

Northern Utilities, Inc.
DG 22-059
Winter 2022-2023 and Summer 2023 Cost of Gas, Department of Energy (DOE)
Data Request Set 1

Request No. DOE 1-6:

Reference: COG filing, includes Bates Page 97 (LDAC Demeris Testimony)

- a. For each LDAC component, including the Energy Efficiency Charge (“EE Charge”) please provide a table showing what the component was effective November 1, 2021, what the component was effective May 1, 2022, and what the proposed component is for the Winter 2022-23 and Summer 2023 period.
- b. Please also provide, for each LDAC component:
 - i) the percentage increase or decrease between the November 1, 2021 figure and the May 1, 2022 figure;
 - ii) the percentage increase or decrease between the May 1, 2022 figure and the proposed Winter 2022-23 and Summer 2023 figure;
 - iii) the percentage increase or decrease between the November 1, 2021 figure and Winter 2022-23 and Summer 2023 figure.
- c. Finally, please provide a short narrative explaining and justifying the reasons for the increase or decrease for each individual LDAC component, and for any under or over collection associated with that component.

Response:

- a. Please see DOE 1-6 Attachment for the requested information.
- b. Please see DOE 1-6 Attachment for the requested information.
- c. GAP – increase in forecasted costs offset by prior period over-collection.
EEC – no change proposed in this filing.
LRR – decreasing to zero and eliminated as the Company moves to a decoupling mechanism approved in DG 21-104.
ERC – slight increase associated with lower amortized costs for the period offset by a prior period under-collection.
ITMC – no change, the Company does not currently have any customers taking this service.
RCE – increase reflects rate case expense recovery approved in the Settlement Agreement in DG 21-104, recoverable over a 12-month period.
RPC - increase reflects Reconciliation of Permanent Changes recovered over a 12-month period in accordance with the Settlement Agreement in DG 21-104.

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PTAM – decrease, the property tax for the period and prior period under-collection is offset by Excess Accumulated Deferred Income Tax applied to the recoverable amount.

RAAM – decrease associated with the current non-distribution regulatory assessment being reduced to \$0 due to the recovery level in base rates being increased in DG 21-104 and a prior period over-collection offset by the recovery of the 2020 Covid-19 expense approved for recovery in the RAAM in DG 21-104.

Person Responsible: S. E. Demeris

Date: 10/17/22

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DOE 1-6 Attachment
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Residential LDAC Components

Rate Component	Nov-2021 \$/therm	Jan-2022 \$/therm	% Change	Mar-2022 \$/therm*	% Change	May-2022 \$/therm	% Change	Nov-2022 \$/therm	% Change	Jan-2023 \$/therm	% Change	May-2023 \$/therm	% Change
GAP	0.0060	0.0060	0%	0.0060	0%	0.0033	-45%	0.0037	12%	0.0037	0%	0.0037	0%
EEC	0.0449	0.0476	6%	0.0499	5%	0.0499	0%	0.0499	0%	TBD	TBD	TBD	0%
LRR	0.0066	0.0066	0%	0.0066	0%	0.0066	0%	0.0000	-100%	0.0000	0%	0.0000	0%
ERC	0.0056	0.0056	0%	0.0056	0%	0.0056	0%	0.0058	4%	0.0058	0%	0.0058	0%
ITMC	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%
RCE	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.0048	n/a	0.0048	0%	0.0048	0%
RPC	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.1206	n/a	0.1206	0%	0.1206	0%
PTAM	n/a	n/a	n/a	0.0135	n/a	0.0135	0%	0.0000	-100%	0.0000	0%	0.0000	0%
RAAM	n/a	n/a	n/a	n/a	n/a	<u>0.0027</u>	<u>n/a</u>	<u>0.0002</u>	<u>-93%</u>	<u>0.0002</u>	<u>0%</u>	<u>0.0002</u>	<u>0%</u>
Total LDAC	0.0631	0.0658	4%	0.0816	29%	0.0816	0%	0.1850	127%	TBD	TBD	TBD	0%

Commercial and Industrial LDAC Components

Rate Component	Nov-2021 \$/therm	Jan-2022 \$/therm	% Change	Mar-2022 \$/therm*	% Change	May-2022 \$/therm	% Change	Nov-2022 \$/therm	% Change	Jan-2023 \$/therm	% Change	May-2023 \$/therm	% Change
GAP	0.0060	0.0060	0%	0.0060	0%	0.0033	0%	0.0037	12%	0.0037	0%	0.0037	0%
EEC	0.0238	0.0326	37%	0.0247	0%	0.0247	0%	0.0247	0%	TBD	TBD	TBD	0%
LRR	0.0006	0.0006	0%	0.0006	0%	0.0006	0%	0.0000	-100%	0.0000	0%	0.0000	0%
ERC	0.0056	0.0056	0%	0.0056	0%	0.0056	0%	0.0058	4%	0.0058	0%	0.0058	0%
ITMC	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%	0.0000	0%
RCE	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.0048	n/a	0.0048	0%	0.0048	0%
RPC	0.0000	0.0000	0%	0.0000	0%	0.0000	0%	0.0101	n/a	0.0101	0%	0.0101	0%
PTAM	n/a	n/a	n/a	0.0135	n/a	0.0135	0%	0.0000	-100%	0.0000	0%	0.0000	0%
RAAM	n/a	n/a	n/a	n/a	n/a	<u>0.0027</u>	<u>n/a</u>	<u>0.0002</u>	<u>-93%</u>	<u>0.0002</u>	<u>0%</u>	<u>0.0002</u>	<u>0%</u>
Total LDAC	0.0360	0.0448	24%	0.0504	40%	0.0504	0%	0.0493	-2%	TBD	TBD	TBD	0%

Notes:

LDAC components are generally set on an annual basis, unlike the cost of gas which is set on a winter/summer basis. Therefore, no rate changes are scheduled for May 1, 2023 at this time.

January 2022 EEC change authorized by NHPUC Order No. 26,556 in Docket No. DE 20-092.

March 2022 EEC change authorized by HB 549.

The PTAM was instated on March 1, 2022, Docket No. DG 21-123, Order No. 26,581.

The RAAM was instated on May 1, 2022, Docket No. DG 21-123, Order No. 26,581.

DG 21-123, Order 26,581 also renamed the GAPRA to GAP as regulatory assessment costs were removed from the GAPRA to the RAAM.

In November 2022, in accordance with the Settlement Agreement in DG 21-104, the Company began recovering rate case expense and the difference between permanent and temporary distribution rates in the RCE and RPC, respectively.

In January 2023 the EEC charge will increase by the inflation factor provided by the Department of Energy plus 25 basis points in accordance with HB 549.