

NEW HAMPSHIRE GAS CORPORATION

PETITION TO INCREASE NON-FPO COST OF GAS RATE ABOVE THE
MAXIMUM RATE CURRENTLY APPROVED BY THE COMMISSION

DG 13-261

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NEW HAMPSHIRE GAS CORPORATION

(OVER)/UNDER COLLECTION - NOVEMBER 2013 THROUGH APRIL 2014

	<u>PRIOR</u>	<u>ACTUAL NOV-13</u>	<u>ACTUAL DEC-13</u>	<u>ESTIMATE 1/27 JAN-14</u>	<u>FORECAST FEB-14</u>	<u>FORECAST MAR-14</u>	<u>FORECAST APR-14</u>	<u>TOTAL</u>
<u>COSTS</u>								
1 FIRM SENDOUT (therms)		156,068	217,316	262,438	211,841	173,606	107,002	1,128,271
2 COMPANY USE (therms)		4,601	6,189	6,229	5,874	5,344	3,610	31,847
3 TOTAL SENDOUT (therms)		160,669	223,505	268,667	217,715	178,950	110,612	1,160,118
4 COST PER THERM		\$1.6462	\$1.8363	\$2.1768	\$2.0436	\$1.9129	\$1.6563	\$1.9224
5 TOTAL PROPANE COSTS		\$264,497	\$410,416	\$584,825	\$444,931	\$342,316	\$183,208	\$2,230,193
<u>REVENUES</u>								
6 FPO SALES (therms)		16,698	29,886	42,227	47,017	37,380	31,025	204,233
7 NON-FPO SALES (therms)		72,078	127,160	190,131	200,442	159,359	132,265	881,435
8 TOTAL SALES		88,776	157,046	232,358	247,459	196,739	163,290	1,085,668
9 FPO RATE PER THERM		\$1.6985	\$1.6985	\$1.6985	\$1.6985	\$1.6985	\$1.6985	\$1.6985
10 NON-FPO RATE PER THERM		\$1.6785	\$1.7253	\$1.8466	\$2.0981	\$2.0981	\$2.0981	\$1.9558
11 FPO REVENUES		\$28,362	\$50,761	\$71,723	\$79,858	\$63,490	\$52,696	\$346,890
12 NON-FPO REVENUES		\$120,983	\$219,400	\$351,096	\$420,547	\$334,351	\$277,505	\$1,723,883
13 TOTAL REVENUES		\$149,345	\$270,162	\$422,818	\$500,406	\$397,841	\$330,201	\$2,070,773
14 (OVER)/UNDER COLLECTION		\$115,152	\$140,254	\$162,006	(\$55,474)	(\$55,525)	(\$146,993)	\$159,420
15 INTEREST AMOUNT		\$221	\$567	\$978	\$1,125	\$883	\$439	\$4,213
16 TOTAL (OVER)/UNDER BALANCE	\$23,929	\$139,301	\$280,123	\$443,107	\$388,758	\$334,116	\$187,562	\$187,562
17 FORECASTED UNDER-COLLECTION (before impact of requested rate increase on March 1, 2014)								\$187,562
18 TARGETED UNDER-COLLECTION FOR WINTER PERIOD 2013-2014								\$60,000
19 ADDITIONAL REVENUE REQUIRED TO ACHIEVE TARGETED UNDER-COLLECTION								\$127,562
20 DIVIDED BY REMAINING FORECASTED NON-FPO SALES FOR MARCH & APRIL 2014								291,624
21 CHANGE TO NON-FPO COG RATE TO ACHIEVE TARGETED UNDER-COLLECTION								\$0.4374
22 CURRENTLY APPROVED MAXIMUM NON-FPO COST OF GAS RATE (IMPLEMENTED FEB. 1, 2014)								\$2.0981
23 PROPOSED NON-FPO COST OF GAS RATE FOR MARCH 1, 2014								\$2.5355
24 <u>Futures Prices (per gallon)</u>		<u>NOV-13</u>	<u>DEC-13</u>	<u>JAN-14</u>	<u>FEB-14</u>	<u>MAR-14</u>	<u>APR-14</u>	
25 Winter COG Filing - 09/16/13 quotations		\$1.1317	\$1.1321	\$1.1329	\$1.1154	\$1.0633	\$1.0258	
26 December 1 Rate Update - 11/20/13 quotations			\$1.1963	\$1.1988	\$1.1788	\$1.1142	\$1.0646	
27 January 1 Rate Update - 12/20/13 quotations				\$1.2600	\$1.2350	\$1.1429	\$1.0850	
28 Northeast forecasted spot purchase price as of 01/27/14					\$2.3771	\$1.8771	\$1.1538	

NEW HAMPSHIRE GAS CORPORATION

CALCULATION OF PURCHASED PROPANE COSTS
WINTER PERIOD 2013 - 2014

LINE NO.		FEB 2014	MAR 2014	APR 2014
1	TOTAL SENDOUT (GALLONS)	237,935	195,569	120,885
2	CHANGE TO ENDING INVENTORY BALANCE (GALLONS)	(22,000)	(5,000)	(10,000)
3	TOTAL REQUIRED PURCHASES (GALLONS)	215,935	190,569	110,885
4	<u>PROPANE PURCHASE STABILIZATION PLAN DELIVERIES</u>			
5	GALLONS	140,000	110,000	60,000
6	<u>RATES</u>			
7	Contract Price	\$1.3300	\$1.3300	\$1.3300
8	Broker Fee	incl.	incl.	incl.
9	Pipeline Rate Increase	incl.	incl.	incl.
10	PERC Fee	incl.	incl.	incl.
11	Trucking Fee	incl.	incl.	incl.
12	COST PER GALLON	\$1.3300	\$1.3300	\$1.3300
13	TOTAL COST - Propane Purchase Stabilization Plan Deliveries	\$186,200	\$146,300	\$79,800
14	<u>SPOT PURCHASES</u>			
15	GALLONS	75,935	80,569	50,885
16	<u>RATES (per Schedule C)</u>			
17	Mt. Belvieu Futures Price	\$2.3771	\$1.8771	\$1.1538
18	Broker Fee	\$0.0100	\$0.0100	\$0.0100
19	Pipeline Fee	\$0.2033	\$0.2033	\$0.2033
20	PERC Fee	\$0.0040	\$0.0040	\$0.0040
21	Supplier Charge	\$0.0800	\$0.0800	\$0.0800
22	Trucking Fee	\$0.0756	\$0.0756	\$0.0756
23	COST PER GALLON	\$2.7500	\$2.2500	\$1.5267
24	TOTAL COST - Spot Purchases	\$208,820	\$181,281	\$77,683
25	<u>OTHER COSTS</u>			
26	Storage	\$0	\$0	\$0
27	Other	\$0	\$0	\$0
28	TOTAL OTHER COSTS	\$0	\$0	\$0
29	<u>TOTAL</u>			
30	GALLONS	215,935	190,569	110,885
31	THERMS	197,585	174,375	101,462
32	COST	\$395,020	\$327,581	\$157,483
33	COST PER GALLON	\$1.8294	\$1.7190	\$1.4202
34	COST PER THERM	\$1.9992	\$1.8786	\$1.5521

NEW HAMPSHIRE GAS CORPORATION
 PROPANE SPOT MARKET PURCHASE COST ANALYSIS
 WINTER PERIOD 2013 - 2014

		(1) Spot ¹		(2) Broker Fee		(3) Pipeline Rate ²		(4) PERC Fee		(5) Supplier Charge		(6) Cost @ Selkirk		(7) Trucking to Keene ³		(8) \$ per Gal.		(9) \$ per Therm
1	FEB	2.3771	+	0.0100	+	0.2033	+	0.0040	+	0.0800	=	2.6744	+	0.0756	=	2.7500	=	3.0054
2	MAR	1.8771	+	0.0100	+	0.2033	+	0.0040	+	0.0800	=	2.1744	+	0.0756	=	2.2500	=	2.4590
3	APR	1.1538	+	0.0100	+	0.2033	+	0.0040	+	0.0800	=	1.4511	+	0.0756	=	1.5267	=	1.6684

1. Rate that produces Company's estimate for all-in price in Column (8). (April rate is the Mt. Belvieu futures quotation on 01/24/14)

2. Enterprise TE Products Pipeline Co., FERC tariff 54.27.0, rates effective 05/01/13.

3. Northern Gas Transport trucking rate including diesel fuel surcharge.

NEW HAMPSHIRE GAS CORPORATION

PROPANE INVENTORY & WEIGHTED AVERAGE COST OF GAS CALCULATION
WINTER PERIOD 2013 - 2014

LINE NO.

				<u>Rate</u>			
		<u>Therms</u>	<u>Cost</u>	<u>Therm</u>	<u>Gal.</u>		
1	November 2013 (Actual)						
2	Beginning Balance	60,505	\$97,175	\$1.6061	\$1.4696		
3	Purchases Received	147,716	\$245,602	\$1.6627	\$1.5214		
4	Total Available	208,221	\$342,777	\$1.6462	\$1.5063		
5	Less Sendout	160,669	\$264,497	\$1.6462	\$1.5063	160,669	\$264,497
6	Ending Balance	47,552	\$78,281	\$1.6462	\$1.5063		
7	December 2013 (Actual)						
8	Beginning Balance	47,552	\$78,281	\$1.6462	\$1.5063		
9	Purchases Received	230,952	\$433,129	\$1.8754	\$1.7160		
10	Total Available	278,504	\$511,410	\$1.8363	\$1.6802		
11	Less Sendout	223,505	\$410,416	\$1.8363	\$1.6802	223,505	\$410,416
12	Ending Balance	54,999	\$100,994	\$1.8363	\$1.6802		
13	January 2014 (Estimated 1/27)						
14	Beginning Balance	54,999	\$100,994	\$1.8363	\$1.6802		
15	Purchases Received	279,565	\$627,274	\$2.2437	\$2.0531		
16	Total Available	334,564	\$728,267	\$2.1768	\$1.9918		
17	Less Sendout	268,667	\$584,825	\$2.1768	\$1.9918	268,667	\$584,825
18	Ending Balance	65,897	\$143,443	\$2.1768	\$1.9918		
19	February 2014 (Forecasted)						
20	Beginning Balance	65,897	\$143,443	\$2.1768	\$1.9918		
21	Purchases Received	197,585	\$395,020	\$1.9992	\$1.8293		
22	Total Available	263,482	\$538,463	\$2.0436	\$1.8700		
23	Less Sendout	217,715	\$444,931	\$2.0436	\$1.8700	217,715	\$444,931
24	Ending Balance	45,767	\$93,532	\$2.0436	\$1.8700		
25	March 2014 (Forecasted)						
26	Beginning Balance	45,767	\$93,532	\$2.0436	\$1.8700		
27	Purchases Received	174,375	\$327,581	\$1.8786	\$1.7190		
28	Total Available	220,142	\$421,113	\$1.9129	\$1.7504		
29	Less Sendout	178,950	\$342,316	\$1.9129	\$1.7504	178,950	\$342,316
30	Ending Balance	41,192	\$78,797	\$1.9129	\$1.7504		
31	April 2014 (Forecasted)						
32	Beginning Balance	41,192	\$78,797	\$1.9129	\$1.7504		
33	Purchases Received	101,462	\$157,483	\$1.5521	\$1.4202		
34	Total Available	142,654	\$236,280	\$1.6563	\$1.5156		
35	Less Sendout	110,612	\$183,208	\$1.6563	\$1.5156	110,612	\$183,208
36	Ending Balance	32,042	\$53,072	\$1.6563	\$1.5156		
37	AVERAGE WINTER RATE - SENDOUT					\$1.9224	1,160,118 \$2,230,193

NEW HAMPSHIRE GAS CORPORATION

INTEREST CALCULATION
WINTER PERIOD 2013 - 2014

LINE NO.	MONTH	(1) BEG. OF MONTH BALANCE	(2) (OVER) UNDER COLLECT	(3) REFUNDS	(4) END OF MONTH BALANCE (COL. 1+2+3)	(5) AVERAGE BALANCE COL. (COL. [1+4]/2)	(6) ANNUAL INTEREST RATE	(7) INTEREST AMOUNT	(8) MONTH END BAL. WITH INTEREST (COL. 4+7)
1	MAY 2013	\$23,544	\$0	\$0	\$23,544	\$23,544	3.25%	\$64	\$23,608
2	JUN	23,608	0	0	23,608	23,608	3.25%	64	23,672
3	JUL	23,672	0	0	23,672	23,672	3.25%	64	23,736
4	AUG	23,736	0	0	23,736	23,736	3.25%	64	23,800
5	SEP	23,800	0	0	23,800	23,800	3.25%	64	23,864
6	OCT	23,864	0	0	23,864	23,864	3.25%	65	23,929
7	NOV	23,929	115,152	0	139,081	81,505	3.25%	221	139,301
8	DEC	139,301	140,254	0	279,556	209,429	3.25%	567	280,123
9	JAN 2014	280,123	162,006	0	442,129	361,126	3.25%	978	443,107
10	FEB	443,107	(55,474)	0	387,633	415,370	3.25%	1,125	388,758
11	MAR	388,758	(125,229)	0	263,529	326,143	3.25%	883	264,412
12	APR	264,412	(204,845)	0	59,567	161,990	3.25%	439	60,006
13									
14								<u>\$4,598</u>	
15	PRIOR PERIOD BEG. BALANCE w/INTEREST @ NOVEMBER 1, 2013 =								
16	PRIOR PERIOD BEG. BAL. @ MAY 1, 2013 + INTEREST AMOUNT FOR MAY 2013 - OCTOBER 2013								
17	=	COL. 1, LINE 1		+	COL. 7, LINES 1 TO 6				
18	=	23,544		+	385	=	<u>23,929</u>	@ NOVEMBER 1, 2013	

New Hampshire Gas Corporation
Typical Residential Heating Bill - Non-Fixed Price Option Program
Forecasted 2013-2014 Winter Period vs. Actual 2012-2013 Winter Period

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	Winter Nov-Apr
1 WINTER PERIOD 2012-2013							
2 Typical Usage - therms (1)	37	82	106	123	102	88	538
3 Residential Heating							
4 Customer Charge	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$54.00
5 Delivery Charge:							
6 First 80 therms @ <u>Winter</u> <u>Summer</u>	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522
7 Next 120 therms @ \$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442
8 Over 200 therms @ \$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946
9 Base Delivery Revenue Total	\$51.63	\$103.07	\$125.73	\$141.78	\$121.95	\$108.73	\$652.89
10 Deferred Revenue Surcharge Rate	\$0.0716	\$0.0716	\$0.0716	\$0.0716	\$0.0716	\$0.0716	
11 Deferred Revenue Surcharge Total	\$2.65	\$5.87	\$7.59	\$8.81	\$7.30	\$6.30	\$38.52
12 COG Rates	\$1.5017	\$1.5017	\$1.4474	\$1.4474	\$1.5630	\$1.5630	\$1.5002
13 Cost of Gas Total	\$55.56	\$123.14	\$153.42	\$178.03	\$159.43	\$137.54	\$807.12
14 Total Bill	\$110	\$232	\$287	\$329	\$289	\$253	\$1,499
15 WINTER PERIOD 2013-2014							
16 Typical Usage - therms (1)	37	82	106	123	102	88	538
17 Residential Heating							
18 Customer Charge	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$54.00
19 Delivery Charge:							
20 First 80 therms @ <u>Winter</u> <u>Summer</u>	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522	\$1.1522
21 Next 120 therms @ \$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442	\$0.9442
22 Over 200 therms @ \$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946	\$0.7946
23 Base Delivery Revenue Total	\$51.63	\$103.07	\$125.73	\$141.78	\$121.95	\$108.73	\$652.89
24 Winter Base Delivery Difference from previous year							\$0.00
25 Winter Percent Change from previous year							0.0%
26 Deferred Revenue Surcharge Rate	\$0.0617	\$0.0617	\$0.0617	\$0.0617	\$0.0617	\$0.0617	
27 Deferred Revenue Surcharge Total	\$2.28	\$5.06	\$6.54	\$7.59	\$6.29	\$5.43	\$33.19
28 COG Rates	\$1.6785	\$1.7253	\$1.8466	\$2.0981	\$2.5355	\$2.5355	\$2.1173
29 Cost of Gas Total	\$62.10	\$141.47	\$195.74	\$258.07	\$258.62	\$223.12	\$1,139.12
30 Winter COG Difference from previous year							\$332.00
31 Winter Percent Change from previous year							41.1%
32 Total Bill	\$116	\$250	\$328	\$407	\$387	\$337	\$1,825
33 Winter Total Bill Difference from previous year							\$326.67
34 Winter Percent Change from previous year							21.8%
35 Winter Percent Change resulting from Base Rates (incl. Def. Revenue Surch.)							-0.4%
36 Winter Percent Change resulting from COG							22.2%

(1) Residential Heating Typical Usage: Residence using gas for heat, hot water and cooking.

New Hampshire Gas Corporation

Calculation of the Cost of Gas Rate

Period Covered: Winter Period November 1, 2013 through April 30, 2014

Projected Gas Sales - therms 1,017,695

Total Anticipated Cost of Propane Sendout \$1,682,095

Add:	Prior Period Deficiency Uncollected	\$23,544
	Interest	\$2,541

Deduct:	Prior Period Excess Collected	\$0
	Interest	\$0

Prior Period Adjustments and Interest	\$26,085
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Total Anticipated Cost	\$1,708,180
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Cost of Gas RateNon-Fixed Price Option Cost of Gas Rate (per therm) \$1.6785

Fixed Price Option Premium \$0.0200

Fixed Price Option Cost of Gas Rate (per therm) \$1.6985

Non-Fixed Price Option Cost of Gas Rate - Beginning Period (per therm) \$1.6785

Mid Period Adjustment - December 1, 2013 \$0.0468

Mid Period Adjustment - January 1, 2014 \$0.1213

Mid Period Adjustment - February 1, 2014 \$0.2515

Mid Period Adjustment - March 1, 2014 \$0.4374

Revised Non-Fixed Price Option Cost of Gas Rate - Effective March 1, 2014 (per therm)	<u>\$2.5355</u>
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Issued: February __, 2014

Effective: March 1, 2014

Issued By: _____

Michael D. Eastman
Treasurer

In Compliance with DG 13-261 , Order Nos. 25,588 and _____