

New Hampshire Monthly Cost of Gas Report

Summer Period

August 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 September 2024 report, estimated costs and revenues for May through August 2024 have been replaced with actuals, and commodity costs have been updated to reflect NYMEX prices as of September 23, 2024.

As shown on Table 1, Line 23, the estimated summer period ending balance is an under-collection of \$2,466,766 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 (\$189,624) (Line 27). Overall, the projected over-collection is due to lower commodity costs than forecast for August and a reduction in the NYMEX price for September.

This over-collection represents a variance of 4.10% 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 \$0.0993 effective October 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.

NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
Summer 2023-2024 Period Cost of Gas
DG 23-085
September 2024 Estimated

1	Under/(Over) collection as of 04/30/24	\$ (101,162)	Table 2, PG. 2, Line 87, April
2			
3	Forecasted firm therm sales 09/01/24 - 10/31/24		
4	Residential heat & non heat	1,096,571	Table 2, PG. 1, Line 2
5	HLF Classes	753,888	Table 2, PG. 1, Line 3
6	LLF Classes	1,007,202	Table 2, PG. 1, Line 4
7			
8	Current recovery rate per therm		
9	Residential heat & non heat	\$0.3003	Table 2, PG. 1, Line 7
10	HLF classes	\$0.2329	Table 2, PG. 1, Line 8
11	LLF classes	\$0.3508	Table 2, PG. 1, Line 9
12			
13	Total	\$ (858,207)	(LN 4 * Ln 9) + (LN 5 * LN 10) + (LN 6 * LN 11)
14			
15	Forecasted recovered costs at current rates 09/01/24 - 10/31/24	\$ (858,207)	LN 13
16	Actual recovered costs 05/01/24 - 08/31/2024	\$ (1,217,260)	Table 2, PG. 1, Line 14
17	Estimated total recovered costs 05/01/24 - 10/31/24	\$ (2,075,467)	LN 15 + LN 16
18			
19	Revised projected direct gas costs [1]	\$ 4,410,573	Table 2, PG. 1, Line 57, Summer
20	Revised projected indirect gas costs [2]	\$ 212,823	Table 2, PG. 2, Line 89, Summer
21	Revised total projected gas costs 05/01/24 - 10/31/24	\$ 4,623,396	LN 19 + LN 20
22			
23	Projected October 31, 2024 Summer Period Balance	\$ 2,446,766	LN 1 + LN 17 + LN 21
24			
25	October 31, 2024 Target Balance [3]	\$ 2,636,390	Table 3, PG. 2, Line 87, April *-1
26			
27	Variance from Target Balance	\$ (189,624)	LN 23 - LN 25
28			
29	Total Projected Gas Costs	\$ 4,623,396	LN 21
30			
31	Under/(over) collection as percent of total gas costs	-4.10%	LN 27 / LN 29

NOTES

[1] Reflects futures prices as of September 23, 2024

[2] Includes: Working Capital Allowance, Bad Debt Allowance, Production and Storage Capacity, Miscellaneous Overhead and Interest

[3] Updated to reflect actual account balance as of October 31, 2023

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

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		Summer						Summer
		(Actual) May-24	(Actual) Jun-24	(Actual) Jul-24	(Actual) Aug-24	(Forecast) Sep-24	(Forecast) Oct-24	
Working Capital								
Total Anticipated Direct Cost of Gas		\$ 636,396	\$ 690,500	\$ 654,836	\$ 667,579	\$ 757,460	\$ 1,003,801	
Working Capital Percentage		0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	
Working Capital Allowance		\$ 1,413	\$ 1,530	\$ 1,453	\$ 1,481	\$ 1,675	\$ 2,207	\$ 9,759
Beginning Period Working Capital Balance		\$ (80)	\$ 1,338	\$ 2,883	\$ 4,362	\$ 5,878	\$ 7,601	
End of Period Working Capital Allowance		\$ 1,333	\$ 2,868	\$ 4,336	\$ 5,842	\$ 7,553	\$ 9,808	
Interest		\$ 4	\$ 15	\$ 26	\$ 36	\$ 48	\$ 58	\$ 187
End of period with Interest	\$ (80)	\$ 1,338	\$ 2,883	\$ 4,362	\$ 5,878	\$ 7,601	\$ 9,866	
Bad Debt								
Projected Bad Debt		\$ 7,191	\$ 4,562	\$ 13,074	\$ 20,956	\$ 3,414	\$ 3,414	\$ 52,611
Beginning Period Bad Debt Balance		\$ 11,130	\$ 18,426	\$ 23,135	\$ 36,418	\$ 57,707	\$ 61,542	
End of Period Bad Debt Balance		\$ 18,321	\$ 22,988	\$ 36,208	\$ 57,375	\$ 61,121	\$ 64,956	
Interest		\$ 104	\$ 147	\$ 210	\$ 332	\$ 421	\$ 422	\$ 1,636
End of Period Bad Debt Balance with Interest	\$ 11,130	\$ 18,426	\$ 23,135	\$ 36,418	\$ 57,707	\$ 61,542	\$ 65,377	
Local Production and Storage Capacity		\$ 17,964	\$ 17,964	\$ 17,964	\$ 17,964	\$ 17,964	\$ 17,964	\$ 107,784
Miscellaneous Overhead								
Gas Cost Other than Bad Debt and Working Capital Over/Under Collection								
Beginning Balance Over/Under Collection	\$ (112,212)	\$ (112,212)	\$ (23,025)	\$ 526,242	\$ 964,185	\$ 1,406,620	\$ 1,908,853	
Net Costs - Revenues		\$ 89,665	\$ 547,491	\$ 432,684	\$ 434,068	\$ 490,532	\$ 448,450	
Ending Balance before Interest		\$ (22,547)	\$ 524,466	\$ 958,925	\$ 1,398,253	\$ 1,897,152	\$ 2,357,303	
Average Balance		\$ (67,380)	\$ 250,721	\$ 742,584	\$ 1,181,219	\$ 1,651,886	\$ 2,133,078	
Interest Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.00%	
Interest Expense		\$ (477)	\$ 1,776	\$ 5,260	\$ 8,367	\$ 11,701	\$ 14,221	
Ending Balance Incl Interest Expense	\$ (112,212)	\$ (23,025)	\$ 526,242	\$ 964,185	\$ 1,406,620	\$ 1,908,853	\$ 2,371,523	
Total Over/Under Collection Ending Balance	\$ (101,162)	\$ (3,261)	\$ 552,259	\$ 1,004,965	\$ 1,470,205	\$ 1,977,996	\$ 2,446,766	
Total Indirect Cost of Gas		\$ 26,200	\$ 25,994	\$ 37,986	\$ 49,136	\$ 35,222	\$ 38,285	\$ 212,823
Total Cost of Gas		\$ 662,596	\$ 716,494	\$ 692,822	\$ 716,715	\$ 792,682	\$ 1,042,086	\$ 4,623,396
Total Interest		\$ (369)	\$ 1,938	\$ 5,496	\$ 8,735	\$ 12,169	\$ 14,700	\$ 42,669

Updated End of Winter Period Balance ("Target Balance")
 (\$2,636,390)
 Line 87 - April

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

		Winter						
Sales Revenues	Oct-23	(Forecast) Nov-23	(Forecast) Dec-23	(Forecast) Jan-24	(Forecast) Feb-24	(Forecast) Mar-24	(Forecast) Apr-24	Winter
Volumes								
Residential Heat & Non Heat		2,125,956	3,109,808	3,620,784	3,145,375	2,671,575	1,527,106	
Sales HLF Classes		325,460	476,077	554,302	481,522	408,988	233,783	
Sales LLF Classes		1,878,057	2,747,186	3,198,579	2,778,605	2,360,053	1,349,036	
Total		4,329,473	6,333,071	7,373,664	6,405,502	5,440,616	3,109,925	
Rates								
Residential Heat & Non Heat CGA		\$0.7282	\$0.7282	\$0.7282	\$0.7282	\$0.7282	\$0.7282	
Sales HLF Classes CGA		\$0.6587	\$0.6587	\$0.6587	\$0.6587	\$0.6587	\$0.6587	
Sales LLF Classes CGA		\$0.7402	\$0.7402	\$0.7402	\$0.7402	\$0.7402	\$0.7402	
Revenues								
Residential Heat & Non Heat		\$ (1,548,121)	\$ (2,264,563)	\$ (2,636,655)	\$ (2,290,462)	\$ (1,945,441)	\$ (1,112,039)	
Sales HLF Classes		\$ (214,381)	\$ (313,592)	\$ (365,118)	\$ (317,178)	\$ (269,401)	\$ (153,993)	
Sales LLF Classes		\$ (1,390,137)	\$ (2,033,467)	\$ (2,367,588)	\$ (2,056,724)	\$ (1,746,911)	\$ (998,557)	
Total Sales		\$ (3,152,639)	\$ (4,611,621)	\$ (5,369,361)	\$ (4,664,364)	\$ (3,961,753)	\$ (2,264,588)	\$ (24,024,327)
		Winter						
Gas Costs and Credits	Oct-23	(Forecast) Nov-23	(Forecast) Dec-23	(Forecast) Jan-24	(Forecast) Feb-24	(Forecast) Mar-24	(Forecast) Apr-24	Winter
Demand Costs (net of Capacity Assignment)								
Pipeline		\$ 305,595	\$ 305,595	\$ 297,310	\$ 297,310	\$ 297,310	\$ 547,694	\$ 2,050,814
Storage		\$ 944,617	\$ 944,617	\$ 944,617	\$ 944,617	\$ 944,617	\$ 944,617	\$ 5,667,701
On-system Peaking		\$ 290,051	\$ 290,051	\$ 290,051	\$ 290,051	\$ 290,051	\$ 132,428	\$ 1,582,685
Off-System Peaking		\$ 104,459	\$ 104,459	\$ 104,459	\$ 104,459	\$ 104,459	\$ -	\$ 522,295
Total Demand Costs		\$ 1,644,722	\$ 1,644,722	\$ 1,636,437	\$ 1,636,437	\$ 1,636,437	\$ 1,624,739	\$ 9,823,495
Asset Management and Capacity Release								
NUI AMA Revenue		\$ (2,164,517)	\$ (2,164,517)	\$ (2,164,517)	\$ (2,164,517)	\$ (2,164,517)	\$ (2,164,517)	\$ (12,987,100)
NUI Capacity Release		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NUI AMA Rev & Cap. Release Subtotal		\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (5,149,279)
NH AMA Revenue		\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (5,149,279)
NH Capacity Release		\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (5,149,279)
NH Total Asset Management and Capacity Release		\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (858,213)	\$ (5,149,279)
Re-entry Rate & Conversion Rate Revenue		\$ (4,167)	\$ (4,167)	\$ (4,167)	\$ (4,167)	\$ (4,167)	\$ (4,167)	\$ (25,000)
Net Demand Costs		\$ 782,342	\$ 782,342	\$ 774,057	\$ 774,057	\$ 774,057	\$ 762,359	\$ 4,649,215
NUI Commodity Costs								
NUI Total Pipeline Volumes		1,206,814	776,970	723,894	677,191	568,894	968,631	
Pipeline Costs Modeled in Sendout™		\$ 3,259,675	\$ 3,439,438	\$ 4,470,111	\$ 4,053,327	\$ 2,102,517	\$ 2,625,100	
NYMEX Price Used for Forecast		\$ 2,991.0	\$ 3,453.0	\$ 3,706.0	\$ 3,634.0	\$ 3,328.0	\$ 3,052.0	
NYMEX Price Used for Update		\$ 2,991.0	\$ 3,453.0	\$ 3,706.0	\$ 3,634.0	\$ 3,328.0	\$ 3,052.0	
% of Pipeline Volumes Tied to NYMEX		100.00%	82.00%	84.00%	83.00%	100.00%	100.00%	
Increase/(Decrease) NYMEX Price		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Increase/(Decrease) in Pipeline Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Updated Pipeline Costs		\$ 3,259,675	\$ 3,439,438	\$ 4,470,111	\$ 4,053,327	\$ 2,102,517	\$ 2,625,100	
New Hampshire Allocated Percentage		36.08%	37.46%	37.48%	37.09%	35.77%	32.28%	
NH Updated Pipeline Costs		\$ 1,176,142	\$ 1,288,500	\$ 1,675,371	\$ 1,503,215	\$ 752,092	\$ 847,363	
NH Commodity Costs								
Pipeline		\$ 1,176,142	\$ 1,288,500	\$ 1,675,371	\$ 1,503,215	\$ 752,092	\$ 847,363	
Storage		\$ -	\$ 822,493	\$ 952,902	\$ 893,145	\$ 802,607	\$ -	
Peaking		\$ 24,212	\$ 1,002,116	\$ 3,079,730	\$ 1,473,923	\$ 1,006,667	\$ 11,988	
Total Commodity Costs		\$ 1,200,354	\$ 3,113,110	\$ 5,708,003	\$ 3,870,283	\$ 2,561,367	\$ 859,351	\$ 17,312,467
Inventory Finance Charge		\$ 1,082	\$ 1,691	\$ 2,012	\$ 1,730	\$ 1,416	\$ 708	
Total Anticipated Direct Cost of Gas		\$ 1,983,778	\$ 3,897,143	\$ 6,484,072	\$ 4,646,070	\$ 3,336,840	\$ 1,622,418	\$ 21,970,322

Updated End of Winter Period Balance ("Target Balance")
 (\$2,636,390)
 Line 87 - April

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

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	Oct-23	Winter						Winter
		(Forecast) Nov-23	(Forecast) Dec-23	(Forecast) Jan-24	(Forecast) Feb-24	(Forecast) Mar-24	(Forecast) Apr-24	
Working Capital								
Total Anticipated Direct Cost of Gas		\$ 1,983,778	\$ 3,897,143	\$ 6,484,072	\$ 4,646,070	\$ 3,336,840	\$ 1,622,418	
Working Capital Percentage		0.2160%	0.22%	0.22%	0.22%	0.22%	0.22%	
Working Capital Allowance		\$ 4,285	\$ 8,417	\$ 14,005	\$ 10,035	\$ 7,207	\$ 3,504	\$ 47,452
Beginning Period Working Capital Balance		\$ (368)	\$ 3,929	\$ 12,404	\$ 26,546	\$ 36,805	\$ 44,298	
End of Period Working Capital Allowance		\$ 3,917	\$ 12,347	\$ 26,409	\$ 36,581	\$ 44,012	\$ 47,802	
Interest		\$ 13	\$ 58	\$ 137	\$ 224	\$ 286	\$ 326	\$ 1,044
End of period with Interest	\$ (368)	\$ 3,929	\$ 12,404	\$ 26,546	\$ 36,805	\$ 44,298	\$ 48,128	
Bad Debt								
Projected Bad Debt	\$ -	\$ 9,162	\$ 9,162	\$ 9,162	\$ 9,162	\$ 9,162	\$ 9,162	\$ 54,970
Beginning Period Bad Debt Balance		\$ 74,485	\$ 84,207	\$ 93,997	\$ 103,857	\$ 113,787	\$ 123,787	
End of Period Bad Debt Balance		\$ 83,647	\$ 93,369	\$ 103,159	\$ 113,019	\$ 122,949	\$ 132,949	
Interest		\$ 560	\$ 629	\$ 698	\$ 768	\$ 838	\$ 909	\$ 4,403
End of Period Bad Debt Balance with Interest	\$ 74,485	\$ 84,207	\$ 93,997	\$ 103,857	\$ 113,787	\$ 123,787	\$ 133,858	
Local Production and Storage Capacity		\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	
Miscellaneous Overhead		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 84,015	\$ 84,015	\$ 84,015	\$ 84,015	\$ 84,015	\$ 84,015	
Gas Cost Other than Bad Debt and Working Capital	Over/Under Collection							
Beginning Balance Over/Under Collection		\$ (1,387,700)	\$ (2,450,335)	\$ (3,064,504)	\$ (1,847,357)	\$ (1,758,605)	\$ (2,277,992)	
Net Costs - Revenues		\$ (1,049,090)	\$ (594,706)	\$ 1,234,482	\$ 101,477	\$ (505,141)	\$ (522,399)	
Ending Balance before Interest		\$ (2,436,790)	\$ (3,045,041)	\$ (1,830,022)	\$ (1,745,879)	\$ (2,263,746)	\$ (2,800,391)	
Average Balance		\$ (1,912,245)	\$ (2,747,688)	\$ (2,447,263)	\$ (1,796,618)	\$ (2,011,176)	\$ (2,539,191)	
Interest Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	
Interest Expense		\$ (13,545)	\$ (19,463)	\$ (17,335)	\$ (12,726)	\$ (14,246)	\$ (17,986)	
Ending Balance Incl Interest Expense	\$ (1,387,700)	\$ (2,450,335)	\$ (3,064,504)	\$ (1,847,357)	\$ (1,758,605)	\$ (2,277,992)	\$ (2,818,377)	
Total Over/Under Collection Ending Balance	\$ (1,313,582)	\$ (2,362,198)	\$ (2,958,102)	\$ (1,716,953)	\$ (1,608,013)	\$ (2,109,907)	\$ (2,636,390)	
Total Indirect Cost of Gas	\$ (1,313,582)	\$ 120,245	\$ 118,574	\$ 126,439	\$ 127,234	\$ 123,019	\$ 115,687	\$ 731,198
Total Cost of Gas	\$ (1,313,582)	\$ 2,104,023	\$ 4,015,717	\$ 6,610,511	\$ 4,773,304	\$ 3,459,859	\$ 1,738,105	\$ 22,701,519
Total Interest	\$ -	\$ (12,972)	\$ (18,776)	\$ (16,499)	\$ (11,734)	\$ (13,121)	\$ (16,750)	\$ (89,854)