

New Hampshire Monthly Cost of Gas Report

Winter Period

November 2024 Summary

The objective of the Winter Period Monthly Cost of Gas (“COG”) analysis is to determine if COG rates need to be adjusted in order to minimize differences between the April 30, 2025 target balance and the corresponding estimated end of Winter Period balance. An adjustment is made to COG rates if the difference between the target balance and estimated end of Winter Period balance exceeds 2% of total projected gas costs.

For the November update, all costs and revenues for the six-month Winter Period are based on estimates. Commodity costs have been updated to reflect NYMEX prices as of November 20, 2024 and the prior period balance has been updated to reflect updated working capital and bad debt expense as of October 31, 2024¹. In addition, the target balance has been revised to reflect updated interest rates and the revised estimated demand charges as shown in the supplemental cost of gas filing submitted on October 11, 2024².

As shown on Table 1, Line 23, the estimated end of Winter Period balance is an over-collection of (\$5,995,520) and, Line 25, the target end of Winter Period balance is an over-collection of (\$5,773,087). The variance between the estimated and target balances is an over-collection of (\$222,433) (Line 27). This over-collection represents a variance of 1.33% of total gas costs (Line 31) and is below the 2% threshold for requiring a rate change. As a result, Northern will not change its COG rates for December 2024.

Detailed monthly costs and revenues are provided in Table 2. Support for the revised end of Winter Period target balance is provided in Table 3. This table reflects the updated demand components of the COG rates (lines 7 through 9). Table 4 shows the updated reconciliation balance for working capital and bad debt balances³. These updated balances are reflected in Table 2, lines 69 and 75.

¹ The COG rates effective November 1, 2024 reflect a prior period balance that includes estimated costs and revenues for August through October 2024. These estimates have now been replaced with actual values. Although these changes do not impact the winter season demand and commodity costs, they do impact the allocation of working capital and bad debt expense. As a result, the November 1, 2024 reconciliation balance (including working capital and bad debt) has been revised.

² Revised Attachment NUI-CAK-13, Page 3, Line 57, 79 and 99.

³ Table 4 is an update of Attachment NUI-CAK-10, Attachments A & B, submitted in the September 17, 2024 filing, and includes actual costs and revenues for August through October 2024.