

NEW HAMPSHIRE GAS CORPORATION

Winter 2011-2012 Cost of Gas Adjustment

DG 11-212

Supplemental Testimony of Brian R. Maloney

1 **Q. Please state your name, employer and business address.**

2 A. My name is Brian R. Maloney. I am employed by Rochester Gas and Electric
3 Corporation at 89 East Avenue in Rochester, NY 14649.

4
5 **Q. Have you previously submitted testimony in this proceeding?**

6 A. Yes, on September 20, 2011, I submitted initial testimony in support of New
7 Hampshire Gas Corporation's cost of gas ("COG") rate for the winter period
8 2011-2012.

9
10 **Q. What is the purpose of your supplemental testimony in this proceeding?**

11 A. The primary purpose of this supplemental testimony is to update the winter period
12 Non-FPO COG rate to reflect a decrease in propane futures prices since the filing
13 of the initial testimony and exhibits on September 20. This testimony also
14 provides an update to the status of the Selkirk terminal.

15
16 **Q. Please specify the price changes from the initial testimony and exhibits.**

17 A. Mt. Belvieu propane futures prices for November 2011 - April 2012 have
18 decreased from the prices used in the initial filing by approximately \$0.10 per
19 gallon (Schedule E, Column 1; Appendix 1). In addition, trucking costs from
20 Selkirk to Keene are forecasted at a slightly lower level because of a lower diesel
21 fuel surcharge (Schedule E, Column 7; Appendices 3A & 3B).

1 **Q. What is the impact of these changes on the anticipated cost of propane for**
2 **the winter period, compared to the initial filing?**

3 A. The anticipated cost of propane sendout has decreased from \$2,172,053 (after
4 FPO premium reduction) in the initial filing to \$2,134,869 in this update
5 (Schedule B, Line 7, and Tariff Page).
6

7 **Q. Please specify the resulting impact on the Non-Fixed Price Option cost of gas**
8 **rate.**

9 A. The winter period Non-FPO cost of gas rate has decreased from \$2.2157 per
10 therm in the initial filing to \$2.1678 per therm in this update (Schedule B, Line
11 12; Tariff Page).
12

13 **Q. Please describe the change in the Non-FPO cost of gas rate compared to the**
14 **previous winter season, and the resulting impact on a typical residential bill.**

15 A. The updated winter period Non-FPO COG rate per therm of \$2.1678 is an
16 increase of \$0.3701 from last winter's average rate of \$1.7977. As shown on
17 Schedule K-2, for a typical residential heat, hot water and cooking customer, this
18 would represent an increase of \$344.96 or 20.6% in the gas component of their
19 bill (Lines 32 and 33). When the monthly customer charge and per-therm
20 delivery charge are factored into the calculation, the customer would see an
21 increase of \$385.98 or 14.5% in their total bill (Lines 35 and 36).
22

23 **Q. What is the bill impact compared to the prior winter season for an average**
24 **commercial customer?**

25 A. The impact of the higher Non-FPO rate compared to last winter for an average
26 commercial customer, as shown on Schedule L-2, would be increases in the gas
27 component of the customer's bill and in the total bill of \$548.99 (21.6%) and
28 \$612.89 (15.3%), respectively.
29

1 **Q. Please provide a status update on the Selkirk propane terminal and the FPO**
2 **program.**

3 A. The temporary embargo at the Selkirk terminal for most of September caused by
4 storm-induced flooding in the region was cancelled on September 28, and the
5 terminal resumed normal operations. As such, the Company went ahead with its
6 standard FPO offering to customers starting on October 1. The subscription
7 period ends on October 19.

8

9 **Q. Does this conclude your supplemental testimony?**

10 A. Yes, it does.