

NORTHERN UTILITIES, INC. - NEW HAMSHIRE DIVISION
Summer 2015 Cost of Gas Filing

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**Northern Utilities, Inc.
New Hampshire Division**

**Update Filing of 2015 Summer Period Cost of Gas Factor
Rates Effective May 1, 2015
Docket No. 2015-090**

SUMMARY OF REVISION TO SCHEDULES

Prepared by: Christopher Kahl, Senior Regulatory Analyst, Unitil Service Corp.

Cost of Gas Factor Updates and Revisions to March 17, 2015 Initial Filing

1. Due to a recent FERC ruling in the 2010 PNGTS rate case, Schedule 25 is provided to show the amount of Northern's PNGTS refund that is allocated to the New Hampshire Division. The PNGTS refund is based upon Northern's most recent estimate of the total refund amount. Any differences between the final refund and the Company's estimate will be adjusted for in the 2015-2016 Winter Period COG filing.
2. Revised Schedule 1A reflects the New Hampshire Division's portion of the PNGTS refund assigned to the 2015 Summer Period. This is shown on Lines 70 and 80 of Page 4.
3. Revised Schedule 5A and Revised Schedule 21 reflect the recent changes in the U.S./Canadian exchange rate and a TCPL abandonment surcharge recently approved by the National Energy Board.
4. Due to the recent migration of a large customer to sales service in its Maine Division, Northern reran its SENDOUT Model dispatching capacity and supply resources as shown in Revised Schedule 6A and Revised Schedule 6B. The revised SENDOUT Model dispatch utilizes the NYMEX strip as of April 1, 2015, as shown in Revised Attachment to Schedule 5A.
5. Due to the recent changes summarized above, Revised Schedule 1B, Revised Schedule 2, Revised Schedule 3, Revised Schedule 8, Revised Schedule 9, Revised Schedule 10A, Revised Schedule 10C, Revised Schedule 22 and Revised Schedule 23 are provided.
6. Also, monthly and annual typical bill comparisons, as shown in Revised Schedule 8, have been updated to reflect the 2015 Summer Period COG rates shown on Fifth Revised Page No. 43, Fifth Revised Page No. 96 and Fifth Revised Page No. 97. Residential heating bills at typical use are expected to decrease by \$37.13, or about 12.55 percent, from those experienced in the 2014 Summer Period, as shown on page 1, under column Summer May-Oct.

N.H.P.U.C No.10
NORTHERN UTILITIES, INC.

Anticipated Cost of Gas

New Hampshire Division
Period Covered: May 1, 2015 - October 31, 2015

Column A	Column B	Column C
1 <u>ANTICIPATED DIRECT COST OF GAS</u>		
2 Purchased Gas for Sales Service:		
3 Demand Costs:	\$ 428,609	
4 Supply Costs:	\$ 1,789,330	
5		
6 Storage & Peaking Gas for Sales Service:		
7 Demand, Capacity:	\$ 456,665	
8 Commodity Costs:	\$ 66,477	
9		
10 Hedging (Gain)/Loss	\$ -	
11		
12 Interruptible Sendout Cost	\$ -	
13		
14 Inventory Finance Charge	\$ -	
15		
16 Capacity Release	\$ -	
17		
18 Adjustment for Actual Costs	\$ -	
19		
20 Total Anticipated Direct Cost of Gas		\$ 2,741,083
21		
22 <u>ANTICIPATED INDIRECT COST OF GAS</u>		
23 Adjustments:		
24 Prior Period Under/(Over) Collection	\$ (470,799)	
25 Miscellaneous	\$ -	
26 Interest	\$ (11,419)	
27 Refunds	\$ -	
28 <u>Interruptible Margins</u>	\$ -	
29 Total Adjustments		\$ (482,218)
30		
31 Working Capital:		
32 Total Anticipated Direct Cost of Gas	\$ 2,741,083	
33 Working Capital Percentage	<u>0.0824%</u>	
34 Working Capital Allowance	\$ 2,258	
35		
36 Plus: Working Capital Reconciliation (Acct 182.11)	\$ <u>(387)</u>	
37		
38 Total Working Capital Allowance		\$ 1,871
39		
40 Bad Debt:		
41 Bad Debt Allowance	\$ 29,333	
42 Plus: Bad Debt Reconciliation (Acct 182.16)	\$ <u>921</u>	
43 Total Bad Debt Allowance		\$ 30,254
44		
45 Local Production and Storage Capacity		\$ -
46		
47 Miscellaneous Overhead-18.70% Allocated to Summer Season		\$ <u>95,875</u>
48		
49 Total Anticipated Indirect Cost of Gas		\$ (354,218)
50		
51 Total Cost of Gas		\$ <u>2,386,865</u>
52		

**N.H.P.U.C No.10
NORTHERN UTILITIES, INC.**

Summary

Anticipated Cost of Gas

New Hampshire Division

Period Covered: May 1, 2015 - October 31, 2015

Column A	Column D
1 <u>ANTICIPATED DIRECT COST OF GAS</u>	
2 Purchased Gas for Sales Service:	
3 Demand Costs:	Schedule 1A, LN 71
4 Supply Costs:	Schedule 1B, LN 14
5	
6 Storage & Peaking Gas for Sales Service:	
7 Demand, Capacity:	Schedule 1A, LN 73
8 Commodity Costs:	Schedule 1B, LN 16 + Schedule 1B, LN 17
9	
10 Hedging (Gain)/Loss	Schedule 1B, LN 15
11	
12 Interruptible Sendout Cost	-(Schedule 1B, LN 22)
13	
14 Inventory Finance Charge	Schedule 22, LN 104
15	
16 Capacity Release	-(Schedule 1A, LN 76)
17	
18 Adjustment for Actual Costs	
19	
20 Total Anticipated Direct Cost of Gas	Sum (LN 3 : LN 18)
21	
22 <u>ANTICIPATED INDIRECT COST OF GAS</u>	
23 Adjustments:	
24 Prior Period Under/(Over) Collection	Schedule 3A, LN 108: April
25 Miscellaneous	
26 Interest	Schedule 3A, LN 115: Total
27 Refunds	Schedule 25, PG 2, LN 6 May - Oct
28 <u>Interruptible Margins</u>	-(Schedule 1A, LN 77)
29 Total Adjustments	Sum (LN 24 : LN 28)
30	
31 Working Capital:	
32 Total Anticipated Direct Cost of Gas	LN 20
33 Working Capital Percentage	NHPUC No. 10 Section 4.06.1
34 Working Capital Allowance	LN 32 * LN 33
35	
36 Plus: Working Capital Reconciliation (Acct 182.11)	Schedule 3A, LN 85: April
37	
38 Total Working Capital Allowance	Sum (LN 34 : LN 36)
39	
40 Bad Debt:	
41 Bad Debt Allowance	Schedule 3B, LN 20
42 Plus: Bad Debt Reconciliation (Acct 182.16)	Schedule 3A, LN 96: April
43 Total Bad Debt Allowance	LN 41 + LN 42
44	
45 Local Production and Storage Capacity	Schedule 1A, LN 85
46	
47 Miscellaneous Overhead-18.70% Allocated to Summer Season	Schedule 1A, LN 84
48	
49 Total Anticipated Indirect Cost of Gas	Sum (LN 29 : LN 47)
50	
51 Total Cost of Gas	LN 49 + LN 20
52	

53			
54			
55	CALCULATION OF FIRM SALES COST OF GAS RATE		
56	Period Covered: May 1, 2015 - October 31, 2015		
57			
58	Column A	Column B	Column C
59			
60	Total Anticipated Direct Cost of Gas	\$ 2,741,083	
61	Projected Prorated Sales (05/01/15 - 10/30/15)	7,371,305	
62	Direct Cost of Gas Rate		\$ 0.3719 per therm
63			
64	Demand Cost of Gas Rate	\$ 885,275	\$ 0.1201 per therm
65	Commodity Cost of Gas Rate	\$ 1,855,808	\$ 0.2518 per therm
66	Total Direct Cost of Gas Rate	\$ 2,741,083	\$ 0.3719 per therm
67			
68	Total Anticipated Indirect Cost of Gas	\$ (354,218)	
69	Projected Prorated Sales (05/01/15 - 10/31/15)	7,371,305	
70	Indirect Cost of Gas		\$ (0.0481) per therm
71			
72			
73	TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE 05/01/15		\$ 0.3238 per therm
74			
75	RESIDENTIAL COST OF GAS RATE - 05/01/15	COGwr	\$ 0.3238 per therm
76		Maximum (COG+25%)	\$ 0.4048
77			
78			
79	COM/IND LOW WINTER USE COST OF GAS RATE - 05/01/15	COGwl	\$ 0.2612 per therm
80		Maximum (COG+25%)	\$ 0.3265
81			
82	C&I HLF Demand Costs Allocated per SMBA	\$ 87,435	
83	PLUS: Residential Demand Reallocation to C&I HLF	\$ 611	
84	C&I HLF Total Adjusted Demand Costs	\$ 88,045	
85	C&I HLF Projected Prorated Sales (05/01/15 - 10/31/15)	1,527,740	
86	Demand Cost of Gas Rate	\$ 0.0576	
87			
88	C&I HLF Commodity Costs Allocated per SMBA	\$ 384,534	
89	PLUS: Residential Commodity Reallocation to C&I HLF	\$ 43	
90	C&I HLF Total Adjusted Commodity Costs	\$ 384,577	
91	C&I HLF Projected Prorated Sales (05/01/15 - 10/31/15)	1,527,740	
92	Commodity Cost of Gas Rate	\$ 0.2517	
93			
94	Indirect Cost of Gas	\$ (0.0481)	
95			
96	Total C&I HLF Cost of Gas Rate	\$ 0.2612	
97			
98			
99	COM/IND HIGH WINTER USE COST OF GAS RATE - 05/01/15	COGwh	\$ 0.3297 per therm
100		Maximum (COG+25%)	\$ 0.4121
101			
102	C&I LLF Demand Costs Allocated per SMBA	\$ 317,519	
103	PLUS: Residential Demand Reallocation to C&I LLF	\$ 2,217	
104	C&I LLF Total Adjusted Demand Costs	\$ 319,736	
105	C&I LLF Projected Prorated Sales (05/01/15 - 05/31/15)	2,534,654	
106	Demand Cost of Gas Rate	\$ 0.1261	
107			
108	C&I LLF Commodity Costs Allocated per SMBA	\$ 637,975	
109	PLUS: Residential Commodity Reallocation to C&I LLF	\$ 72	
110	C&I LLF Total Adjusted Commodity Costs	\$ 638,047	
111	C&I LLF Projected Prorated Sales (05/01/15 - 10/31/15)	2,534,654	
112	Commodity Cost of Gas Rate	\$ 0.2517	
113			
114	Indirect Cost of Gas	\$ (0.0481)	
115			
116	Total C&I LLF Cost of Gas Rate	\$ 0.3297	

53		
54		
55	CALCULATION OF FIRM SALES COST OF GAS RATE	
56	Period Covered: May 1, 2015 - October 31, 2015	
57		
58	Column A	Column D
59		
60	Total Anticipated Direct Cost of Gas	LN 20
61	Projected Prorated Sales (05/01/15 - 10/30/15)	Schedule 10B, LN 11
62	Direct Cost of Gas Rate	LN 60 / LN 61
63		
64	Demand Cost of Gas Rate	Column B : SUM (LN 3 , LN 7 , LN 16)
65	Commodity Cost of Gas Rate	Column B : SUM (LN 4 , LN 8 , LN 10 , LN 12 , LN 14)
66	Total Direct Cost of Gas Rate	SUM (LN 64 : LN 65)
67		
68	Total Anticipated Indirect Cost of Gas	LN 49
69	Projected Prorated Sales (05/01/15 - 10/31/15)	LN 61
70	Indirect Cost of Gas	LN 68 / LN 69
71		
72		
73	TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE 05/01/15	LN 66 + LN 70
74		
75	RESIDENTIAL COST OF GAS RATE - 05/01/15	LN 73
76		LN 75 * 1.25
77		
78		
79	COM/IND LOW WINTER USE COST OF GAS RATE - 05/01/15	LN 96
80		LN 79 * 1.25
81		
82	C&I HLF Demand Costs Allocated per SMBA	Schedule 10A, LN 169
83	PLUS: Residential Demand Reallocation to C&I HLF	Schedule 23, LN 16
84	C&I HLF Total Adjusted Demand Costs	Sum (LN 82 : LN 83)
85	C&I HLF Projected Prorated Sales (05/01/15 - 10/31/15)	Schedule 10B, LN 14
86	Demand Cost of Gas Rate	LN 84 / LN 85
87		
88	C&I HLF Commodity Costs Allocated per SMBA	Schedule 10C, LN 139
89	PLUS: Residential Commodity Reallocation to C&I HLF	Schedule 23, LN 26
90	C&I HLF Total Adjusted Commodity Costs	Sum (LN 88 : LN 89)
91	C&I HLF Projected Prorated Sales (05/01/15 - 10/31/15)	LN 85
92	Commodity Cost of Gas Rate	LN 90 / LN 91
93		
94	Indirect Cost of Gas	LN 70
95		
96	Total C&I HLF Cost of Gas Rate	Sum (LN 86, LN 92, LN 94)
97		
98		
99	COM/IND HIGH WINTER USE COST OF GAS RATE - 05/01/15	LN 116
100		LN 99 * 1.25
101		
102	C&I LLF Demand Costs Allocated per SMBA	Schedule 10A, LN 170
103	PLUS: Residential Demand Reallocation to C&I LLF	Schedule 23, LN 17
104	C&I LLF Total Adjusted Demand Costs	Sum (LN 102 : LN 103)
105	C&I LLF Projected Prorated Sales (05/01/15 - 05/31/15)	Schedule 10B, LN 15
106	Demand Cost of Gas Rate	LN 104 / LN 105
107		
108	C&I LLF Commodity Costs Allocated per SMBA	Schedule 10C, LN 140
109	PLUS: Residential Commodity Reallocation to C&I LLF	Schedule 23, LN 27
110	C&I LLF Total Adjusted Commodity Costs	Sum (LN 108 : LN 109)
111	C&I LLF Projected Prorated Sales (05/01/15 - 10/31/15)	LN 105
112	Commodity Cost of Gas Rate	LN 110 / LN 111
113		
114	Indirect Cost of Gas	LN 70
115		
116	Total C&I LLF Cost of Gas Rate	Sum (LN 106, LN 112, LN 114)