs and revenues as of the November 2022 Monthly Cost of Gas Report. In addition, off-system peaking demand costs have been reallocated from Summer (6 month) billing to monthly (12 month) billing (see Line 23 of Tables 2 & 3). This is consistent with the timing of when the invoices will be received. As a result, total annual demand costs are the same but demand costs incurred during the Winter months are now lower which results in the target balance being higher. This higher target balance will be offset in the summer season by the peaking demand costs that will now be incurred during the summer months.

<sup>3</sup> Net projected Summer Period costs reflect total costs incurred during the summer months (see Line 22 of Table 1) less the April 30<sup>th</sup> 2023 Target Balance (see Line 1 of Table 1).

<sup>4</sup> In prior summer season COG reports, the AMA revenues are shown as an increase in May through October demand costs (Line 36 of Table 2). The reallocation of these costs to Table 1 does not change the summer season ending balance and allows the demand costs shown in Table 1 to reflect the actual costs incurred. In addition, the reallocation allows for a more accurate calculation of the October 2023 ending annual balance.

**NORTHERN UTILITIES, INC.**  
**NEW HAMPSHIRE DIVISION**  
**Calculation of the Projected Over or Under Collection of the**  
**2022-2023 Summer Period Cost of Gas**  
**DG 22-056**  
**October 2023 Estimated**

1	April 30, 2023 target balance	\$ (4,229,669)	Table 3, Page 3, Line 86, April
2			
3	Forecasted firm therm sales 09/01/23-10/31/23		
4	Residential Heat & Non Heat	985,408	Table 2, PG. 2, Line 2
5	HLF Classes	595,768	Table 2, PG. 2, Line 3
6	LLF Classes	748,304	Table 2, PG. 2, Line 4
7			
8	Current recovery rate per therm		
9	Residential heat & non heat	\$0.3708	Table 2, PG. 1, Line 7
10	HLF classes	\$0.3123	Table 2, PG. 1, Line 8
11	LLF classes	\$0.4175	Table 2, PG. 1, Line 9
12			
13	Total	\$ (863,864)	(LN 4 * Ln 9) + (LN 5 * LN 10) + (LN 6 * LN 11)
14			
15	Forecasted recovered costs at current rates 10/01/23 - 10/31/23	\$ (863,864)	LN 13
16	Actual recovered costs 05/01/23 - 09/30/23	\$ (1,652,970)	Table 2, Line 14
17	Estimated total recovered costs 05/01/23 - 10/31/23	\$ (2,516,835)	LN 15 + LN 16
18			
19	Revised projected direct gas costs [1]	\$ 5,706,074	Table 2, PG. 2, Line 66
20	Plus AMA revenue reallocation to Peak Period	\$ 863,886	
21	Revised projected indirect gas costs [2]	\$ 134,867	Table 2, PG. 4, Line 101
22	Revised total projected gas costs 05/01/2023 - 10/31/2023	\$ 6,704,826	LN 19 + LN 20
23			
24	Total summer season revenue requirement	\$ 2,475,158	LN 1 + LN 21
25			
26	Projected October 31, 2023 summer season balance	\$ (41,677)	LN 17 + LN 23
27			
28			
29			
30	Projected summer season imbalance type	Over-collection	
31			
32	Under/(over) collection as percent of total gas costs	-0.62%	LN 25 / LN 21
33			
34	Summer season under-collection threshold (4% over summer costs)	\$ (268,193)	LN 22 * 4%
35			
36	Over-collection rate adjustment required	NA	IF (ABS) LN 26 > (ABS) LN 34 Yes, ELSE No
37			
38	Under-collection rate adjustment required	No	IF LN 26 > LN 34 Yes, ELSE No

NOTES

[1] Reflects NYMEX monthly closing prices through October 2023

[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**

Sales Revenues	Oct-22	Winter						Summer						(Forecast) Oct-23
		(Actual) Nov-22	(Actual) Dec-22	(Actual) Jan-23	(Actual) Feb-23	(Actual) Mar-23	(Actual) Apr-23	(Actual) May-23	(Actual) Jun-23	(Actual) Jul-23	(Actual) Aug-23	(Actual) Sep-23		
Volumes														
Residential Heat & Non Heat														985,408
Sales HLF Classes														595,768
Sales LLF Classes														748,304
<b>Total</b>														<b>2,329,480</b>
Rates														
Residential Heat & Non Heat CGA														\$0.3708
Sales HLF Classes CGA														\$0.3123
Sales LLF Classes CGA														\$0.4175
Revenues														
Residential Heat & Non Heat														\$ (365,389)
Sales HLF Classes														\$ (186,058)
Sales LLF Classes														\$ (312,417)
<b>Total Sales</b>		\$ (4,291,232)	\$ (5,668,019)	\$ (7,228,720)	\$ (6,633,026)	\$ (5,100,389)	\$ (2,046,585)	\$ (506,891)	\$ (278,324)	\$ (280,036)	\$ (286,059)	\$ (301,660)	\$ (863,864)	
<b>Gas Costs and Credits</b>														
Demand Costs (net of Capacity Assignment)														
Pipeline														\$ 617,837
Storage														\$ 699,734
On-system Peaking														\$ -
Off-System Peaking														\$ 313,458
<b>Total Demand Costs</b>														<b>\$ 1,631,029</b>
Asset Management and Capacity Release														
NUI AMA Revenue														\$ (1,744,550)
NUI Capacity Release														\$ -
<b>NUI AMA Rev &amp; Cap. Release Subtotal</b>														<b>\$ (714,232)</b>
NH AMA Revenue														\$ -
NH Capacity Release														\$ (714,232)
<b>NH Total Asset Management and Capacity Release</b>														<b>\$ (714,232)</b>
Re-entry Rate & Conversion Rate Revenue									\$ -	\$ -	\$ -	\$ -		\$ -
<b>Net Demand Costs</b>		\$ 1,200,514	\$ 865,653	\$ 1,015,908	\$ 994,759	\$ 1,005,754	\$ 786,200	\$ 667,183	\$ 725,520	\$ 711,079	\$ 655,321	\$ 729,545	\$ 772,816	
NUI Commodity Costs														
NUI Total Pipeline Volumes														657,694
Pipeline Costs Modeled in Sendout™														\$ 3,185,675
NYMEX Price Used for Forecast														\$ 5,411
NYMEX Price Used for Update														\$ 2,764
Increase/(Decrease) NYMEX Price														\$ (2.65)
Percentage of Purchases tied to NYMEX														100.00%
Increase/(Decrease) in Pipeline Costs														\$ (1,740,916)
Updated Pipeline Costs														\$ 1,444,759
New Hampshire Allocated Percentage														35.66%
<b>NH Updated Pipeline Costs</b>														<b>\$ 515,273</b>
NH Peaking Volumes														1,860
NUI Peaking Costs Modeled in Sendout														\$ 86,193
Change in NYMEX Price														\$ (2.65)
Percentage of Purchases tied to NYMEX														100.00%
Increase/(Decrease) in Pipeline Costs														\$ (4,923.42)
Updated Peaking Costs														\$ 81,269
New Hampshire Allocated Percentage														35.66%
<b>NH Updated Peaking Costs</b>														<b>\$ 28,985</b>
NH Commodity Costs														
Pipeline														\$ 515,273
Storage														\$ -
Peaking														\$ 30,741
<b>Total Commodity Costs</b>		\$ 2,228,171	\$ 4,974,442	\$ 6,425,245	\$ 5,710,736	\$ 2,759,617	\$ 366,881	\$ 251,074	\$ 193,445	\$ 153,120	\$ 171,296	\$ 129,660	\$ 546,014	
Inventory Finance Charge								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Anticipated Direct Cost of Gas</b>		\$ 3,428,685	\$ 5,840,096	\$ 7,441,153	\$ 6,705,494	\$ 3,765,371	\$ 1,153,081	\$ 918,258	\$ 918,965	\$ 864,199	\$ 826,617	\$ 859,205	\$ 1,318,829	

**Northern Utilities**  
**NEW HAMPSHIRE (Over) / Undercollection Ana**

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<b>Sales Revenues</b>				
Volumes	Winter	Summer	Prior Period	Total
Residential Heat & Non Heat				
Sales HLF Classes				
Sales LLF Classes				
<b>Total</b>				
Rates				
Residential Heat & Non Heat CGA				
Sales HLF Classes CGA				
Sales LLF Classes CGA				
Revenues				
Residential Heat & Non Heat				\$ (365,389)
Sales HLF Classes				\$ (186,058)
Sales LLF Classes				\$ (312,417)
<b>Total Sales</b>	<b>\$ (30,967,970)</b>	<b>\$ (2,516,835)</b>		<b>\$ (33,484,805)</b>
<b>Gas Costs and Credits</b>				
				<b>Total</b>
Demand Costs (net of Capacity Assignment)				
Pipeline	\$ -	\$ 617,837		\$ 617,837
Storage	\$ -	\$ 699,734		\$ 699,734
On-system Peaking	\$ -	\$ -		\$ -
Off-System Peaking	\$ -	\$ 313,458		\$ 313,458
<b>Total Demand Costs</b>	<b>\$ -</b>	<b>\$ 1,631,029</b>		<b>\$ 1,631,029</b>
Asset Management and Capacity Release				
NUI AMA Revenue				\$ (1,744,550)
NUI Capacity Release				\$ -
NUI AMA Rev & Cap. Release Subtotal				\$ -
NH AMA Revenue				\$ (714,232)
NH Capacity Release				\$ -
<b>NH Total Asset Management and Capacity Release</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (714,232)</b>
Re-entry Rate & Conversion Rate Revenue		\$ -		\$ -
<b>Net Demand Costs</b>	<b>\$ 5,868,789</b>	<b>\$ 4,261,465</b>		<b>\$ 10,130,254</b>
NUI Commodity Costs				
NUI Total Pipeline Volumes				
Pipeline Costs Modeled in Sendout™				
NYMEX Price Used for Forecast				
NYMEX Price Used for Update				
Increase/(Decrease) NYMEX Price				
Percentage of Purchases tied to NYMEX				
Increase/(Decrease) in Pipeline Costs				
Updated Pipeline Costs				
New Hampshire Allocated Percentage				
<b>NH Updated Pipeline Costs</b>	<b>\$ -</b>			
NH Peaking Volumes				
NUI Peaking Costs Modeled in Sendout				
Change in NYMEX Price				
Percentage of Purchases tied to NYMEX				
Increase/(Decrease) in Pipeline Costs				
Updated Peaking Costs				
New Hampshire Allocated Percentage				
<b>NH Updated Peaking Costs</b>	<b>\$ -</b>			
NH Commodity Costs				
Pipeline				
Storage				
Peaking				
<b>Total Commodity Costs</b>	<b>\$ 22,465,091</b>	<b>\$ 1,444,609</b>		<b>\$ 23,909,700</b>
Inventory Finance Charge	\$ -	\$ -		\$ -
<b>Total Anticipated Direct Cost of Gas</b>	<b>\$ 28,333,880</b>	<b>\$ 5,706,074</b>		<b>\$ 34,039,954</b>

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

	Oct-22	Winter						Summer						(Forecast) Oct-23
		(Actual) Nov-22	(Actual) Dec-22	(Actual) Jan-23	(Actual) Feb-23	(Actual) Mar-23	(Actual) Apr-23	(Actual) May-23	(Actual) Jun-23	(Actual) Jul-23	(Actual) Aug-23	(Actual) Sep-23		
Working Capital														
Total Anticipated Direct Cost of Gas		\$ 3,546,489	\$ 5,957,900	\$ 7,558,957	\$ 6,823,299	\$ 3,883,175	\$ 1,270,885	\$ 938,189	\$ 938,897	\$ 884,130	\$ 846,549	\$ 879,137	\$ 1,338,761	
Working Capital Percentage		0.1398%	0.14%	0.18%	0.18%	0.18%	0.20%	0.20%	0.21%	0.21%	0.21%	0.21%		
Working Capital Allowance		\$ 4,958	\$ 8,329	\$ 13,447	\$ 12,139	\$ 6,908	\$ 2,502	\$ 1,847	\$ 1,849	\$ 1,853	\$ 1,774	\$ 1,843	\$ 2,806	
Beginning Period Working Capital Balance		\$ 10,794	\$ 15,813	\$ 24,234	\$ 37,862	\$ 50,257	\$ 57,478	\$ 60,360	\$ 62,603	\$ 64,862	\$ 67,167	\$ 69,409	\$ 71,736	
End of Period Working Capital Allowance		\$ 15,752	\$ 24,142	\$ 37,681	\$ 50,000	\$ 57,165	\$ 59,980	\$ 62,207	\$ 64,451	\$ 66,715	\$ 68,942	\$ 71,252	\$ 74,542	
Interest		\$ 61	\$ 92	\$ 181	\$ 256	\$ 313	\$ 379	\$ 396	\$ 410	\$ 452	\$ 468	\$ 484	\$ 503	
End of period with Interest	\$ 10,794	\$ 15,813	\$ 24,234	\$ 37,862	\$ 50,257	\$ 57,478	\$ 60,360	\$ 62,603	\$ 64,862	\$ 67,167	\$ 69,409	\$ 71,736	\$ 75,045	
Bad Debt														
Projected Bad Debt	\$ -	\$ 7,329	\$ 11,806	\$ 12,501	\$ 9,274	\$ (302)	\$ 2,629	\$ 16,762	\$ 14,043	\$ 10,010	\$ 33,785	\$ 51,585	\$ 2,847	
Beginning Period Bad Debt Balance	\$ 5,033	\$ 12,402	\$ 24,292	\$ 36,971	\$ 46,487	\$ 46,487	\$ 46,456	\$ 49,393	\$ 66,528	\$ 81,047	\$ 91,648	\$ 126,180	\$ 178,810	
End of Period Bad Debt Balance	\$ 12,362	\$ 24,208	\$ 36,792	\$ 46,245	\$ 46,185	\$ 49,085	\$ 66,155	\$ 80,572	\$ 91,056	\$ 125,433	\$ 177,765	\$ 181,656		
Interest	\$ -	\$ 40	\$ 84	\$ 178	\$ 243	\$ 270	\$ 309	\$ 373	\$ 475	\$ 592	\$ 746	\$ 1,045	\$ 1,239	
End of Period Bad Debt Balance with Interest	\$ 5,033	\$ 12,402	\$ 24,292	\$ 36,971	\$ 46,487	\$ 46,456	\$ 49,393	\$ 66,528	\$ 81,047	\$ 91,648	\$ 126,180	\$ 178,810	\$ 182,895	
Local Production and Storage Capacity		\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Miscellaneous Overhead		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Miscellaneous Overhead		\$ 82,048	\$ 82,048	\$ 82,048	\$ 82,048	\$ 82,048	\$ 82,048	\$ 19,931	\$ 19,931	\$ 19,931	\$ 19,931	\$ 19,931	\$ 19,931	
Gas Cost Other than Bad Debt and Working Capital Over/Under Collection														
Beginning Balance Over/Under Collection	\$ (2,863,964)	\$ (2,863,964)	\$ (3,623,539)	\$ (3,349,602)	\$ (3,037,940)	\$ (2,864,834)	\$ (4,102,310)	\$ (4,907,009)	\$ (4,506,009)	\$ (3,872,404)	\$ (3,292,856)	\$ (2,753,079)	\$ (2,192,545)	
Net Costs - Revenues	\$ (744,742)	\$ 289,881	\$ 330,238	\$ 190,272	\$ (1,217,214)	\$ (775,700)	\$ 431,298	\$ 660,573	\$ 604,094	\$ 560,489	\$ 577,477	\$ 474,896		
Ending Balance before Interest	\$ (3,608,706)	\$ (3,333,658)	\$ (3,019,364)	\$ (2,847,668)	\$ (4,082,048)	\$ (4,878,010)	\$ (4,475,711)	\$ (3,845,436)	\$ (3,268,310)	\$ (2,732,367)	\$ (2,175,603)	\$ (1,717,649)		
Average Balance	\$ (3,236,335)	\$ (3,478,599)	\$ (3,184,483)	\$ (2,942,804)	\$ (3,473,441)	\$ (4,490,160)	\$ (4,691,360)	\$ (4,175,723)	\$ (3,570,357)	\$ (3,012,612)	\$ (2,464,341)	\$ (1,955,097)		
Interest Rate	5.50%	5.50%	7.00%	7.00%	7.00%	7.75%	7.75%	7.75%	8.25%	8.25%	8.25%	8.25%		
Interest Expense	\$ (14,833)	\$ (15,944)	\$ (18,576)	\$ (17,166)	\$ (20,262)	\$ (28,999)	\$ (30,298)	\$ (26,968)	\$ (24,546)	\$ (20,712)	\$ (16,942)	\$ (13,441)		
Ending Balance Incl Interest Expense	\$ (2,863,964)	\$ (3,623,539)	\$ (3,349,602)	\$ (3,037,940)	\$ (2,864,834)	\$ (4,102,310)	\$ (4,907,009)	\$ (4,506,009)	\$ (3,872,404)	\$ (3,292,856)	\$ (2,753,079)	\$ (2,192,545)	\$ (1,731,090)	
<b>Total Over/Under Collection Ending Balance</b>	\$ (2,848,136)	\$ (3,595,324)	\$ (3,301,076)	\$ (2,963,108)	\$ (2,768,090)	\$ (3,998,376)	\$ (4,797,256)	\$ (4,376,878)	\$ (3,726,496)	\$ (3,134,041)	\$ (2,557,490)	\$ (1,942,000)	\$ (1,473,150)	
<b>Total Indirect Cost of Gas</b>	\$ (2,848,136)	\$ 115,359	\$ 122,171	\$ 125,535	\$ 122,550	\$ 104,732	\$ 94,625	\$ 9,011	\$ 9,741	\$ 8,292	\$ 35,993	\$ 57,945	\$ 13,885	
<b>Total Cost of Gas</b>	\$ (2,848,136)	\$ 3,544,044	\$ 5,962,266	\$ 7,566,688	\$ 6,828,044	\$ 3,870,103	\$ 1,247,705	\$ 927,269	\$ 928,706	\$ 872,491	\$ 862,611	\$ 917,150	\$ 1,332,714	
<b>Total Interest</b>	\$ -	\$ (14,733)	\$ (15,768)	\$ (18,217)	\$ (16,667)	\$ (19,678)	\$ (28,311)	\$ (29,529)	\$ (26,083)	\$ (23,502)	\$ (19,498)	\$ (15,414)	\$ (11,899)	

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**Northern Utilities  
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	Winter	Summer	Prior Period	Total
Working Capital				
Total Anticipated Direct Cost of Gas				\$ 34,866,367
Working Capital Percentage				
Working Capital Allowance	\$ 48,284	\$ 11,972	\$ 10,794	\$ 71,050
Beginning Period Working Capital Balance				
End of Period Working Capital Allowance				
Interest	\$ 1,282	\$ 2,713		\$ 3,994
End of period with Interest				
Bad Debt				
Projected Bad Debt	\$ 43,237	\$ 129,032	\$ 5,033	\$ 177,302
Beginning Period Bad Debt Balance				
End of Period Bad Debt Balance				
Interest	\$ 1,123	\$ 4,470		\$ 5,593
End of Period Bad Debt Balance with Interest				
Local Production and Storage Capacity	\$ 214,538	\$ -		\$ 214,538
				\$ -
Miscellaneous Overhead	\$ 492,287	\$ 119,588		\$ 611,875
Gas Cost Other than Bad Debt and Working Capital Over/L				
Beginning Balance Over/Under Collection				
Net Costs - Revenues				
Ending Balance before Interest				
Average Balance				
Interest Rate				
Interest Expense	\$ (115,780)	\$ (132,908)		\$ (248,688)
Ending Balance Incl Interest Expense			\$ (2,863,964)	
<b>Total Over/Under Collection Ending Balance</b>				
<b>Total Indirect Cost of Gas</b>	\$ 684,971	\$ 134,867	\$ (2,848,136)	\$ (2,028,299)
<b>Total Cost of Gas</b>	\$ 29,018,851	\$ 5,840,940	\$ (2,848,136)	\$ 32,011,655
<b>Total Interest</b>	\$ (113,375)	\$ (125,726)		\$ (239,100)

## Kahl, Christopher

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**From:** Demeris, Elena  
**Sent:** Wednesday, November 22, 2023 9:54 AM  
**To:** Kahl, Christopher  
**Subject:** FW: Electronic Filing of NHPUC Report

S. Elena Demeris

-----Original Message-----

**From:** e-Reports@puc.nh.gov <e-Reports@puc.nh.gov>  
**Sent:** Wednesday, November 22, 2023 9:52 AM  
**To:** Demeris, Elena <demeris@unitil.com>  
**Subject:** Electronic Filing of NHPUC Report

This email acknowledges the electronic filing of the following reports and files with the New Hampshire Public Utilities Commission on 11/22/2023 at 09:52 AM:

- 1.) Report Name - Calc of COG o/u Collection & Tariff Pages. Report Date - 11-22-23.  
File - NUI Monthly Cost of Gas Report - October 2023.pdf - Non-confidential

As per Order No. 24,223, utilities are required to file one paper copy of each report which has been filed electronically.