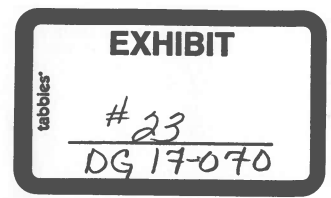


Northern Utilities, Inc.
Docket No. DG 17-070
Record Requests



Received: April 17, 2019
Record Request No. 4
Exhibit No. 23

Date of Response: April 24, 2019
Witness: Todd R. Diggins

Record Request:

Reference Exhibit No. 11 (April 8, 2019 Supplemental Filing) Bates pages 00036 and 00037. On the line labeled "Average," explain the column "% Difference" on winter and summer bills.

Response:

The "% Difference" column represents the "\$" difference between the bill at present rates and the bill at proposed rates, divided by the bill at present rates. As shown in the bottom half of these pages, the "% Difference" for the distribution only portion of the bill is the same between winter and summer. The "% Difference" is the same because the Step 2 increase is applied equally to all distribution rate components. However, as shown in the top half of these pages, the "% Difference" on the total bill is higher for summer bills than winter bills. For one, the average usage is different in the winter than in the summer, so it's not an "apples-to-apples" comparison. In this example, where the average usage in the summer is much lower than in the winter, the distribution component makes up a higher percentage of the total bill in the summer (79% on average) than in the winter (50% on average), contributing to a higher overall percentage increase in the summer when the increase is applied equally to distribution rates. That said, even if usage is the same, the percentage increase is generally a little higher in the summer, because the overall bill is lower, primarily due to a lower summer cost of gas rate.