

	Beginning Under/(Over)	May-22 (Actual)	Jun-22 (Actual)	Jul-22 (Actual)	Aug-22 (Actual)	Sep-22 (Actual)	Oct-22 (Actual)	Nov-22 (Actual)	Dec-22 (Actual)	Jan-23 (Actual)	Feb-23 (Actual)	Mar-23 (Actual)	Total Activity	Ending Under/(Over)
Total Direct Gas Costs		\$ 5,096,075	\$ 4,267,348	\$ 3,356,469	\$ 4,493,632	\$ 4,582,587	\$ 4,420,664	\$ 412,170	\$ (10,262,769)	\$ -	\$ -	\$ -	\$ 26,828,946	
Seasonal Corrections												6,065,963	(4,196,806)	
Adjustments and Indirect Costs														
Bad Debt Costs		34,959	20,088	19,392	29,262	32,415	24,717	(5,864)	(1,064)	3,425	3,877	4,422	165,630	
Working Capital		11,603	9,278	7,488	10,302	10,605	9,985	1,214	247	375	380	428	61,906	
Misc Adjustments		-	-	-	-	-	-	-	(95,519)	-	-	-	(95,519)	
Total Indirect Costs		\$ 46,562	\$ 29,366	\$ 26,881	\$ 39,564	\$ 43,020	\$ 34,703	\$ (4,650)	\$ (96,336)	\$ 3,801	\$ 4,257	\$ 4,849	\$ 132,017	
Total Direct and Indirect Costs		\$ 5,142,637	\$ 4,296,714	\$ 3,383,350	\$ 4,533,196	\$ 4,625,607	\$ 4,455,367	\$ 407,520	\$ (10,359,105)	\$ 3,801	\$ 4,257	\$ 6,070,813	\$ 22,564,158	
Total Collections		2,541,999	3,144,212	295,532	2,852,368	3,484,432	6,915,005	(6,507,990)	141,768	(617,119)		57,661	12,307,889	
Total (Over)/Under Collection		2,600,638	1,152,503	3,087,818	1,680,828	1,141,175	(2,459,638)	6,915,510	(10,500,873)	620,920	4,257	6,013,152	\$ 10,256,289	
Interest		24,850	33,610	49,818	68,899	73,180	79,618	87,135	105,872	72,699	70,119	97,867	763,668	
Total (Over)/Under Collection plus Interest	\$ 7,707,954	\$ 2,625,488	\$ 1,186,113	\$ 3,137,636	\$ 1,749,727	\$ 1,214,354	\$ (2,380,020)	\$ 7,002,646	\$ (10,395,002)	\$ 693,619	\$ 74,376	\$ 6,111,019	\$ 11,019,956	\$ 18,727,910

Cost of Gas Summar	Account Balance												March End Actuals	
Deferral	\$ 7,082,590	\$ 9,661,515.73	\$ 10,818,261.98	\$ 13,929,017.06	\$ 15,639,179.96	\$ 16,810,514.15	\$ 14,395,791.29	\$ 21,403,087.41	\$ 11,104,421.63	\$ 11,794,239.98	\$ 11,864,359.16	\$ 17,970,528.61	CGAC	\$ 17,970,528.61
Bad Debt	\$ 597,731	\$ 632,689.34	\$ 652,777.41	\$ 672,169.89	\$ 701,432.05	\$ 733,846.95	\$ 758,564.34	\$ 752,700.47	\$ 679,632.16	\$ 683,057.54	\$ 686,934.84	\$ 691,356.69	BD	\$ 691,356.69
Working Capital	\$ 27,633	\$ 39,236.38	\$ 48,514.77	\$ 56,003.11	\$ 66,305.07	\$ 76,910.46	\$ 86,895.75	\$ 88,109.39	\$ 64,841.83	\$ 65,217.16	\$ 65,597.00	\$ 66,024.62	WC	\$ 66,024.62
Total O/U Balance	\$ 7,707,954	\$ 10,333,441.45	\$ 11,519,554.16	\$ 14,657,190.06	\$ 16,406,917.08	\$ 17,621,271.56	\$ 15,241,251.38	\$ 22,243,897.27	\$ 11,848,895.62	\$ 12,542,514.68	\$ 12,616,891.00	\$ 18,727,909.92		\$ 18,727,909.92

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
DG 21-130

	Filing (1)	Actual	Difference
Account 8840-2-0000-10-1920-1741			
Balance 10/31/2021 - (Over) / Under	\$ 4,472,186	\$ 8,665,170	\$ 4,192,984
Prior Period Adjustment 11/1/2021 - 4/30/2022	-	(1,711,318)	(1,711,318)
Interest 11/1/2021 - 4/30/2022	117,700	128,738	11,038
Beginning Balance 5/1/2022	\$ 4,589,886	\$ 7,082,590	\$ 2,492,704
Interest 5/1/2022 - 10/31/2022	103,902	329,975	226,073
Prior Period Adjustments	-	-	-
Interruptible Margin	-	-	-
280-Day Margin	-	-	-
Emergency Sales Margin	-	-	-
Non-Firm Transportation Margin	-	-	-
Other Transportation Related Margins	-	-	-
Capacity Release and Fixed Price Credits	-	-	-
Price Risk Management	-	-	-
Overhead	-	-	-
Occupant Disallowance/Credits	-	-	-
Total Bad Debt % Adjustment	-	-	-
Gas Costs	\$ 10,330,821	\$ 15,954,006	\$ 5,623,185
Total Costs	\$ 10,434,723	\$ 16,283,981	\$ 5,849,258
Gas Cost Billed	\$ (15,024,609)	\$ (19,233,549)	\$ (4,208,940)
Total (Over) / Under 10/31/2022	\$ -	\$ 4,133,022	\$ 4,133,022
Bad Debts Account 8840-2-0000-10-1163-1754			
Balance 10/31/2021 - (Over) / Under	\$ 23,159	\$ 464,841	\$ 441,682
Prior Period Adjustment	-	132,891	132,891
Interest 11/1/2021 - 4/30/2022	609	(1)	(610)
Beginning Balance 5/1/2022	\$ 23,768	\$ 597,731	\$ 573,962
Bad Debt Costs	103,653	143,239	39,586
Bad Debt Billed	(127,850)	(71,401)	56,449
Adjustment	0	0	0
Interest	429	16,991	16,562
Total (Over) / Under 10/31/2022	\$ (0)	\$ 686,560	\$ 686,560
Working Capital Account 8840-2-0000-10-1163-1424			
Balance 10/31/2021 - (Over) / Under	\$ 4,555	\$ 25,064	\$ 20,510
Prior Period Adjustment	-	2,125	2,125
Interest 11/1/2021 - 4/30/2022	120	444	324
Beginning Balance 5/1/2022	\$ 4,675	\$ 27,633	\$ 22,959
Working Capital Costs	0	36,555	36,555
Working Capital Billed	(4,752)	(2,303)	2,449
Adjustment	0	0	0
Interest	77	1,495	1,418
Total (Over) / Under 10/31/2022	\$ 0	\$ 63,381	\$ 63,381
Total All Accounts	\$ -	\$ 4,882,963	\$ 4,882,963

(1) As filed in the Summer 2022 Cost of Gas and approved in Order No. 26,541 in Docket No. 21-130 on October 29, 2021.

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
DG 21-130
SUMMARY OF DEMAND CHARGES FOR PERIOD
May 01, 2022 through October 31, 2022

	Reference Actuals	Filing 1/	Actual	Difference
Supplies				
Transgas	Sch 2B line 6			
Subtotal Supply Demand Charges				
Pipelines				
TransCanada via Union to Portland and Iriquis	Sch 2B line 8			
ROQUOIS 470-01 RTS	Sch 2B line 19			
PNGTS FT-1999-001	Sch 2B line 21			
TGP 2302 FTA Zone 5-6	Sch 2B line 22			
TGP 8587 FTA Zone 0-6	Sch 2B line 24			
TGP 95346 Z5-Z6	Sch 2B line 25			
Emera	Sch 2B line 17			
Dominion - Storage Demand 300076	Sch 2B line 39			
Direct	Sch 2B line 18			
Portland Natural Gas FTN	Sch 2B line 27			
TGP 11234 Z4-Z6(stg)	Sch 2B line 30			
TGP 2694-Payback contract	Sch 2B line 28			
TGP 42076 FTA	Sch 2B line 31			
TGP 523	Sch 2B line 32			
TGP 72694 NET	Sch 2B line 23 & 33			
TGP Concord Lateral FT	Sch 2B line 34			
NFGS(National Fuel N02357&N02358)	Sch 2B line 26			
Subtotal Pipeline Demand Charges				
LNG				
LNG - Res Charge GAZ Metro)	Sch 2B line 47			
Propane				
EN Propane	Sch 2B line 50			
Storage				
Demand & Capacity Charges				
Other				
Fees	Sch 2B line 52	\$ -	\$ -	\$ -
Pipeline Refunds	Sch 2B line 53	-	-	-
Repsol	Sch 2B line 12			
Transportation Capacity Credit	Sch 2B line 75			
Subtotal Other Demand Charges				
Total Demand Charges (Forward to Page 3)		\$ 3,276,842	\$ 2,163,828	(\$1,113,013)

1/ Demand costs per Schedule 5A as filed in the Summer 2022 Cost of Gas and approved in Order No. 26,541 in Docket No. 21-130 on October 29, 2021.

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP

D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
DG 21-130

SUMMARY OF COMMODITY COSTS FOR PERIOD
May 01, 2022 through October 31, 2022

Demand Charges (Brought from Page 2): \$3,276,842 \$2,163,828 (\$1,113,013)

<u>Reference Actuals</u>	<u>Filing 1/</u>	<u>Average Cost per Therm</u>	<u>Actual</u>	<u>Average Cost per Therm</u>	<u>Difference</u>
<u>TGP Gulf Commodity</u>					
Therms	Sch 8, line 4				
Cost	Sch 8, line 4				
<u>Dracut Commodity</u>					
Therms	Sch 8, line 9				
Cost	Sch 8, line 9				
<u>Portland Natural Gas</u>					
Therms	Sch 8, line 14				
Cost	Sch 8, line 14				
<u>TGP/Iroquois Commodity (Dawn)</u>					
Therms	No Actuals				
Cost	No Actuals				
<u>TGP/Niagara Commodity</u>					
Therms	Sch 8, lines 17 + 18				
Cost	Sch 8, lines 17 + 18				
<u>City Gate Delivered Supply</u>					
Therms	Sch 8, line 7				
Cost	Sch 8, line 7				
<u>Storage Gas - Commodity Withdrawn</u>					
Therms	Sch 8, lines 44 + 45				
Cost	Sch 8, lines 44 + 45				
<u>Propane P/S Plant Commodity</u>					
Therms	No Actuals				
Cost	No Actuals				
<u>LNG P/S Plant Commodity-Vapor</u>					
Therms	Sch 8, line 50				
Cost	Sch 8, line 31				
<u>Other-LNG Truck</u>					
Therms	Sch 8, lines 20 + 24 + 48 + 54				
Cost	Sch 8, lines 20 + 24 + 48 + 54				
Subtotal:					
Volumes (net of fuel retention)	22,950,820	885,022	19,254,892		(3,695,928)
Cost	\$ 7,053,979	0.3074	\$ 12,578,204	0.6532	\$ 5,524,225
Total Demand and Commodity Costs	\$ 10,330,821		\$ 14,742,033		\$ 4,411,212

Demand (therms):					
Firm Gas Transported	22,950,820		19,254,892		(3,695,928)
Lost Gas (Unaccounted For)	247,869		207,953		(39,916)
Unbilled Therms	-		6,642,083		6,642,083
Fuel Retention	-		-		-
Company Use	33,536		33,536		-
Total Demand	23,232,225		26,138,463		2,906,239

1/ Commodity costs and forecasted volumes per Schedule 6 as filed in the Summer 2021 Cost of Gas and approved in Order No. 26,541 in Docket No. 21-130 on October 29, 2021.

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
 D/B/A LIBERTY
 SUMMER 2022 COST OF GAS RESULTS
 DG 21-130
 May 01, 2022 through October 31, 2022

	2021			(A-B)*C Difference
	(A) Actual Volume	(B) Normal Volume	(C) Forecast Rate (a)	
Weather Variance - Volume Impact				
TGP Gulf Commodity				
Dracut Commodity				
Portland Natural Gas				
TGP/Iroquois Commodity (Dawn)				
TGP/Niagara Commodity				
City Gate Delivered Supply				
Storage Gas - Commodity Withdrawn				
Propane P/S Plant Commodity				
LNG P/S Plant Commodity				
Other				
Total Volume Weather Variance	19,254,892	23,045,028		(1,172,666)

	(A)	(B)	(C)	(A-B)*C Difference
	Forecast Volume	Actual Volume	Forecast Rate (a)	
Demand Variance - Commodity Costs				
TGP Gulf Commodity				
Dracut Commodity				
Portland Natural Gas				
TGP/Iroquois Commodity (Dawn)				
TGP/Niagara Commodity				
City Gate Delivered Supply				
Storage Gas - Commodity Withdrawn				
Propane P/S Plant Commodity				
LNG P/S Plant Commodity				
Other				
Total Demand Variance (Less: Fuel Retention)	22,950,820	19,254,892	\$	(1,608,915)

Demand Variance Net of Weather Variance -

	(A)	(B)	(C)	(C-B)*A Difference
	Actual Volume	Forecast Rate (a)	Actual Rate	
Rate Variance - Commodity Costs				
TGP Gulf Commodity				
Dracut Commodity				
Portland Natural Gas				
TGP/Iroquois Commodity (Dawn)				
TGP/Niagara Commodity				
City Gate Delivered Supply				
Storage Gas - Commodity Withdrawn				
Propane P/S Plant Commodity				
Total Demand Variance (Less: Fuel Retention)				
Other				
Total Commodity Cost Rate Variance	19,254,892		\$	6,488,430
Other Rate Variance (from page 2)				(1,113,013)
Hedge (Gains)/Loss (from page 3)				0
Total Rate Variance				\$5,375,417
Due to Weather Variance				(1,172,666)
Due to Demand Variance (from above)				(1,608,915)
Other- Cashout, Broker Penalty, Canadian Managed				(542,312)
Total Gas Cost Variance				<u>\$2,051,525</u>

(a) used actual rate if there was no forecasted rate

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
PEAK DEMAND AND COMMODITY
Account 8840-2-0000-10-1920-1740

	FOR THE MONTH OF: DAYS IN MONTH	May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ 5,378,797	\$ 3,227,763	\$ 2,133,736	\$ 549,306	\$ (1,528,807)	\$ (2,881,617)		\$ 5,378,797
2									
3	Add: ACTUAL COSTS	(1,289,143)	(714,479)	(1,552,754)	(2,106,418)	(1,341,619)	(388,220)	10,262,769	2,870,136
4	Adjustments to Purchased Gas Costs								-
5	Inj into Storage								-
6	Total Costs	(1,289,143)	(714,479)	(1,552,754)	(2,106,418)	(1,341,619)	(388,220)	10,262,769	2,870,136
7									
8	Add: MISCELLANEOUS	-	-	-	40,685	-	-		40,685
9									
10									
11	Less: CUSTOMER BILLINGS	(6,449,024)	(388,347)	(37,077)	(10,098)	(1,244)	-		(6,885,790)
12	Estimated Unbilled (Net)	5,574,361	-	-	-	-	-		5,574,361
13	Sub-Total Accrued Customer Billings	(874,664)	(388,347)	(37,077)	(10,098)	(1,244)	-	-	(1,311,429)
14									
15	Less: OCCUPANT DISALLOW/(CREDIT)								-
16									
17	NON FIRM MARGIN AND CREDITS								-
18									
19	ENDING BALANCE PRE INTEREST	3,214,990	2,124,937	543,905	(1,526,525)	(2,871,670)	(3,269,836)		6,978,188
20									
21	MONTH'S AVERAGE BALANCE	4,296,893	2,676,350	1,338,821	(488,609)	(2,200,239)	(3,075,726)		
22									
23	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
24									
25	INTEREST APPLIED	12,773	8,799	5,401	(2,282)	(9,946)	(16,327)		(1,582)
26									
27	ENDING BALANCE	\$ 3,227,763	\$ 2,133,736	\$ 549,306	\$ (1,528,807)	\$ (2,881,617)	\$ (3,286,163)		\$ 6,976,606

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
OFF PEAK DEMAND AND COMMODITY
Account 8840-2-0000-10-1920-1741

	FOR THE MONTH OF: DAYS IN MONTH	May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ 7,082,590	\$ 9,661,516	\$ 10,818,262	\$ 13,929,017	\$ 15,639,180	\$ 16,810,514		\$ 7,082,590
2									
3	Add: ACTUAL COSTS	5,096,075	4,267,348	3,356,469	4,493,632	4,582,587	4,420,664	(10,262,769)	15,954,006
4	ADJUSTMENTS TO PURCHASE GAS COSTS	-	-	-	-	-	-		-
5	ADJUSTMENTS TO PURCHASE GAS COSTS	-	-	-	-	-	-		-
6	Total Costs	5,096,075	4,267,348	3,356,469	4,493,632	4,582,587	4,420,664	(10,262,769)	15,954,006
7									
8	Add: MISCELLANEOUS								-
9									
10									
11	Less: CUSTOMER BILLINGS	(1,010,170)	(2,239,611)	(1,541,169)	(1,647,486)	(2,355,812)	(3,455,959)		(12,250,207)
12	Estimated Unbilled (Net)	(1,531,829)	(904,601)	1,245,637	(1,204,883)	(1,128,620)	(3,459,046)		(6,983,341)
13	Sub-Total Accrued Customer Billings	(2,541,999)	(3,144,212)	(295,532)	(2,852,368)	(3,484,432)	(6,915,005)	-	(19,233,549)
14									
15	Less: OCCUPANT DISALLOW/(CREDIT)								-
16									
17	ENDING BALANCE PRE INTEREST	\$ 9,636,666	\$ 10,784,652	\$ 13,879,199	\$ 15,570,281	\$ 16,737,334	\$ 14,316,173		\$ 3,803,047
18									
19	MONTH'S AVERAGE BALANCE	8,359,628	10,223,084	12,348,731	14,749,649	16,188,257	15,563,344		
20									
21	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
22									
23	INTEREST APPLIED	24,850	33,610	49,818	68,899	73,180	79,618		329,975
24									
25	ENDING BALANCE	\$ 9,661,516	\$ 10,818,262	\$ 13,929,017	\$ 15,639,180	\$ 16,810,514	\$ 14,395,791		\$ 4,133,022

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY

SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022

SCHEDULE 2 A
GAS COSTS BY SOURCE

FOR THE MONTH OF:	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1 DEMAND							
2							
3 BP ENERGY							
4 REPSOL							
5 CANADIAN CAPACITY MANAGED							
6 TOTAL CANADIAN	\$ 64,332	\$ 64,807	\$ 63,283	\$ 63,497	\$ 58,878	\$ 75,367	\$ 390,164
7							
8 PEAKING SUPPLY							
9							
10 TRANSPORT CAPACITY	\$ 633,683	\$ 630,823	\$ 630,617	\$ 631,144	\$ 629,187	\$ 645,982	\$ 3,801,435
11 CAPACITY RELEASE ADJ	(124,520)	(248,319)	(376,373)	(664,024)	(399,253)	(215,280)	(2,027,770)
12 TOTAL TRANSPORT	\$ 509,163	\$ 382,504	\$ 254,243	\$ (32,881)	\$ 229,934	\$ 430,701	\$ 1,773,665
13							
14 STORAGE FIXED COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15							
16 LNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17							
18 PROPANE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 PIPELINE REFUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 OTHER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21							
22 TOTAL DEMAND	\$ 573,495	\$ 447,311	\$ 317,526	\$ 30,616	\$ 288,812	\$ 506,068	\$ 2,163,828
23							
24 COMMODITY							
25							
26 BP/NORTHEAST GAS MARKETS							
27 DTE ENERGY							
28 SEMPRA							
29 TOTAL CANADIAN COMMODITY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30							
31 PIPELINE TRANSPORT							
32							
33 GAS SUPPLY							
34							
35 STORAGE							
36							
37 LNG							
38							
39 PROPANE							
40							
41 TAXES							
42							
43 SUPPLIER CASHOUT							
44							
45 CAPACITY MANAGED							
46							
47 FPO Mailing Costs							
48							
49 FPO Mailing Costs Moved to Winter in December 2015							
50							
51 SUBTOTAL COMMODITY COST	\$ 2,662,284	\$ 2,190,423	\$ 1,600,765	\$ 2,347,523	\$ 2,189,241	\$ 2,794,634	\$ 13,784,869
52							
53 ICE Fees							
54							
55 OFF SYSTEM SALES							
56							
57 NON-FIRM COST							
58							
59 NET COMMODITY COST	\$ 2,663,169	\$ 2,191,308	\$ 1,601,651	\$ 2,348,408	\$ 2,190,126	\$ 2,795,519	\$ 13,790,181

GAS COSTS SUMMARY
SCHEDULE 2 A

FOR THE MONTH OF:	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
60 Total Peak Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61 Off-Peak Demand	573,495	447,311	317,526	30,616	288,812	506,068	2,163,828
62 Total Demand	\$ 573,495	\$ 447,311	\$ 317,526	\$ 30,616	\$ 288,812	\$ 506,068	\$ 2,163,828
63							
64 Total Peak Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65 Off-Peak Commodity	2,663,169	2,191,308	1,601,651	2,348,408	2,190,126	2,795,519	13,790,181
66 Total Commodity	\$ 2,663,169	\$ 2,191,308	\$ 1,601,651	\$ 2,348,408	\$ 2,190,126	\$ 2,795,519	\$ 13,790,181
67							
68 Firm Sendout Costs	\$ 3,236,664	\$ 2,638,619	\$ 1,919,177	\$ 2,379,024	\$ 2,478,938	\$ 3,301,587	\$ 15,954,009

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
SCHEDULE 2 B
DETAIL GAS COSTS BY SOURCE

Schedule 2B
Page 1 of 3
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FOR THE MONTH OF:		May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Total
1	DEMAND							
2	Fixed Charges/Supply							
3	BP Energy							
4	Emera							
5	TransCanada							
6	Transgas							
7	Union Gas							
8	Total Canadian Purchases	\$ 64,332.36	\$ 64,806.88	\$ 63,282.98	\$ 63,496.79	\$ 58,877.87	\$ 75,366.66	\$ 390,164
9	PEAKING SUPPLY							
10	Granite Ridge							
11	NJR Energy							
12	Repsol							
13	JP Morgan							
14	Subtotal Peaking Supply	\$	\$	\$	\$	\$	\$	\$
15								
16	Transport Capacity(Demand and Transportion Costs)							
17	Emera							
18	Direct							
19	IROQUOIS 470-01 RTS							
20	National Fuel NFGS NO2358 FST and O02357							
21	PNGTS FT-1999-001							
22	TGP 2302 FTA Zone 5-6							
23	TGP 72694 NET							
24	TGP 8587 FTA Zone 0-6							
25	TGP 95346 Z5-Z6							
26	Trans Gas							
27	Portland Natural Gas FTN							
28	TGP 2694-Payback contract							
29	TGP 11234 FTA Zone 4-6							
30	TGP 11234 Z4-Z6(stg)							
31	TGP 42076 FTA							
32	TGP 523							
33	TGP 632 FTA Zone 4-6							
34	TGP Concord Lateral FT							
35	SubTotal Transport Capacity	\$ 633,682.76	\$ 630,822.99	\$ 630,616.61	\$ 631,143.65	\$ 629,186.96	\$ 645,981.69	\$ 3,801,435
36								
37								
38	Storage Fixed							
39	Dominion - Storage Demand 300076							
40	TGP FSMA - Storage Demand							
41	Nat'l Fuel - Storage Demand							
42	Honeoye - Storage Demand							
43	Sempra - Storage Demand							
44	SubTotal Storage	\$	\$	\$	\$	\$	\$	\$
45								
46	LNG							
47	LNG - Res Charge GAZ Metro)							
48								
49	PROPANE							
50	ENERGYNORTH Propane	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51								
52	ICE Fees							
53	TGP Pipeline Refund							
54								
55	Capacity Managed - Canadian							
56								
57	Demand Subtotal	\$ 698,015.12	\$ 695,629.87	\$ 693,899.59	\$ 694,640.44	\$ 688,064.83	\$ 721,348.35	\$ 4,191,598
58	Capacity Release Adjustments							
59	Iroquois							
60	National Fuel N02358							
61	National Fuel O02357							
62	Portland Gas 1999-001							
63	TGP 11234 FTA							
64	TGP 2302 FTA							
65	TGP 72694 FTA							
66	TGP 72694 FTA							
67	TGP 8587							
68	TGP 95346 FTA							
69	Emera							
70	Dominion 300076							
71	TGP 42076							
72	TGP 523							
73	TGP 632 FSMA							
74	Twin Eagle							
75	SubTotal Capacity Releases	\$ (124,520.05)	\$ (248,319.16)	\$ (376,373.35)	\$ (664,024.35)	\$ (399,252.74)	\$ (215,280.27)	\$ (2,027,770)
76	Demand Net	\$ 573,495.07	\$ 447,310.71	\$ 317,526.24	\$ 30,616.09	\$ 288,812.09	\$ 506,068.08	\$ 2,163,828.28

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
SCHEDULE 2 B
DETAIL GAS COSTS BY SOURCE

FOR THE MONTH OF:		May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Total
77	COMMODITY							
78								
79	Canadian Supply							
80	BP/Northeast Gas Market							
81	Nexen							
82	Sempra							
83	Total Canadian Commodity	\$	\$	\$	\$	\$	\$	\$
84								
85	Pipeline Transport							
86	ANE Union/Transgas							
87								
88	Dominion							
89	Iroquois							
90	Tennessee Gas Pipe line							
91	Honeoye							
92	National Fuel							
93	PNGTS							
94	Total TGP Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95								
96	Total Pipeline Transport	\$	\$	\$	\$	\$	\$	\$
97								
98	City Gate Supply							
99	VPEM							
100								
101	Dracut Supply							
102								
103	PNGTS Commodity							
104	Emera							
105	Total PNGTS Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106								
107	Other Commodity							
108	Andarko							
109	J Aron (Energy Alantica)							
110	ANE (GAZMET)							
111	BG I TransCanada							
112	BP Energy							
113	Chevron							
114	Constellation							
115	CITI							
116	Carg I							
117	Direct							
118	DTE							
119	Emera							
120	Enbridge							
121	EnCanUSA							
122	GDF Suez							
123	Iroquois							
124	JP Morgan							
125	Hess							
126	L. Dreyfus							
127	Macquarie							
128	Merrill							
129	National Fuel							
130	NGL Supply							
131	Nexera							
132	Papco							
133	Patriot Gas							
134	Ray Energy							
135	Repsol							
136	Sequent							
137	South Jersey							
138	Tenaska							
139	Southwest							
140	TC Energy							
141	Tennessee Gas Pipeline							
142	UGI							
143	Twin Eagle							
144	United							
145	Vitol							
146	Sub Total	\$ 2,663,019.92	\$ 2,236,858.96	\$ 1,603,210.44	\$ 2,338,924.11	\$ 2,186,491.19	\$ 2,775,356.37	\$ 13,803,861
147	Hedging (Gain)/Loss Peak	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
148	Hedging (Gain)/Loss Off Peak							
149	Total	\$ 2,663,019.92	\$ 2,236,858.96	\$ 1,603,210.44	\$ 2,338,924.11	\$ 2,186,491.19	\$ 2,775,356.37	\$ 13,803,861
150								
151								
152	Storage							
153	WITHDRAWALS Off Peak							
154	INJECTIONS							
155	Total Storage	\$	\$	\$	\$	\$	\$	\$
156								
157	LNG							
158	LNG - REV							
159	LNG - P/S Plant							
160	Total LNG	\$	\$	\$	\$	\$	\$	\$
161								
162	PROPANE							
163	Propane Sendout - P/S Plant							
164	ENERGYNORTH Propane - Tank Farm	\$ -	\$ 6,255.76	\$ 2,844.49	\$ -	\$ 1,161.98	\$ 11,659.21	\$ 21,921
165	Taxes - West Virginia							
166	Broker Cashout							
167	Capacity Managed							
168	FPO Mailing Costs							
169	FPO Mailing Costs Moved to Winter in December 2015							
170								
171	TOTAL COMMODITY	\$ 2,662,283.89	\$ 2,190,422.67	\$ 1,600,765.31	\$ 2,347,523.01	\$ 2,189,240.62	\$ 2,794,633.72	\$ 13,784,869
172	ICE Fees							
173								
174	OFF SYSTEM SALES COST							
175								
176	NON-FIRM COST							
177								
178								
179	NET COMMODITY COST	\$ 2,663,169.21	\$ 2,191,307.99	\$ 1,601,650.63	\$ 2,348,408.33	\$ 2,190,125.94	\$ 2,795,519.04	\$ 13,790,181.14

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LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
May 01, 2022 through October 31, 2022
SCHEDULE 2 B
DETAIL GAS COSTS BY SOURCE

FOR THE MONTH OF:		May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Total
184	Total Peak Demand	PK \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Total Peak Commodity	PK \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Total Peak Gas Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187								
188	Off-Peak Demand	OP \$ 573,495	\$ 447,311	\$ 317,526	\$ 30,616	\$ 288,812	\$ 506,068	\$ 2,163,828
189	Off-Peak Commodity	OP \$ 2,663,169	\$ 2,191,308	\$ 1,601,651	\$ 2,348,408	\$ 2,190,126	\$ 2,795,519	\$ 13,790,181
190	Total Off Peak Gas Costs	\$ 3,236,664	\$ 2,638,619	\$ 1,919,177	\$ 2,379,024	\$ 2,478,938	\$ 3,301,587	\$ 15,954,009
191								
192	Firm Sendout Costs	\$ 3,236,664	\$ 2,638,619	\$ 1,919,177	\$ 2,379,024	\$ 2,478,938	\$ 3,301,587	\$ 15,954,009

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 3
SUMMER COG GAS REVENUES BILLED

FOR MONTH OF:	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1 VOLUMES BILLED							
2 RESIDENTIAL							
3 R-1	55,168	40,517	33,788	27,544	27,054	33,037	217,108
4 R-1 FPO	3,876	(619)	-	-	-	-	3,257
5 R-3	3,203,211	1,622,809	1,085,017	897,015	910,195	1,593,723	9,311,969
6 R-3 FPO	335,319	(49,338)	(1,062)	(2,402)	-	-	282,518
7 R-4	325,106	147,363	114,033	100,430	75,292	-	762,225
8 R-4 FPO	32,589	(834)	(356)	(211)	-	-	31,187
9 R-5	1,343	741	602	577	585	-	3,848
10 R-5 FPO	146	-	-	-	-	-	146
11 R-6	10,578	5,200	4,283	3,520	3,661	-	27,243
12 R-6 FPO	2,007	50	-	-	-	-	2,056
13 R-7	154	87	69	61	58	-	429
14 R-7 FPO	37	-	-	-	-	-	37
15 Total Residential	3,969,534	1,765,976	1,236,375	1,026,534	1,016,845	1,626,761	10,642,025
16 COMMERCIAL/INDUSTRIAL							
17 G41 - G45	2,273,637	1,211,590	549,436	467,149	458,083	778,610	5,738,505
18 G41 - G45 FPO							
19 G51 - G58	799,825	688,142	485,667	491,899	444,207	418,703	3,328,443
20 G51 - G58 FPO							
21 Total Comm/Industrial	3,073,463	1,899,731	1,035,104	959,048	902,290	1,197,313	9,066,948
22 Total Sales Volumes	7,042,997	3,665,707	2,271,479	1,985,582	1,919,135	2,824,074	19,708,973
23							
24 TRANSPORTATION							
25 G41 - G45	2,287,629	1,137,837	630,653	514,458	541,814	727,090	5,839,481
26 G51 - G58	3,027,191	2,326,817	2,081,410	2,034,499	2,324,608	423,919	12,218,445
27 Total Transportation	5,314,820	3,464,655	2,712,063	2,548,957	2,866,422	1,151,009	18,057,926
28 Total Volumes	12,357,817	7,130,362	4,983,541	4,534,539	4,785,557	3,975,083	37,766,899
29							
30 REVENUES							
31 Summer Gas Cost Billed (Acct 1920-1741)	\$ 1,010,170	\$ 2,239,611	\$ 1,541,169	\$ 1,647,486	\$ 2,355,812	\$ 3,455,959	\$ 12,250,207
32							
33 Less Occupant Billing	-	-	-	-	-	-	-
34							
35 Less Summer Proration/adj	-	-	-	-	-	-	-
36 Total Summer Gas Cost Billed (Acct 1920 1741)	\$ 1,010,170	\$ 2,239,611	\$ 1,541,169	\$ 1,647,486	\$ 2,355,812	\$ 3,455,959	\$ 12,250,207
37							
38 Winter Gas Costs Billed (Acct 1920-1740)	\$ 6,449,024	\$ 388,347	\$ 37,077	\$ 10,098	\$ 1,244	\$ -	\$ 6,885,790
39 Winter Transportation Gas Costs Billed (Acct 1920-1740)							
40 Total Winter Gas Cost Billed (Acct 1920 1740)	\$ 6,449,024	\$ 388,347	\$ 37,077	\$ 10,098	\$ 1,244	\$ -	\$ 6,885,790
41							
42 Total Gas Costs Billed	\$ 7,459,194	\$ 2,627,958	\$ 1,578,246	\$ 1,657,584	\$ 2,357,056	\$ 3,455,959	\$ 19,135,997
43							
44 Bad Debt Revenue Billed Summer (Acct 1163-1754)	\$ (7,839)	\$ (17,179)	\$ (11,517)	\$ (11,208)	\$ (8,191)	\$ (15,466)	\$ (71,401)
45 Working Capital Gas Cost Billed Summer (1163-1424)	\$ (173)	\$ (643)	\$ (413)	\$ (279)	\$ (218)	\$ (577)	\$ (2,303)
46							
47 Total Billings	\$ 7,451,182	\$ 2,610,135	\$ 1,566,316	\$ 1,646,097	\$ 2,348,647	\$ 3,439,916	\$ 19,062,294

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 3A
CALCULATION OF UNBILLED GAS COSTS (ACCRUED COG)

FOR MONTH OF:	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1 Firm Gas Purchases	3,781,800	2,745,159	2,222,668	2,184,570	2,650,917	5,678,322	19,263,436
2 Firm Sales	7,042,997	3,665,707	2,271,479	1,985,582	1,919,135	2,824,074	19,708,973
3 Company Use	10,038	5,937	4,279	3,683	4,176	5,423	33,536
4 Unaccounted For %	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	
5 Unaccounted For Gas	40,843	29,648	24,005	23,593	28,630	61,326	208,045

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 5
PEAK WORKING CAPITAL
Account 8840-2-0000-10-1163-1422

FOR THE MONTH OF: DAYS IN MONTH:		May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ (30,998)	\$ (46,934)	\$ (49,705)	\$ (53,571)	\$ (58,687)	\$ (62,036)		\$ (30,998)
2									
3	Add: COST ALLOW	(2,954)	(1,637)	(3,558)	(4,826)	(3,074)	(890)	23,515	6,576
4									
5	Less: CUSTOMER BILLINGS	(12,866)	(975)	(101)	(27)	(3)	(0)		(13,973)
6	Adjustments	-	-	-	-	-	-		-
7	Estimated Unbilled	-	-	-	-	-	-		-
8	Reverse Prior Month Unbilled	-	-	-	-	-	-		-
9	Subtotal: Accrued Customer Billings	(12,866)	(975)	(101)	(27)	(3)	(0)	-	(13,973)
10									
11	ENDING BALANCE PRE INTEREST	\$ (46,818)	\$ (49,546)	\$ (53,364)	\$ (58,425)	\$ (61,764)	\$ (62,926)		\$ (38,395)
12									
13	MONTH'S AVERAGE BALANCE	(38,908)	(48,240)	(51,534)	(55,998)	(60,226)	(62,481)		
14									
15	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
16	INTEREST APPLIED	(116)	(159)	(208)	(262)	(272)	(332)		(1,348)
17	ENDING BALANCE	\$ (46,934)	\$ (49,705)	\$ (53,571)	\$ (58,687)	\$ (62,036)	\$ (63,258)		\$ (39,743)

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 5
OFF-PEAK WORKING CAPITAL
Account 8840-2-0000-10-1163-1424

	FOR THE MONTH OF: DAYS IN MONTH	May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ 27,633	\$ 39,236	\$ 48,515	\$ 56,003	\$ 66,305	\$ 76,910		27,633
2									
3	Add: ACTUAL COST	11,677	9,778	7,691	10,296	10,500	10,129	(23,515)	\$ 36,555
4									
5	Less: CUSTOMER BILLINGS	(173)	(643)	(413)	(279)	(218)	(577)		(2,303)
6	Adjustments	-	-	-	-	-	-		-
7	Estimated Unbilled	-	-	-	-	-	-		-
8	Reverse Prior Month Unbilled	-	-	-	-	-	-		-
9	Subtotal: Accrued Customer Billings	(173)	(643)	(413)	(279)	(218)	(577)	-	(2,303)
10									
11	ENDING BALANCE PRE INTEREST	\$ 39,137	\$ 48,371	\$ 55,793	\$ 66,020	\$ 76,587	\$ 86,462		\$ 61,885
12									
13	MONTH'S AVERAGE BALANCE	33,385	43,804	52,154	61,012	71,446	81,686		
14									
15	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
16	INTEREST APPLIED	99	144	210	285	323	434		1,495
17	ENDING BALANCE	\$ 39,236	\$ 48,515	\$ 56,003	\$ 66,305	\$ 76,910	\$ 86,896		\$ 63,381

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 5
PEAK PERIOD BAD DEBT
Account 8840-2-0000-10-1920-1743

	FOR THE MONTH OF: DAYS IN MONTH	May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ (170,566)	\$ (208,905)	\$ (216,811)	\$ (228,840)	\$ (244,790)	\$ (255,338)		\$ (170,566)
2									
3	Add: COST ALLOW	(9,045)	(5,013)	(10,894)	(14,779)	(9,413)	(2,724)	72,004	20,137
4									
5	Add: MISCELLANEOUS								-
6									
7	Less: CUSTOMER BILLINGS	(28,732)	(2,195)	(237)	(68)	(7)	(0)		(31,239)
8	Estimated Unbilled (Net)	-	-	-	-	-	-		-
9	Subtotal- Accrued Customer Billings	(28,732)	(2,195)	(237)	(68)	(7)	(0)		(31,239)
10									
11	ENDING BALANCE PRE INTEREST	\$ (208,342)	\$ (216,113)	\$ (227,943)	\$ (243,687)	\$ (254,210)	\$ (258,062)		\$ (181,668)
12									
13	MONTH'S AVERAGE BALANCE	(189,454)	(212,509)	(222,377)	(236,263)	(249,500)	(256,700)		
14									
15	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
16									
17	INTEREST APPLIED	(563)	(699)	(897)	(1,104)	(1,128)	(1,363)		\$ (5,753)
18									
19	ENDING BALANCE	\$ (208,905)	\$ (216,811)	\$ (228,840)	\$ (244,790)	\$ (255,338)	\$ (259,425)		\$ (187,421)

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 5
OFF PEAK BAD DEBT
Account 8840-2-0000-10-1163-1754

	FOR THE MONTH OF: DAYS IN MONTH	May-22 31	Jun-22 30	Jul-22 31	Aug-22 31	Sep-22 30	Oct-22 31	Dec-22 Adjustments	Total
1	BEGINNING BALANCE	\$ 597,731	\$ 632,689	\$ 652,777	\$ 672,694	\$ 701,432	\$ 733,847		\$ 597,731
2									
3	Add: COST ALLOW	40,972	35,157	28,767	36,745	37,369	36,233	(72,004)	143,239
4									
5	Add: MISCELLANEOUS								-
6									
7	Less: CUSTOMER BILLINGS	(7,839)	(17,179)	(11,517)	(11,208)	(8,191)	(15,466)		(71,401)
8	Estimated Unbilled (Net)	-	-	-	-	-	-		-
9	Subtotal- Accrued Customer Billings	(7,839)	(17,179)	(11,517)	(11,208)	(8,191)	(15,466)		(71,401)
10									
11	ENDING BALANCE PRE INTEREST	\$ 630,863	\$ 650,668	\$ 670,027	\$ 698,231	\$ 730,610	\$ 754,614		\$ 669,569
12									
13	MONTH'S AVERAGE BALANCE	614,297	641,679	661,402	685,463	716,021	744,230		
14									
15	INTEREST RATE	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%		
16									
17	INTEREST APPLIED	1,826	2,110	2,667	3,201	3,237	3,951		\$ 16,991
18									
19	ENDING BALANCE	\$ 632,689	\$ 652,777	\$ 672,694	\$ 701,432	\$ 733,846.95	\$ 758,564		\$ 686,560

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 6
OFF PEAK BAD DEBT AND WORKING CAPITAL COSTS

FOR MONTH OF:	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1 Demand	\$ 573,495	\$ 447,311	\$ 317,526	\$ 30,616	\$ 288,812	\$ 506,068	\$ 2,163,828
2 Commodity	2,663,169	2,191,308	1,601,651	2,348,408	2,190,126	2,795,519	13,790,181
3 Total Gas Costs	\$ 3,236,664	\$ 2,638,619	\$ 1,919,177	\$ 2,379,024	\$ 2,478,938	\$ 3,301,587	\$ 15,954,009
4							
5 Lead Lag Days	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	
6 Prime Rate	3.50%	4.00%	4.75%	5.50%	5.50%	6.25%	
7							
8 Working Capital Rate	0.00230	0.00230	0.00230	0.00230	0.00230	0.00230	
9							
10 Working Capital Adjustment	\$ 3,896	\$ 3,896	\$ 3,896	\$ 3,896	\$ 3,896	\$ 3,896	\$ 23,376
11							
12 Total Working Capital Costs	\$ 11,340	\$ 9,965	\$ 8,310	\$ 9,368	\$ 9,598	\$ 11,490	\$ 60,070.34
13							
14 Prior Period (Over)/Under collection	\$ 4,606	\$ 4,606	\$ 4,606	\$ 4,606	\$ 4,606	\$ 4,606	\$ 27,633
15							
16 Subtotal Gas Costs, Working Capital & Under Collection	\$ 3,252,610	\$ 2,653,189	\$ 1,932,093	\$ 2,392,998	\$ 2,493,141	\$ 3,317,682	\$ 16,041,713
17							
18 Bad Debt Rate	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	
19							
20 Bad Debt Adjustment	\$ 17,159	\$ 17,159	\$ 17,159	\$ 17,159	\$ 17,159	\$ 17,159	\$ 102,951
21							
22 Total Bad Debt Cost	\$ 39,927	\$ 35,731	\$ 30,683	\$ 33,910	\$ 34,611	\$ 40,382	\$ 215,243.22

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 6
PEAK BAD DEBT AND WORKING CAPITAL COSTS

	FOR MONTH OF:	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1	Demand	\$ 263,460	\$ 299,850	\$ 211,303	\$ 217,805	\$ 247,832	\$ 297,327	\$ 1,537,577
2	Commodity	(629,714)	(736,458)	(780,100)	(862,981)	(1,470,562)	(1,201,342)	(5,681,157)
3	Total Gas Costs	\$ (366,254)	\$ (436,608)	\$ (568,797)	\$ (645,176)	\$ (1,222,730)	\$ (904,015)	\$ (4,143,580)
4								
5	Working Capital Rate	0.00230	0.00230	0.00230	0.00230	0.00230	0.00230	
6								
7	Working Capital Adjustment	\$ (707)	\$ (707)	\$ (707)	\$ (707)	\$ (707)	\$ (707)	\$ (4,244.57)
8								
9	Total Working Capital Costs	\$ (555)	\$ (469)	\$ (727)	\$ (824)	\$ (1,558)	\$ (1,153)	\$ (5,286)
10								
11	Prior Period (Over)/Under collection	\$ (2,477)	\$ (2,477)	\$ (2,477)	\$ (2,477)	\$ (2,477)	\$ (2,477)	\$ (14,859)
12								
13	Subtotal Gas Costs, Working Capital & Over Collection	\$ (369,286)	\$ (439,554)	\$ (572,000)	\$ (648,477)	\$ (1,226,765)	\$ (907,645)	\$ (4,163,725)
14								
15	Bad Debt Rate	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	
16								
17	Bad Debt Adjustment	\$ (2,650)	\$ (2,650)	\$ (2,650)	\$ (2,650)	\$ (2,650)	\$ (2,650)	\$ (15,903)
18								
19	Total Bad Debt Cost	\$ (5,235)	\$ (5,727)	\$ (6,654)	\$ (7,190)	\$ (11,238)	\$ (9,004)	\$ (45,049)

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 7
WORKING CAPITAL & BAD DEBT REVENUE BILLED

FOR MONTH OF		May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total OffPeak
1	WORKING CAPITAL RATES	\$ 0.0023	\$ 0.0023	\$ 0.0023	\$ 0.0023	\$ 0.0023	\$ 0.0023	
2								
3	WORKING CAPITAL COLLECTED	\$ (173)	\$ (643)	\$ (413)	\$ (279)	\$ (218)	\$ (577)	\$ (2,303)
4								
5	BAD DEBT RATES	\$ 0.0070	\$ 0.0070	\$ 0.0070	\$ 0.0070	\$ 0.0070	\$ 0.0070	
6								
7	BAD DEBT COLLECTED	\$ (7,839)	\$ (17,179)	\$ (11,517)	\$ (11,208)	\$ (8,191)	\$ (15,466)	\$ (71,401)

LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
 D/B/A LIBERTY
 MAY 2022 THROUGH OCTOBER 2022
 SCHEDULE 8
 COMMODITY AND TRANSPORTED VOLUMES

	May 22			Jun 22			Jul 22			Aug 22			Sep 22			Oct 22			Total	
	Dollar	REC VOL	DEL VOL	Dollar	REC VOL	DEL VOL	Dollar	REC VOL	DEL VOL	Dollar	REC VOL	DEL VOL	Dollar	REC VOL	DEL VOL	Dollar	REC VOL	DEL VOL	Dollar	Del Vol Dth
1 TENNESSEE COMMODITY																				
2 Gas Supply Purchases for Sendout																				
3 TGP/Supply Area Transport/Variable Costs																				
4 TOTAL TENNESSEE																				
5																				
6																				
7 C ty Gate Purchases for Sendout																				
8																				
9 Dracut Purchases for Sendout																				
10 Dracut Transport/Variable Costs																				
11																				
12 PNGTS Purchases for Sendout (Berlin)																				
13 PNGTS Transport/Variable Costs																				
14 TOTAL PNGTS																				
15																				
16																				
17 TGP/Niagara Purchases for Sendout																				
18 TGP/Niagara Transport/Variable Costs																				
19																				
20 Enbridge/TC Energy Purchases for Sendout (A)																				
21 (Enbridge/TCPLIRO) Transport/Variable Costs																				
22 TGP/Niagara Transport/Variable Costs																				
23																				
24 Enbridge/TC Energy Purchases for Sendout (B)																				
25 (ENB/TCPL/PNGTS) Transport/Variable Costs																				
26 TGP (ENB/TCPL/PNGTS Path) Transport/Variable																				
27 Costs																				
28																				
29 LNG																				
30																				
31 LNG Vapor Sendout - P/S Plant																				
32																				
33 Propane																				
34 Off System Sales (EN/Amerigas- Vol Conv to MMBtus)																				
35																				
36 Propane Sendout - P/S Plant																				
37																				
38 Total Propane																				
39																				
40																				
41 Storage																				
42 Storage Injection Purchase																				
43																				
44 Storage Withdrawals for Sendout																				
45 Storage Withdrawal /Transport costs																				
46																				
47																				
48 Boil-off																				
49																				
50 LNG			0			0			0			0			0			192		\$0 192
51																				
52 LPG			0			0			0			0			0			0		\$0 -
53																				
54 OBA																				
55																				
56																				
57																				
58																				
59 NET COMMODITY COST	\$2,545,209		378,180	\$2,155,836		274,516	\$1,280,596		222,267	\$1,706,883		218,457	\$2,104,372		265,092	\$2,807,229		567,832	\$12,600,126	1,926,344

This page is filed pursuant to the confidentiality provisions outlined in Puc 201.06(a)(26).

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**LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP
D/B/A LIBERTY
SUMMER 2022 COST OF GAS RESULTS
SCHEDULE 9
MONTHLY PRIME RATES**

	MONTH	PRIME RATE	DAYS IN MONTH
1	May-22	3.50%	31
2	Jun-22	4.00%	30
3	Jul-22	4.75%	31
4	Aug-22	5.50%	31
5	Sep-22	5.50%	30
6	Oct-22	6.25%	31

STATE OF NEW HAMPSHIRE
New Hampshire Department of Energy
Intra-Department Communication

DATE: March 28, 2023

FROM: Audit Staff, Division of Enforcement

SUBJECT: Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a
Liberty Utilities
DG 21-130, 2022 Summer Period Cost of Gas Adjustment
Final Audit Report

TO: Thomas Frantz, Director, Regulatory
Faisal Deen Arif, Gas Director, Regulatory
Chahreddine Abbes, Gas Analyst
Mary Schwarzer, Attorney
Karen Moran, Director, Audit, Enforcement Division

INTRODUCTION

The Audit Staff has conducted a review of the gas revenues and expenses associated with the Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities summer cost of gas filing for 2022. The summer period runs from May through October annually and is considered part of the off-peak season. The Company provided a redacted version of the 2022 summer reconciliation in docket DG 21-130 on January 31, 2023, through the e-filing system and PUC docket book. A confidential version reconciliation was provided to the Audit Staff and Commission, and our audit was based on that confidential version.

On October 29, 2021 the Commission Order 26,541 approved, on an interim basis, the EnergyNorth summer 2022 cost of gas rates. The Order approved the cost of gas rates reflected below for residential customers and commercial and industrial customers based on cost per therm charge. The Commission Order authorized increases up to 25% maximum charge.

	<u>Summer 2022</u>	<u>Summer 2022 Maximum</u>
Residential	\$0.5587	\$0.6984
C&I Low	\$0.5580	\$0.6975
C&I High	\$0.5593	\$0.6991

On May 26, 2022 the Commission Order 26,632 suspended the Company's June 1, 2022 proposed tariff for up to 3 months to further investigate and conduct an adjudicative hearing to review increasing natural gas commodity prices, with subsequent order by the end of July 2022.

On July 15, 2022 the Commission Order 26,649 approved summer cost of gas rates effective August 1, 2022 through October 31, 2022 that are summarized below.

Residential	\$1.2295
C&I Low	\$1.2284
C&I High	\$1.2303

The 2022 actual summer period cost of gas reconciliation on Summary Page 1 as e-filed on January 31, 2023, is summarized below:

	<u>1/31/2023</u>
Prior Summer Period Under-collection	\$ 8,665,170
Prior Period Adjustment 11/1/2021-4/30/2022	\$ (1,711,318)
Prior Period Interest Adj. 11/1/2021– 4/30/2022	\$ 128,738
May 1, 2022 Beginning Balance	\$ 7,082,590
Total Gas Costs Allowed per filing	\$ 16,283,981
Less: Cost of Gas Revenue Billed per filing	<u>\$(19,233,549)</u>
Summer Period October 31, 2022 Ending Balance	\$ 4,133,022
Add: Bad Debt	\$ 828,471
Add: Working Capital	<u>\$ 63,343</u>
Total Under-collection	\$ 5,024,836

The Company used the \$8,665,170 prior summer period beginning balance rather than the \$6,521,557 under-collection beginning balance per the 2021 adjusted filing and prior year audit report. The reason the Company used the November 1, 2021 \$8,665,170 beginning balance is because of a prior period January 2022 (\$2,143,613) journal entry reclassification that was done moving summer costs to the winter deferral account. This adjusting entry is discussed in the 2021 summer cost of gas audit report.

Refer to the Account 8840-2-0000-10-1920-1741 Summer Period section of this report for details relating to the Prior Period Adjustment.

The “Gas Costs Allowed” include reported gas costs and interest:

	<u>1/31/2022</u>
Reported Gas Costs	\$15,954,006
Interest	<u>\$ 329,975</u>
	\$16,283,981

On Schedule 1 page 2, the actual commodity costs on line 3 sum to \$26,216,775 for May-October 2022 summer deferred gas costs. On the same line there was a (\$10,262,769) December 2022 adjustment that reduced the deferred gas costs to \$15,954,006. The reason for the December 2022 adjustment was for commodity costs reported that were reported erroneously booked to the summer season storage injections rather than to the winter season in a December 2022 adjustment. The Company indicated

the costs were all commodity purchases for gas injected to storage from Vitol, DTE, and Direct Energy. The Company performed a December 2022 seasonal correcting entry. The reported costs are:

May 2022	\$1,859,411
June 2022	\$1,628,729
July 2022	\$1,437,292
August 2022	\$2,114,607
September 2022	\$2,103,649
October 2022	<u>\$1,119,077</u>
Total	\$10,262,769

The Company provided the net (\$10,262,769) December 2022 month-end adjusting entry that was part of a larger \$26,448,446 an entry that also included bad debt and working capital removing the deferred gas costs booked to the summer that should have been booked to the winter season. The adjusting entry was done on January 9, 2023 and moved (\$10,262,769) in deferred summer gas costs to the winter season:

Debit Winter deferral account #130800-10168-11174001	\$10,262,769
Credit Summer deferral account #130800-10168-11174002	\$(10,262,769)

Summary of December 2022 Adjusting Entry

Audit reviewed a \$26,172,570 December 2022 journal entry that included original and correcting entries between the winter and summer deferral accounts. The entries were done after the Company procurement division informed the Staff Accountant that Vitol, DTE, and Direct Energy Storage injections were booked in the summer 2022 season when they should have been booked in the winter season. The Company provided the seasonal storage injection changes that Audit was able to verify to monthly weighted average injection monthly allocation changes to the specific charge detail. The chart below summarizes the \$26,172,570 entry and the net (\$10,262,769) credit adjustment to the summer deferral account.

Adjusting entries for the Deferred Winter and Summer Costs of Gas

Account	Account Short Text	Text	Amount	REGULATORY Acct Storage Injection Changes
130800	CRA Fuel&Commod Cost	May 2022 Original	\$ 2,061,218.08	11174001 Winter \$ 1,859,413.98
130800	CRA Fuel&Commod Cost	May 2022 Correction	\$ (201,804.10)	11174001 Winter
130800	CRA Fuel&Commod Cost	May 2022 Original	\$ (4,562,255.37)	11174002 Summer \$ (1,859,413.98)
130800	CRA Fuel&Commod Cost	May 2022 Correction	\$ 2,702,841.39	11174002 Summer
total May 2022 correcting entry done in December 2022			\$ 4,764,059.47	\$ (4,764,059.47)
				\$ -
130800	CRA Fuel&Commod Cost	June 2022 Original	\$ 1,461,411.48	11174001 Winter \$ 1,628,729.26
130800	CRA Fuel&Commod Cost	June 2022 Correction	\$ 167,317.78	11174001 Winter
130800	CRA Fuel&Commod Cost	June 2022 Original	\$ (3,900,669.53)	11174002 Summer \$ (1,628,729.26)
130800	CRA Fuel&Commod Cost	June 2022 Correction	\$ 2,271,940.27	11174002 Summer
total June 2022 correcting entry done in December 2022			\$ 3,900,669.53	\$ (3,900,669.53)
				\$ -
130800	CRA Fuel&Commod Cost	July 2022 Original	\$ 2,418,098.62	11174001 Winter \$ 1,437,292.24
130800	CRA Fuel&Commod Cost	July 2022 Correction	\$ (980,806.38)	11174001 Winter
130800	CRA Fuel&Commod Cost	July 2022 Original	\$ (3,062,856.90)	11174002 Summer \$ (1,437,292.24)
130800	CRA Fuel&Commod Cost	July 2022 Correction	\$ 1,625,564.66	11174002 Summer \$ -
total July 2022 correcting entry done in December 2022			\$ 4,043,663.28	\$ (4,043,663.28)
				\$ -
130800	CRA Fuel&Commod Cost	Aug 2022 original	\$ 2,770,875.66	11174001 Winter \$ 2,114,607.81
130800	CRA Fuel&Commod Cost	Aug 2022 correction	\$ (656,267.85)	11174001 Winter
130800	CRA Fuel&Commod Cost	Aug 2022 original	\$ (4,502,007.95)	11174002 Summer \$ (2,114,607.81)
130800	CRA Fuel&Commod Cost	Aug 2022 correction	\$ 2,387,400.14	11174002 Summer \$ -
total August 2022 correcting entry done in December 2022			\$ 5,158,275.80	\$ (5,158,275.80)
				\$ -
130800	CRA Fuel&Commod Cost	Sept 2022 Original	\$ 2,087,318.66	11174001 Winter \$ 2,103,648.71
130800	CRA Fuel&Commod Cost	Sept 2022 Correction	\$ 16,330.05	11174001 Winter
130800	CRA Fuel&Commod Cost	Sept 2022 Original	\$ (4,306,719.21)	11174002 Summer \$ (2,103,648.71)
130800	CRA Fuel&Commod Cost	Sept 2022 Correction	\$ 2,203,070.50	11174002 Summer
total September 2022 correcting entry done in December 2022			\$ 4,306,719.21	\$ (4,306,719.21)
				\$ -
130800	CRA Fuel&Commod Cost	Oct 2022 Original	\$ 1,168,098.27	11174001 Winter \$ 1,119,077.26
130800	CRA Fuel&Commod Cost	Oct 2022 Correction	\$ (49,021.01)	11174001 Winter
130800	CRA Fuel&Commod Cost	Oct 2022 Original	\$ (3,950,161.76)	11174002 Summer \$ (1,119,077.26)
130800	CRA Fuel&Commod Cost	Oct 2022 Correction	\$ 2,831,084.50	11174002 Summer \$ -
total October 2022 correcting entry done in December 2022			\$ 3,999,182.77	\$ (3,999,182.77)
				\$ -
May through October correcting entries done in Dec 2022			\$ 26,172,570.06	\$ (26,172,570.06)
				\$ 10,262,769.26
				\$ (10,262,769.26)

This is the second year in a row the Company had to make a multimillion-dollar adjustment that impacted every month during the Summer season. For the 2021 Summer season, a (\$2,143,613) net adjustment was done in January 2022, as noted in the summer 2021 summer cost of gas audit report. The Company should not have to make such large adjusting entries so late in the season, as December is after the end of the summer cost of gas season. The 2022 adjusting entry (\$10,262,769), combined with the 2021 adjusting entries, bring into question the accuracy of the calculations for the winter/summer seasons as this has happened in multiple years. **Audit Issue #1**

Summer Cost of Gas Balance Sheet General Ledger Account

Audit requested and was provided with the October 2022 reconciliations related to the Deferred Off-peak account, the Deferred Off-peak Bad Debt account, and the

Deferred Off-peak Working Capital account. The chart below summarizes the May 2022 – October 2022 activity for each:

Beginning Balance 5/1/2022	\$ 7,082,590	A
Gas Cost deferral	\$26,216,775	B
Unbilled Revenue Accrual	\$(6,831,638)	C
Cost of Gas Accrual C and I meters	\$ (151,703)	D
Interest on Unbilled Revenue	\$ -0-	E
Collections	\$(12,250,207)	F
Interest on Deferral	<u>\$ 329,975</u>	G
8840-2-0000-10-1920-1741 Balance 10/2022	\$ 14,395,791	
Deferred Summer gas costs moved to winter	<u>\$ (10,262,769)</u>	
Adjusted Deferral Ending Balance	\$ 4,133,022	per filing

The reconciliation for the deferred account -1741 indicated that the information within the reconciliation was taken from:

- A-Beginning Balance per the trial balance
- B- Gas Cost (demand) per source data
- C- Unbilled Revenue Accrual per source data (calculation based on pipeline statements and supplier invoices)
- D-Cost of Gas Accrual C and I Meters-This is an adjustment to purchased gas costs for Commercial and Industrial Customers that is a revenue adjustment and is part of the unbilled revenue calculation.
- E- Interest on Unbilled per source data
- F- Collections per Cogsdale
- G- Interest on deferral per Corporate Treasury data
- H-This represents the December 2022 year-end close deferred gas cost adjustment moving (\$10,262,769) from summer deferred gas costs to winter.

Account 8840-2-0000-10-1920-1741 Summer Period

Summer Period Beginning Balance, \$8,665,170 and Adjustments

The Filing Summary Page 1 indicates the 10/31/2021 beginning balance is \$8,665,170 under-collection, which was verified to the 1920-1741 summer deferral general ledger account. However, the prior period adjusted filing and Audit Report, issued April 4, 2022 relating to docket DG 20-141, indicates the beginning balance should have been \$6,521,537 under-collection. The variance is \$2,143,613 that excludes the Bad Debt and Working Capital balances. The variance was due to summer season costs that were reclassified to winter in January 2022. As noted in the DG 20,141 Audit report, Audit verified that reported winter period costs had been included in the 2021 summer season costs in the amount of \$2,143,613. The Company’s e-filing for the 2021 summer reconciliation identified that figure as an adjustment.

Other charges consisted of gas supply collections, accruals, gas cost deferrals, and the summer to winter deferral adjustment. There was a total of \$128,738 in interest adjustments made to the prior period from 11/1/2021-4/30/2022. The actual adjusted May 1, 2022 beginning balance was reflected as:

Balance 10/31/2021 under-collection	\$ 8,665,170
Prior period adjustment 11/1/2021 – 4/30/2022	\$(1,711,318)
Interest 11/1/2021 – 4/30/2022	\$ 128,738
Adjusted actual beginning balance 5/1/2022	\$ 7,082,590

The \$15,954,006 Total Gas Costs figure on Schedule 1 Off-peak for summer 2022 is summarized below:

		1/31/2022
		Schedule 1
		<u>Page 2 of 2</u>
1	Beginning Balance under-collection	\$ 7,082,590
2		
3	Add Actual Costs	\$ 15,954,006
4	Adjustments to Purchase Gas Costs	\$ -
5	Adjustments to Purchase Gas Costs	\$ -
6	Total Costs	<u>\$ 15,954,006</u>
7		
8	Add Miscellaneous	\$ -
9		
10		
11	Less Customer Billings	\$ (12,250,207)
12	Estimated Unbilled (Net)	<u>\$ (6,983,341)</u>
13	Sub-total Accrued Customer Billings	\$ (19,233,548)
14		
15	Less Occupant Disallow/(Credit)	\$ -
16		
17	Ending Balance Pre-interest	\$ 3,803,047
18		
19	Month's Average Balance	
20		
21	Interest Rate	
22		
23	Interest Applied	\$ 329,975
24		
25	Ending Balance under-collection	\$ 4,133,022

Note: The Total Gas Costs on Schedule 1 Off-peak sum to \$26,216,775, prior to the adjustment of (\$10,262,769), discussed above. December 2022 adjusting entry

moving summer deferred gas costs booked erroneously to the winter season, resulting in the \$15,954,009 summer 2022.

The Gas Costs are summarized as follows:

Off-peak Demand	\$2,163,808
Off-peak Commodity	<u>13,790,181</u>
Total per Filing Sch. 2A and 2B	\$15,954,009
Interest 5/1/22 – 10/31/22	<u>\$329,975</u>
Total Gas Costs Allowable Rev. Sum Sch. 1A	\$16,283,981

Interest 5/1/2022 – 10/31/2022, 329,975

Schedule 1 Off-peak Demand and Commodity charges shows the interest applied for the summer period May through October 2022 totaling \$329,975 and using a rate of 3.5% for May 2022, 4.00% June 2022, 4.75% July 2022, 5.50% August 2022, 5.50% September 2022, and 6.25% October 2022. The Company used the monthly Federal Reserve Board Statistical Survey of interest rates in compliance with Order 26,541. Audit recalculated the monthly-applied interest amounts that were verified to the deferral general ledger account 8840-2-0000-10-1920-1741 with no exceptions. This amount is included in the total gas costs allowable figure of \$16,283,981 on the above page 1 summary.

Mr. Occupant

The Mr. Occupant charges show no activity on schedule 1 and no supporting schedules are included with the filing.

Gas Costs \$15,954,006

Audit reviewed the composition of the reported costs, according to Schedule 2B of the filing that was e-filed on January 31, 2023. The Schedule includes costs incurred for the Off-peak summer season. The following was noted:

<u>Demand</u>		
Canadian Demand	390,164	
Transport Capacity	3,801,435	
Capacity Release Adj.	<u>(2,027,770)</u>	
Total Demand	\$2,163,828	
<u>Commodity</u>		<u>Per Audit</u>
Pipeline Transport	0	
Commodity	13,803,861	
Propane	21,921	
LNG	0	
Broker Cash Out Audit Issue #2	\$63,060	(\$40,913) Sch 2B
ICE Fees	<u>5,312</u>	
Total Commodity	\$13,790,181	

Off-peak Demand	\$2,163,828
Off-peak Commodity	<u>\$13,790,181</u>
Total Off-peak Costs	\$15,954,009

The \$13,790,181 is the correct amount spent on commodity charges. The Company on Line 167 on filing schedule 2B incorrectly reflected the total May-October 2022 broker cash out charges to be \$63,060. The monthly broker cash out figures were correctly calculated on the filing. The Company indicated they accidentally used the figure from 2021 of \$63,060 and the figure should be \$(40,913) on the 2022 filing schedule 2B. Because of the incorrect figure, the schedule 2B \$13,790,181 does not sum. The \$13,790,181 net commodity costs on Schedule 2A were calculated correctly. **Audit Issue #2**

Excel and PDF files of the records, documentation, reconciliation reports, and invoices for the period May 2022 through October 2022 were provided in support of the January 31, 2022 e-filing. Audit requested a sample of invoices which were tied to the monthly Demand and Commodity Summer COG costs.

An electronic file was provided to Audit, which included “demand”, and “commodity” expense control sheets by month that act as lead sheets for the electronic invoices provided. Each control sheet reflects the “current month estimate”, “current month actual”, “prior month estimate”, “total dollars” and the period to which the total applies, either peak or off-peak period on the control sheet. The total on each line is the sum of the first two columns less the prior month reversal. Audit recalculated the reported total dollars, for all line items on all control sheets for the summer period and tied a sample of invoices to the invoice control sheets without exception.

Audit reviewed the \$15,954,006 (rounded) activity in summer 2022 gas costs to the following accounts and there was a \$968,172 difference that is discussed on the following page:

Account Number	Account Description	Period	Debit	Credit	Total
8840-2-0000-40-4295-4830	Sales for Resale AMA Credits	May-September 2022	\$ -	\$ (457,710)	\$ (457,710)
3072_10168_101686100_410630_11483000	SAP- Sales for Resale AMA Credits	October 2022		\$ (91,542)	\$ (91,542)
	Total		\$ -	\$ (549,252)	\$ (549,252)
8840-2-0000-52-5541-8040	Natural Gas City Gate Purchases	May-September 2022	\$ 49,586,897	\$ (21,314,294)	\$ 28,272,602
3072_10168_101686100_521020_11804000	SAP Natural Gas City Gate Purchases	October 2022	\$ 8,318,313	\$ (4,292,187)	\$ 4,026,126
	Total		\$ 57,905,210	\$ (25,606,481)	\$ 32,298,728
8840-2-0000-52-5541-8041	Natural Gas Demand Charges - Transportation	May-September 2022	\$ 17,356,627	\$ (8,952,876)	\$ 8,403,751
3072_10168_101686100_521030_11804100	SAP Natural Gas Demand Charges - Transporta	October 2022	\$ 3,326,462	\$ (1,727,749)	\$ 1,598,713
	Total		\$ 20,683,089	\$ (10,680,625)	\$ 10,002,464
8840-2-0000-52-5541-8044	Natural Gas Capacity Release	May-September 2022	\$ 2,612,199	\$ (5,576,068)	\$ (2,963,868)
3072_10168_101686100_521060_11804000	SAP Natural Gas Capacity Release	October 2022	\$ 607,741	\$ (1,004,305)	\$ (396,564)
	Total		\$ 3,219,940	\$ (6,580,373)	\$ (3,360,432)
8840-2-0000-52-5541-8045	Natural Gas Imbalances - Cashout	May-September 2022	\$ 78,595	\$ (127,126)	\$ (48,531)
3072_10168_101686100_521070_11804000	SAP Natural Gas Imbalances - Cashout	October 2022	\$ 9,206	\$ (1,587)	\$ 7,618
	Total		\$ 87,801	\$ (128,713)	\$ (40,913)
8840-2-0000-52-5543-8082	Natural Gas Delivered to Storage	May-September 2022	\$ 47,150	\$ (10,119,158)	\$(10,072,008)
3072_10168_1016860100_521190_11808200	SAP Natural Gas Delivered to Storage	October 2022	\$ 60,990	\$ (1,172,896)	\$(1,111,906)
	Total		\$ 108,140	\$ (11,292,054)	\$(11,183,914)
8840-2-0000-52-5543-8081	Natural Gas Withdrawn From Storage	May-September 2022	\$ 18,266	\$ -	\$ 18,266
3072_10168_1016860100_521180_11808100	SAP Gas Withdrawn from Storage	October 2022	\$ -	\$ -	\$ -
	Total		\$ 18,266	\$ -	\$ 18,266
8840-2-0000-10-1920-1741	December 2022 Adjustment to Summer Deferral Account		\$ -	\$ (10,262,769)	\$(10,262,769)
	Total GL Accounts Above		\$ 82,022,446	\$ (65,100,267)	\$ 16,922,178
	Total Gas Costs Summary Page 1A				\$ 15,954,006
	Variance				\$ 968,172

The \$968,172 difference was due to a \$2,870,133 adjustment to winter deferral costs, the net (\$10,262,766) December 2022 commodity adjusting entry transferring between summer/winter seasons, and an \$8,360,803 March 2022 GL coding correction that booked costs to the 8040 City Gate Purchases account rather than the 8042 deferred gas costs account. The original March 31, 2022 entry debited the 1740 winter deferral account for \$8,360,803 and credited the 5541-8040 Natural Gas City Gate purchases accounted for the same amount. The Company provided the August 2022 coding adjusting entry that debited the 8840-2-0000-52-5541-8040 account for \$8,360,803 and credited the 8840-2-0000-52-5541-8042 deferred gas costs account for the same amount. The Company should not have had to perform such a large adjusting entry in August 2022. **Audit Issue #1**

Demand Costs \$2,163,828

Total invoices paid during the 2022 summer cost of gas period per the filing:
Off-peak (summer) \$2,163,828

The peak and off-peak demand costs are detailed in Schedule 2 – Detailed Gas Costs by source. The peak winter costs were incurred during the off-peak (summer) season but have been deferred to the peak (winter) season as they represent, among other

things, gas storage inputs for winter use. Per the filing schedule 2B, page 1, there were no winter peak demand or commodity costs included in the filing.

Total Demand charges of \$2,163,828 (rounded) were traced from monthly invoice listings to the general ledger and to the filing Schedule 2B as shown below:

	Sched 2B pg 1 of 3 Canadian	Sched 2B pg 1 of 3 Transportation Capacity	Sched 2B pg 1 of 3 Capacity Release	TOTAL DEMAND
May 2022	\$ 64,332	\$ 633,683	\$ (124,520)	\$ 573,495
June 2022	\$ 64,807	\$ 630,823	\$ (248,319)	\$ 447,311
July 2022	\$ 63,283	\$ 630,617	\$ (376,373)	\$ 317,527
August 2022	\$ 63,497	\$ 631,144	\$ (664,024)	\$ 30,617
September 2022	\$ 58,878	\$ 629,187	\$ (399,253)	\$ 288,812
October 2022	\$ 75,367	\$ 645,982	\$ (215,280)	\$ 506,069
Total	\$390,164	\$ 3,801,436	\$ (2,027,769)	\$2,163,831

The Transport Capacity for the May-October 2022 on filing schedule 2B summed to \$3,801,435. Reviews of individual invoices are discussed in the *Review of Invoices* section of this report.

Commodity \$13,790,181

Audit was able to verify the commodity invoices from schedule 2B of the filing to the invoice monthly control sheets and to the general ledger account 8840-2-0000-5541-8040 without exception. The Company on filing schedule 2B page 2-line 167 Broker Cash Out did not foot the May-October total properly that should be (\$40,913) rather than \$63,060 which is the figure from summer 2021. As a result of this typographical error line 175 \$13,888,843 total commodity costs should be \$13,784,861. **Audit Issue #2**

Natural Gas Delivered to Storage

Schedule 2B of the filing shows \$0 in total charges for LNG for May-October 2022. The Company had \$21,921 in charges for Propane. The Company provided general ledger entries that showed the total gas withdrawn and delivered to storage. Audit tied the filing to general ledger accounts 8840-2-0000-52-5543-8081 – Withdrawals from Storage and 8840-2-0000-52-5543-8082 – Delivered to Storage without exception.

Hedging (Gain)/Loss

There were no hedging settlements for the 2022 summer period cost of gas.

The filing schedule 2B, lines 147 and 148 shows no peak or off-peak activity for the period.

Intercontinental Exchange (ICE) \$5,312

Schedule 2B Detail Gas Costs by Source, line 177, shows for May through October totaling \$5,312 for the period. Described as Intercontinental Exchange Fees, these fees relate to electronic market trading for commodities such as natural gas.

Cost of Gas Revenue Billed (\$19,233,549)

Audit verified the reported figure on the filing Summary page 1 to schedule 3. Schedule 3 outlines, by month, the total volumes billed. The Total Gas Revenue Billed on Summary page 1 of \$(19,233,549) consists of the following:

Estimated Unbilled (Schedule 1)	\$(6,983,341)
Gas Cost Billed (Schedule 3)	<u>\$(12,250,207)</u>
Total Gas Cost Billed Summer	\$(19,233,549)
Summer Gas Costs Billed (Schedule 3)	\$(12,250,207)
Winter Gas Costs Billed (Schedule 3)	<u>\$(6,885,790)</u>
Total Gas Costs Billed	\$(19,135,997)
Bad Debt Revenue Billed (Schedule 7)	73,498
Working Capital Revenue Billed (Schedule 7)	<u>2,341</u>
Total Off-Peak Revenue Billed	\$(19,060,158)

Note: The Company indicated the winter portion was included on the filing for informational purposes only.

Estimated Unbilled Revenue and Interest

The Estimated Unbilled (Net), from schedule 1, totaled \$(6,983,341). EnergyNorth provided the journal entries and the calculations for the unbilled revenues and the interest on the unbilled revenue for the summer period. Audit recalculated the unbilled commodity, the unbilled margins, and the unbilled interest for May-October 2022 from the Company's worksheet.

Audit noticed the month of October 2022 had (\$3,459,046) in unbilled revenue calculations while the billed revenue on filing schedule 3 for October 2022 was \$(3,455,959). This is a \$3,087 difference. Audit asked the Company why for October 2022 the Company had more unbilled revenue than billed revenue as the Company transitioned to the SAP billing system. The Company indicated the verification process is still the same with the implementation of SAP, although billing delays were experienced during the conversion. The billing delays were captured within the unbilled calculation which is why it is higher. There were also an unidentified number of

customers who did not receive a bill. **Audit Issue #3** The amounts were tied to schedule 1 – Off-Peak Demand and Commodity for each month and tied to general ledger account 8840-2-0000-10-1920-1741 – Summer Cost of Gas.

Gas Cost Billed

Audit reviewed the monthly journal entries and supporting schedules of therm sales provided by J. Bonner at Liberty for May 2022-September 2022 for billed and unbilled revenue. Mr. Bonner receives the Cogsdale revenue data from Oakville each month and reports therm deliveries and revenues by rate class, revenue type and general ledger account for base revenues, LDAC and COG for sales and transportation customers with the appropriate totals. Beginning in October 2022 the Company transitioned from using Cogsdale to SAP.

The Company indicated the process that J. Bonner follows is still generally the same as the Cogsdale for running the bills and volume reports. In essence, the SAP Revenue Reports are done in the same manner as the Cogsdale Bills & Volume Reports. The layout of the SAP Revenue Report was designed to match the Cogsdale Bills & Volume Report as closely as possible. The data source for the SAP Report begins with a download of a revenue detail data file that is cleaned and verified to the general ledger. The data file is then read into an Access database that serves as the data source for the Power Pivot tables in the SAP Revenue Report. Although there are myriad differences in the data fields and file structure between SAP and Cogsdale source data, functionally the reports are noted to work in the same way.

There are currently 21 billing cycles in SAP, just as there were in Cogsdale. Functionally, the billing process is the same in SAP as it is in Cogsdale, but there are numerous detail differences dictated by the software architecture. Mr. Bonner continues to prepare the monthly SAP Revenue Reports as he did the Cogsdale Bills & Revenue Reports. The Company is presently working with an IBM Consultant to make further enhancements to the revenue reporting software architecture.

Audit reviewed the billed therms on Filing Schedule 3 for May-October 2022 that summed to 37,766,899 therms to the Revenue Reports. The Company on filing schedule 3 did not fill in the total therms billed column for residential and commercial/industrial customers. **Audit Issue #3**

Audit reviewed the \$12,250,207 May-October 2022 billed revenue on Filing Schedule 3 and the Deferral account to the Bonner reports that summed to \$12,244,568. This is a (\$5,6390) differences that was due to summer adjustments from prior period years and supply billed rate for cycle 19. **Audit Issue #3** The variance is summarized in the chart below.

Revenue Reports for Summer Rates	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
May-July Sup. Billed rate \$0.69184 (Low winter use 51-58)	\$ 97,699	\$ 444,565	\$ 335,923	\$ 252,290	\$ 4,973	\$ -	\$ 1,135,450
May-July Supply billed rate \$0.69274 (Res. R1-R-7)	\$ 617,430	\$ 1,176,015	\$ 844,030	\$ 501,145	\$ 12,057	\$ 386	\$ 3,151,063
May-July Sup. Billed rate \$0.69344 (High winter 41-46)	\$ 294,272	\$ 614,833	\$ 360,641	\$ 245,468	\$ 5,722	\$ 10	\$ 1,520,946
Aug-Oct sup. Billed rate \$1.22274 (Low winter 51-58)				\$ 155,499	\$ 534,361	\$ 511,974	\$ 1,201,834
Aug-Oct. Supply billed rate \$0.69274 (Res. R1-R-7)				\$ 365,272	\$ 1,223,581	\$ 1,990,045	\$ 3,578,898
Aug-Oct Sup. Billed rate \$0.69344 (High winter 41-46)				\$ 127,654	\$ 548,895	\$ 953,385	\$ 1,629,934
Sept: Supply Billed Rate for Cycle 19					\$ 26,283		\$ 26,283
Apr: Supply billed Rate \$1.16724(Residential R-1-R-7)						\$ 160	\$ 160
Total	\$1,009,401	\$2,235,413	\$1,540,594	\$1,647,328	\$2,355,872	\$3,455,960	\$12,244,568
Billing from Summer GL 1741	\$1,010,170	\$2,239,611	\$1,541,169	\$1,647,486	\$2,355,812	\$3,455,960	\$12,250,207
Variance	\$ (769)	\$ (4,198)	\$ (575)	\$ (158)	\$ 61	\$ -	\$ (5,639)

Audit reviewed individual residential/Commercial/Industrial September 2022 Cogsdale and October 2022 SAP customer bills to verify the Company was charging the correct cost of gas billed rate in compliance with the Commission Orders.

The other adjustments were for bad debt, working capital, monthly adjustments between the winter/summer seasons. The winter portion was included on the filing for informational purposes only.

The Summer Cost of Gas rates approved by Order 26,541 on October 29, 2021 and effective May 1, 2022, were:

Residential Cost of Gas \$0.5587 with maximum \$0.6984
C & I Cost of Gas Low Winter Use \$0.5580 with maximum \$0.6975
C & I Cost of Gas High Winter Use \$0.5593 with maximum \$0.6991

On May 20, 2022, the Company, in a motion to the Commission, notified beginning June 1, 2022, they would be submitting an updated tariff with revised rates due to a significant increase in the price of natural gas since Commission Order 26,541 was issued. The Company revised rates are the maximum allowed per Commission Order 26,649. The rate classes are summarized below in the letter.

	<u>Filed Rate</u>	<u>Revised Rate</u>	<u>Change</u>
Residential	\$0.6984	\$1.2295	\$0.5311
Gas Assistance Plan	\$0.6984	\$1.2295	\$0.5311
C&I Low	\$0.6975	\$1.2284	\$0.5309
C&I High	\$0.6991	\$1.2303	\$0.5312

The 12th revised page 89 dated May 5, 2022 and effective May 1, 2022 referenced the following maximum authorized summer 2022 cost of gas rates:

Residential Cost of Gas	\$0.6984
Gas Assistance Plan	\$0.6984
C & I Cost of Gas Low Winter Use	\$0.6975
C & I Cost of Gas High Winter Use	\$0.6991

The 13th revised page 89 dated July 29, 2022 and effective August 1, 2022 referenced the following authorized summer 2022 cost of gas rates as approved by Commission Order 26,649.

Residential Cost of Gas	\$1.2295
Gas Assistance Plan	\$1.2295
C & I Cost of Gas Low Winter Use	\$1.2284
C & I Cost of Gas High Winter Use	\$1.2303

Review of Monthly Invoice/Documentation and General Ledger

Audit tested a total of fifteen invoices from May 2022-October 2022, verifying that the invoices reflected the payee and delivery location, monthly deferral account, the date of the actual delivery, the proper account number code, invoice amounts and the authorization initials. Audit verified the invoices to Schedule 2B Commodity and Demand costs.

Account Description	Vendor	Contract #	Month	Invoiced Amount
Demand Charges-Transportation	Portland Natural Gas	FT-1999-001	May-22	\$ 132,235
Supply Purchased	Vitol	Spot	May-22	\$ 2,381,484
Supply Purchased	DTE Energy	Spot	May-22	\$ 2,074,885
Demand Charges-Transportation	Tennessee Gas	2302	Jun-22	\$ 19,320
Supply Purchased	Direct Energy	Spot	Jun-22	\$ 358,183
Supply Purchased	DTE Energy	Spot	Jun-22	\$ 416,667
Demand Charges-Transportation	Iroquois Gas Transmission	R-470-01	Jul-22	\$ 21,189
Supply Purchased	Patriot Gas	Spot	Jul-22	\$ 231,600
Supply Purchased	Emera	Spot	Jul-22	\$ 100,998
Supply Purchased	DTE Energy	Spot	Aug-22	\$ 3,846,975
Supply Purchased	Patriot Gas	Spot	Aug-22	\$ 575,403
Supply Purchased	Ice Exchange	OTC Commission Expense	Aug-22	\$ 885
Supply Purchased	Vitol	Spot	Sep-22	\$ 3,786,613
Supply Purchased	BP Energy Canada	Spot	Sep-22	\$ 52,280
Supply Purchased	DTE Energy	Spot	Oct-22	\$ 3,773,121
Supply Purchased	Ice Exchange	OTC Commission Expense	Oct-22	\$ 885
			Total	\$ 17,772,723

Audit tied the monthly invoice listing to the general ledger accounts noted below for both Demand and Commodity charges with no material exception.

- 8840-2-0000-52-5541-8040 Natural Gas City Gate Purchases
- 8840-2-0000-52-5541-8041 Natural Gas Demand Charges-Transportation
- 8840-2-0000-52-5541-8042 Deferred Gas Costs

8840-2-0000-52-5541-8044 Natural Gas Capacity Release
8840-2-0000-52-5541-8045 Natural Gas Imbalances-Cashout
8840-2-0000-52-5543-8081 Natural Gas Withdrawn from Storage
8840-2-0000-52-5543-8082 Natural Gas Delivered to Storage

Summary of SAP

In October 2022 the Company transitioned to a new SAP Enterprise Resource Planning System that includes general ledger, billing system, and other internal Company systems. As a result of the new SAP system the Company now has new GL accounts for the all the cost of gas costs. The Company indicated they submitted a Tariff of the updated GL accounts to the PUC Tariff Administrator. The Company is waiting for approval of the tariff pages. A few of the EnergyNorth cost of gas accounts are summarized below:

The Chart below summarizes the SAP accounts that have been used since October 2022 compared to the prior Great Plains GL:

Transition From GP to SAP	Description	SAP GL Account
8840-2-0000-10-1163-1422	Deferred Working Capital - Winter	0L_3072_10168_130801_11142000
8840-2-0000-10-1163-1424	Deferred Working Capital - Summer	0L_3072_10168_130802_11142000
8840-2-0000-10-1163-1754	Deferred Bad Debt - Summer	0L_3072_10168_130803_11175000
8840-2-0000-10-1163-1755	Deferred Reserve EE	0L_3072_10168_130800_11175000
8840-2-0000-10-1163-1757	Deferred NHDAS Special Contract	0L_3072_10168_131600_11175000
8840-2-0000-10-1168-1420	Phased in Revenue	0L_3072_10168_131100_11142000
8840-2-0000-10-1168-1823	Deferral Decoupling Asset	0L_3072_10168_131200_11182300
8840-2-0000-10-1168-1828	Property Tax Adjustment Mechanism	0L_3072_10168_170700_11182300
8840-2-0000-10-1169-1756	Deferred RLIAP	0L_3072_10168_131100_11175000
8840-2-0000-10-1920-1740	R/A - COG Costs - Winter	0L_3072_10168_130800_11174000
8840-2-0000-10-1920-1741	R/A - COG Costs - Summer	0L_3072_10168_130800_11174000
8840-2-0000-10-1920-1743	Deferred Bad Debt - Winter	0L_3072_10168_130804_11174000
8840-2-0000-10-1920-1863	R/A-Environmental-Materials	0L_3072_10168_170700_11186000
8840-2-0000-10-1920-1864	R/A-Environmental-Purch Gas	0L_3072_10168_170700_11186000
8840-2-0000-10-1930-1745	Rate Case Recovery	0L_3072_10168_171200_11174000
8840-2-0000-20-2910-2542	Deferral Decoupling Liability	0L_3072_10168_241100_11254000
8840-2-0000-52-5541-8040	Natural Gas City Gate Purchases	0L_3072_10168_1016860100_521020_11804000
8840-2-0000-52-5541-8041	Natural Gas Demand Charges - Transportation	0L_3072_10168_1016860100_521030_11804100
8840-2-0000-52-5541-8042	Deferred Gas Costs	0L_3072_10168_1016860100_521040_11804000
8840-2-0000-52-5541-8044	Natural Gas Capacity Release	0L_3072_10168_1016860100_521060_11804000
8840-2-0000-52-5541-8045	Natural Gas Imbalances - Cashout	0L_3072_10168_1016860100_521070_11804000
8840-2-0000-52-5543-8081	Natural Gas Withdrawn from Storage	0L_3072_10168_1016860100_521180_11808100
8840-2-0000-52-5543-8082	Natural Gas Delivered to Storage	0L_3072_10168_1016860100_521190_11808200

Interest \$329,975

The originally reported interest expense of \$329,975 was reviewed by Audit. The monthly figures represent the calculation of the average monthly General Ledger balance * interest rate divided by twelve. The calculated monthly figure is then rolled into the beginning balance for the next month. EnergyNorth provided supporting documentation for the interest without exception. The Company used the Federal Reserve Prime Rate to

reflect the interest rate. Audit calculated an immaterial difference that was due to rounding.

<u>Month</u>	<u>Average Balance</u>	<u>Interest Rate</u>	<u># Days</u>	<u>Interest</u>
May-22	\$ 8,359,628	3.50%	31	\$ 24,850
Jun-22	\$ 10,223,084	4.00%	30	\$ 33,610
Jul-22	\$ 12,348,731	4.75%	31	\$ 49,818
Aug-22	\$ 14,749,649	5.50%	31	\$ 68,899
Sep-22	\$ 16,188,257	5.50%	30	\$ 73,180
Oct-22	\$ 14,999,033	6.25%	31	\$ 79,618
				<u>\$ 329,975</u>

Bad Debt \$828,471 Account 8840-2-0000-10-1163-1754

The October 2022 reconciliation of account 8840-2-0000-10-1163-1754 - Deferred Bad Debt Summer, for the period May – October 2022 is summarized below:

Beginning Balance 5/1/2022	\$597,731
CSM Billing Transactions	(\$71,400)
Mr. Occupant	0
Bad Debt Costs	215,243
Interest on Deferral	\$16,991
Carrying Charge Bad Debt Adjustment	0
1754 Balance 10/2022 (Over) Under	\$758,564
Filing variance Schedule 5 Page 4 Audit Issue #4	(\$2,103)
December 2022 adjusting entry Audit Issue #1	<u>(\$72,004)</u>
Adjusted 10/31/2022 GL balance	\$684,457

The Summary Page 1 of the filing shows the bad debt calculation with a beginning May 1, 2022 balance of \$597,731 and an ending over collection of \$828,471. The filing ending balance does not agree with the Summary SAP general ledger account 3072_10168_130803_11175000 \$756,467 ending October 2022 period balance. This is a \$70,007 difference that is due to customer billing charges and bad debt billed costs. **Audit Issue #4** The May-October 2022 \$160,831 GL account activity related primarily to interest expenses, carrying costs for bad, and CSM billing transactions.

The Company on off-peak-filing schedule 5 page 4 in December 2022 includes a \$72,004 bad debt cost adjustment. The Company provided the net (\$72,004) December 2022 month-end adjusting entry that was part of a larger \$26,448,446 entry that also included bad debt and working capital removing the deferred gas costs booked to the summer that should have been booked to the winter season. The adjusting entry was done on January 9, 2023 and moved (\$72,004) in deferred bad debt summer gas costs to the winter season:

Debit Winter bad debt deferral account # 3072_10168_130804_11174000 \$72,004

Credit Summer bad debt deferral account # 3072_10168_130803_11175000 \$(72,004).

Adjusting entries for the Deferred Winter and Summer Bad Debt						REGULATORY Acct Storage Injection Changes	
PK	Account	Account Short Text	Text	Amount			
40	130804	CRA Defers BD Wint	May 2022 Original	\$ 9,044.68		11174003	\$ 13,045.72
40	130804	CRA Defers BD Wint	May 2022 Correction	\$ 4,001.04		11174003	
50	130803	CRA Defers BD Summ	May 2022 Original		\$ (40,971.81)	11175002	\$ (13,045.72)
40	130803	CRA Defers BD Summ	May 2022 Correction	\$ 27,926.09		11175002	\$ -
		May 2022 corrected December 2022		\$ 40,971.81	\$ (40,971.81)		
40	130804	CRA Defers BD Wint	June 2022 Original	\$ 5,012.81		11174003	\$ 11,427.22
40	130804	CRA Defers BD Wint	June 2022 Correction	\$ 6,414.41		11174003	
50	130803	CRA Defers BD Summ	June 2022 Original		\$ (35,157.43)	11175002	\$ (11,427.22)
40	130803	CRA Defers BD Summ	June 2022 Correction	\$ 23,730.21		11175002	\$ -
		June 2022 corrected December 2022		\$ 35,157.43	\$ (35,157.43)		
40	130804	CRA Defers BD Wint	July 2022 Original	\$ 10,894.18		11174003	\$ 10,084.10
50	130804	CRA Defers BD Wint	July 2022 Correction		\$ (810.08)	11174003	
50	130803	CRA Defers BD Summ	July 2022 Original		\$ (28,766.67)	11175002	\$ (10,084.10)
40	130803	CRA Defers BD Summ	July 2022 Correction	\$ 18,682.57		11175002	\$ -
		July 2022 corrected December 2022		\$ 29,576.75	\$ (29,576.75)		
40	130804	CRA Defers BD Wint	Aug 2022 original	\$ 14,778.71		11174003	\$ 14,836.17
40	130804	CRA Defers BD Wint	Aug 2022 correction	\$ 57.46		11174003	
50	130803	CRA Defers BD Summ	Aug 2022 original		\$ (36,745.05)	11175002	\$ (14,836.17)
40	130803	CRA Defers BD Summ	Aug 2022 correction	\$ 21,908.88		11175002	\$ -
		August 2022 corrected December 2022		\$ 36,745.05	\$ (36,745.05)		
40	130804	CRA Defers BD Wint	Sept 2022 Original	\$ 9,412.85		11174003	\$ 14,759.28
40	130804	CRA Defers BD Wint	Sept 2022 Correction	\$ 5,346.43		11174003	
50	130803	CRA Defers BD Summ	Sept 2022 Original		\$ (37,369.15)	11175002	\$ (14,759.28)
40	130803	CRA Defers BD Summ	Sept 2022 Correction	\$ 22,609.87		11175002	\$ -
		September 2022 corrected December 2022		\$ 37,369.15	\$ (37,369.15)		
40	130804	CRA Defers BD Wint	Oct 2022 Original	\$ 2,723.77		11174003	\$ 7,851.49
40	130804	CRA Defers BD Wint	Oct 2022 Correction	\$ 5,127.72		11174003	
50	130803	CRA Defers BD Summ	Oct 2022 Original		\$ (36,233.12)	11175002	\$ (7,851.49)
40	130803	CRA Defers BD Summ	Oct 2022 Correction	\$ 28,381.63		11175002	\$ -
		October 2022 corrected December 2022		\$ 36,233.12	\$ (36,233.12)		
		TOTAL December 2022 Adjustment to Bad Debt for May through C		\$ 216,053.31	\$ (216,053.31)		
		Verification to the Winter and Summer accounts:					
		Total of 17 Debits to 40-Bad Debt					
		Total of 7 Credits to 50-Summer Bad Debt					
							\$ 72,003.98 Winter
							\$ (72,003.98) Summer

The Company should not have had to make such a large adjusting entry so late in the season. The (\$72,004) summer bad debt credit adjustment is a rather large adjusting entry and brings into question the accuracy of the calculations for the winter/summer seasons. **Audit Issue #1** On filing schedule 5 off-peak bad debt the Company debited the \$72,004 adjustment rather than a (\$72,004) credit. As a result, the net adjusted May-October 2022 bad debt costs are overstated reflecting a \$287,247 cost rather than \$143,239. This is a \$144,008 difference.

The Company on off peak schedule 5 billed \$73,498 in May-October 2022 bad debt costs. While on the deferral account they only billed \$71,400 in bad debt revenue. This is a \$2,098 difference. **Audit Issue #4** The Company As a result of this variance the over under balances on Off peak filing schedule 5 are inaccurate as well as any interest charges would need further adjustments. **Audit Issue #4**

Schedule 6 off peak bad debt reflects the calculation of the bad debt costs totaling \$111,825. There was no bad debt adjustment when there should have been on line 20.

Audit Issue #4 The filing indicates there was a bad debt rate of 0.00700 or 0.7%. The Company indicated the bad debt rate is correct per Tariff Page 17f.

The Company is currently using 0.7% on the bad debt collection for the monthly bad debt carrying charges. The Company explained that the bad debt collection rate was determined dividing the actual net write-offs of \$1,561,692 by total revenue of \$181,349,187 from May 2021 through April 2022. Audit recalculated the data provided by the Company and it complies with the 0.7% rate on page 17 of the Tariff.

Working Capital \$86,896 Account 8840-2-0000-10-1163-1424

The October 2022 reconciliation of account 8840-2-0000-10-1163-1424 - Working Capital Summer, reflects monthly running balances beginning in May 1, 2022. The summer period May 2022 – October 2022 is summarized below:

Beginning Balance 5/1/2022	\$27,633
Seasonal Movement Adjustment	0
Working Capital Off-Peak	60,070
Mr. Occupant	0
Interest	1,495
Collections	<u>(2,303)</u>
Total 10/31/22 (Over)/Under	\$86,896
December 2022 adjusting entry	(\$23,515)
Adjusted October 31, 2022 per GL	<u>\$63,381</u>
Rounding Error on filing Audit Issue #5	<u>\$38</u>
Adjusted October 31, 2022 filing ending Bal	\$63,343

The Summary Page 1 of the filing shows the Working Capital calculation with a beginning October 31, 2021 balance of \$25,064 and an ending under-collection of \$63,343 that was verified to the Working Capital account 8840-2-0000-10-11-1163-1424 for the ending October 2022 period balance. The \$2,569 activity in the account from October 2021 to April 2022 related primarily to interest expenses and CSM billing transactions.

Schedule 5 reflects the calculation of the working capital costs totaling \$36,555 as well as customer billings of (\$2,341). The Customer billing on the 1424 deferral account summed to (\$2,303). This is a difference of \$38. As a result, the over under balances were affected. **Audit Issue #5** The billings comply with Tariff Page 91 for the correct .0391 billing rate.

The Company on Off-peak-filing schedule 5 page 2 in December 2022 includes a (\$23,515) working capital adjustment. The Company provided the net (\$23,515) December 2022 month-end adjusting entry that was part of a larger \$26,448,446 entry that also included bad debt and working capital removing the deferred gas costs booked to the summer that should have been booked to the winter season. The adjusting entry

was done on January 9, 2023 and moved (\$23,515) in deferred working capital summer gas costs to the winter season:

Winter working capital deferral #3072_10168_130801_11142000 \$23,515
Summer working capital deferral #3072_10168_130802_11142000 (\$23,515)

Adjusting entries for the Deferred Winter and Summer Working Capital						REGULATORY Acct Storage Injection Changes	
PK	Account	Account Short Text	Text	Amount			
40	130801	CRA Defer WC Wint	May 2022 Original	\$ 2,953.81		11142004	\$ 4,260.47
40	130801	CRA Defer WC Wint	May 2022 Correction	\$ 1,306.66		11142004	
50	130802	CRA Defer WC Summ	May 2022 Original		\$ (11,676.61)	11142005	\$ (4,260.47)
40	130802	CRA Defer WC Summ	May 2022 Correction	\$ 7,416.14		11142005	
		May 2022 corrected December 2022		\$ 11,676.61	\$ (11,676.61)		\$ -
40	130801	CRA Defer WC Wint	June 2022 Original	\$ 1,637.08		11142004	\$ 3,731.90
40	130801	CRA Defer WC Wint	June 2022 Correction	\$ 2,094.82		11142004	
50	130802	CRA Defer WC Summ	June 2022 Original		\$ (9,777.75)	11142005	\$ (3,731.90)
40	130802	CRA Defer WC Summ	June 2022 Correction	\$ 6,045.85		11142005	\$ -
		June 2022 corrected December 2022		\$ 9,777.75	\$ (9,777.75)		\$ -
40	130801	CRA Defer WC Wint	July 2022 Original	\$ 3,557.82		11142004	\$ 3,293.26
50	130801	CRA Defer WC Wint	July 2022 Correction		\$ (264.56)	11142004	
50	130802	CRA Defer WC Summ	July 2022 Original		\$ (7,690.66)	11142005	\$ (3,293.26)
40	130802	CRA Defer WC Summ	July 2022 Correction	\$ 4,397.40		11142005	
		July 2022 corrected December 2022		\$ 7,955.22	\$ (7,955.22)		\$ -
40	130801	CRA Defer WC Wint	Aug 2022 original	\$ 4,826.42		11142004	\$ 4,845.18
40	130801	CRA Defer WC Wint	Aug 2022 correction	\$ 18.76		11142004	
50	130802	CRA Defer WC Summ	Aug 2022 original		\$ (10,296.23)	11142005	\$ (4,845.18)
40	130802	CRA Defer WC Summ	Aug 2022 correction	\$ 5,451.05		11142005	
		August 2022 corrected December 2022		\$ 10,296.23	\$ (10,296.23)		\$ -
40	130801	CRA Defer WC Wint	Sept 2022 Original	\$ 3,074.05		11142004	\$ 4,820.08
40	130801	CRA Defer WC Wint	Sept 2022 Correction	\$ 1,746.03		11142004	
50	130802	CRA Defer WC Summ	Sept 2022 Original		\$ (10,500.06)	11142005	\$ (4,820.08)
40	130802	CRA Defer WC Summ	Sept 2022 Correction	\$ 5,679.98		11142005	
		September 2022 corrected December 2022		\$ 10,500.06	\$ (10,500.06)		\$ -
40	130801	CRA Defer WC Wint	Oct 2022 Original	\$ 889.53		11142004	\$ 2,564.13
40	130801	CRA Defer WC Wint	Oct 2022 Correction	\$ 1,674.60		11142004	
50	130802	CRA Defer WC Summ	Oct 2022 Original		\$ (10,129.04)	11142005	\$ (2,564.13)
40	130802	CRA Defer WC Summ	Oct 2022 Correction	\$ 7,564.91		11142005	
		October 2022 corrected December 2022		\$ 10,129.04	\$ (10,129.04)		\$ -
		TOTAL December 2022 Adjustment to Working Capital for May th		\$ 60,334.91	\$ (60,334.91)		
		Verification to the Winter and Summer accounts:					
		Total of 17 Debits to 40-Winter Working Capital		\$ 60,334.91			\$ 23,515.02 Winter
		Total of 7 Credits to 50-Summer Working Capital			\$ (60,334.91)		\$ (23,515.02) Summer

The Company should not have had to make such a large adjusting entry so late in the season. The (\$23,515) summer working capital credit adjustment is a rather large adjusting entry and brings into question the accuracy of the calculations for the winter/summer seasons. **Audit Issue #1**

The Company is currently using .0391 for the working capital monthly cost of gas carrying charges approved by the Commission on page 17 of the Tariff section 16(f). The Company used the Commission approved interest rates in the Federal Reserve statistical rate.

Audit further reviewed the working capital deferral account roll forward reconciliation account 8840-2-0000-10-1163-1424 to Schedule 6 Off-Peak Bad Debt and Working Capital. The \$36,555 summer 2022 working capital costs in the deferral account were not able to be verified to the \$24,958 working capital costs on Schedule 6, Line 12. This is a \$11,597 difference. **Audit Issue #5**

The deferral account # 8840-2-0000-10-1163-1424 Deferred Summer Working Capital carrying costs were based on the monthly Commission Approved Federal Reserve Statistical rates. Original Tariff Page 91 approved in Commission Order 26,541 in DG 21-130. The Tariff Page 91 is the anticipated COG for the 2022 summer season. The (\$11,736) working capital adjustment on filing schedule 6-page 1 line 10 are the exact same figure as 2021. **Audit Issue #5**

SUMMARY

The Summary Page 1 of the filing does not accurately reflect a total under-collection of \$5,024,836. The Company had to perform a net (\$10,358,288) adjusting entry related commodity and demand costs, working capital, and bad debit, in addition to errors on the filing schedules related to bad debt, revenue, commodity costs, and working capital, bringing into question the validity and accuracy of the data prepared by the Company. **Audit Issue #1**

The Company has an issue with entering commodity cost related to broker cash outs on filing schedule 2B. **Audit Issue #2**

The Company did not fill out the total billed revenue column on filing schedule 3. **Audit Issue #3** The Company had a (\$5,639) difference between billed revenue and the billing reports. The Company in October 2022 transitioned to the SAP billing system that resulted in an unidentified number of customers not receiving bills. **Audit Issue #3**

The Company has several issues with Bad Debt that means summary page 1, filing schedule 5, and filing schedule 6 will need to be refiled. The Company has issues with the ending balance as the October 31, 2022 balances on the filing and GL are different. **Audit Issue #4** The Company on off peak schedule 5 billed \$73,498 in May-October 2022 bad debt costs, while on the bad debt deferral account they only billed \$71,400 in bad debt revenue. This is a \$2,098 difference. This also affects Summary Page 1. Because of this variance the ending balances on off peak filing schedule 5 are inaccurate as well as any interest charges would need further adjustments. **Audit Issue #4** Schedule 6 off peak bad debt reflects the calculation of the bad debt costs totaling \$111,825. There was no bad debt adjustment when there should have been on line 20. **Audit Issue #4**

The Company has several issues with Working Capital that means summary page 1, filing schedule 5, and filing schedule 6 will need to be refiled. Audit further reviewed the working capital deferral account roll forward reconciliation account 8840-2-0000-10-1163-1424 to Schedule 6 Off-Peak Bad Debt and Working Capital. The \$36,555 summer 2022 working capital costs in the deferral account were not able to be verified to the \$24,958 working capital costs on Schedule 6, Line 12. This is an \$11,597 difference. The (\$11,736) working capital adjustment on filing schedule 6-page 1 line 10 are the exact same figure as 2021. **Audit Issue #5**

The deferral account # 8840-2-0000-10-1163-1424 Deferred Summer Working Capital carrying costs were based on the monthly Commission approved Federal Reserve Statistical rates, verified to Original Tariff Page 91 approved in Commission Order 26,541 in DG 21-130. The Tariff Page 91 is the anticipated COG for the 2022 summer season.

Summer Deferral Account	Per Filing	Per Audit	Variance
Prior Summer Period Under-Collection 10/31/2021	\$ 8,665,170	\$ 8,665,170	\$ -
Prior Period Adjustment per Filing 11/1/2021-April 30,2022	\$ (1,711,318)	\$ (1,711,318)	\$ -
Prior Period Interest Adjustment per Filing 11/1/2021-April 30,20	\$ 128,738	\$ 128,738	\$ -
Adjusted Summer Period Beginning Balance	\$ 7,082,590	\$ 7,082,590	\$ -
Interest 5/1/22 through 10/31/2022	\$ 329,975	\$ 329,975	note
Total Gas Costs Allowed Per Filing	\$ 15,954,006	\$ 15,954,006	\$ -
Less: Cost of Gas Revenue Billed per Filing Audit Issue #3	\$ (19,233,549)	\$ (19,239,188)	\$ (5,639)
Summer Period Ending Balance October 31, 2022	\$ 4,133,022	\$ 4,127,383	\$ (5,639)

Note: The 1741 winter deferral account October 31, 2022 was a \$14,395,791 under-collection. The December 2022 net adjusting entry of (\$10,262,769) relating to summer deferral storage injection costs that should have been booked in the winter, netting to the \$4,133,022. This is discussed in **Audit Issue #1**.

The Summer Deferral account is overstated by (\$5,639) see **Audit Issue #3**

Bad Debt is overstated by \$141,910. Refer to **Audit Issue #4**

Bad Debt	Per Filing	Per Audit	Variance
Prior Period 10/31/2021 Under-Collection	\$ 464,841	\$ 464,841	\$ -
Prior Period Adjustment 11/1/2021-4/30/2022	\$ 132,891	\$ 132,891	\$ -
Interest 11/1/2021-4/30/2022	\$ (1)	\$ (1)	\$ -
Adjusted Beginning Balance 5/1/2022	\$ 597,731	\$ 597,731	\$ -
Bad Debt Costs per Filing Audit Issue #4	\$ (73,498)	\$ (71,400)	\$ 2,098
Bad Debt Billed Per Filing Audit Issue #4	\$ 287,247	\$ 143,239	\$ (144,008)
Interest Per Filing	\$ 16,991	\$ 16,991	note
Total Ending Under-Collection	\$ 828,471	\$ 686,561	\$ (141,910)

Working Capital is overstated by \$38. Refer to **Audit Issue #5**

Working Capital	Per Filing	Per Audit	Variance
Prior Period 10/31/2021 Under-Collection	\$ 25,064	\$ 25,064	\$ -
Prior Period Adjustment 11/1/2021-4/30/2022	\$ 2,125	\$ 2,125	\$ -
Interest 11/1/2021-4/30/2022	\$ 444	\$ 444	\$ -
Beginning Balance 5/1/2022	\$ 27,633	\$ 27,633	\$ -
Working Capital Costs Per Filing	\$ 60,070	\$ 60,070	\$ -
Working Capital Billed Per Filing Audit Issue #5	\$ (2,341)	\$ (2,303)	\$ 38
Interest	\$ 1,495	1495	note
October 2022 Ending Balance Filing Sch. 5 page 2	\$ 86,858	\$ 86,895	\$ 38
December 2022 Adjusting Entry	\$ (23,515)	\$ (23,515)	\$ -
October 2022 Working Capital Ending Balance	\$ 63,343	\$ 63,380	\$ 38

	Per Filing	Per Audit	Variance
Total October 31, 2022 summer ending balance per Audit	\$ 5,024,836	\$ 4,877,324	\$ (147,549)

Audit recommends a \$4,877,324 October 31, 2022 under-collection ending balance that includes the summer deferral account, bad debt, and working capital account:

Audit Issue #1

August 2022 and December 2022 Large Adjusting Entries

Background

The Company in December 2022 performed a large adjusting entry that removed deferred gas costs booked to the summer period that should have been booked to the winter season deferral account. The Company also had to perform an August 2022 adjusting entry to correct a March 2022 coding error.

Issue

Audit reviewed the net 1741 summer deferral account (\$10,262,769) December 2022 month-end adjusting entry that was part of a larger \$26,448,446 entry that also included net (\$72,004) bad debt and net (\$23,515) working capital adjusting entries removing the deferred gas costs booked to the summer that should have been booked to the winter season. The adjusting entry was done on January 9, 2023 and moved the net (\$10,358,288) in deferred summer gas costs to the winter season. This is the second year in a row the Company had to make a multimillion-dollar adjustment, impacting every month's entries throughout the summer season. A (\$2,143,613) adjustment was done in January 2022, identified in the summer 2021 summer cost of gas audit report. The Company should not have to make such a large adjusting entry so late in the year, as December is well after the end of the summer cost of gas season.

The large December 2022 adjusting entry reduced the summer 2022 gas costs to \$15,954,006. The Company should wait until year-end to perform such a large adjusting entry as it brings into question the accuracy of the calculations and any interest on the deferral account that would have arisen because of the adjusting entry.

The Company performed a \$8,360,803 March 2022 GL entry that booked costs to the 8040 City Gate Purchases account rather than the 8042 deferred gas costs account. The original March 31, 2022 entry debited the 1740 winter deferral account for \$8,360,803 and credited the 5541-8040 Natural Gas City Gate purchases for the same amount. The Company provided the August 2022 reversal of the March 2022 coding error adjusting entry that debited the 8840-2-0000-52-5541-8040 account for \$8,360,803 and credited the 8840-2-0000-52-5541-8042 deferred gas costs account for the same amount. The Company should not have had to wait five months to perform such a large adjusting entry in August 2022.

Recommendation

Going forward, the Company must pay closer attention to the cost of gas allocation for the summer and winter seasons, so the costs are more accurately reflected in the deferral accounts, bad debt, and working capital accounts.

Company Response

The Company recognizes the importance of accuracy in the calculations of the cost of gas. While it is unfortunate the Company had to make these adjustments, they were necessary to ensure that the calculations are using the correct costs from the correct period to provide an accurate reflection in the deferral accounts, bad debt, and working capital accounts.

Audit Response

Audit appreciates the response by the Company. Audit concurs with the Company that the adjusting entries were necessary and reiterates that going forward all filing schedules are filing accurately with the Commission.

Audit Issue #2

Incorrect Gas Costs on Filing

Background

The Company on Filing Schedule 2B of the reconciliation had variances in gas costs.

Issue

The Company on line 167 total column of filing schedule 2B indicates there is \$63,060 in Broker Cash out costs rather than the correct (\$40,913) figure. The \$63,060 figure is from 2021. As a result of this error, line 175 total commodity cost on filing schedule 2B shows \$13,888,843 but should be \$13,784,869.

Recommendation

The Company should refile the filing schedule 2B, so the Commodity detail costs are accurately reflected.

Company Response

The Company corrected line 167 schedule 2B. The error arose from a hard coded figure imputed in the Total column while it should have reflected a sum for the months May 2022 through October 2022. The Company notes the correct amounts were imputed for the time in the given columns and the Total commodity costs, line 175, has been updated to reflect \$13,784,869. Please refer to the revised Summer 2022 Cost of Gas reconciliation file provided with the Company's response to this audit report.

Audit Response

Audit appreciates the response by the Company. Audit has reviewed line 67 of the proposed Revised Schedule 2B that was sent in the response, but notes that the revised filing has not yet been filed with the Commission. Audit concurs with the revised filing Schedule 2B line 67 and recommends that the revised schedule be officially filed with the PUC and DoE.

Audit Issue #3

Billed Revenues

Background

The Company on filing schedule 3 did not accurately complete the filing schedules and there was a variance in billed revenue.

Issue

Audit reviewed the billed therms on Filing Schedule 3 for May-October 2022 that summed to 37,766,899 therms. The Company on filing schedule 3 did not fill in the total therms billed column for residential and commercial/industrial customers.

Audit reviewed the \$12,250,207 May-October 2022 billed revenue on Filing Schedule 3 and the deferral account to the billing reports that summed to \$12,244,568. This is a (\$5,639) differences that was due to summer adjustments from prior period years and supply billed rate for cycle 19.

For the month of October 2022, the Company booked \$3,459,046 in unbilled revenue while the Company booked billed \$3,455,959 in October revenue. This is a \$3,087 difference. The Company indicated the verification process is still the same with the implementation of SAP, although billing delays were experienced during the conversion. The billing delays were captured within the unbilled calculation which is why it is higher. There were also an unidentified number of customers who did not receive a bill during this conversion. The Company indicated they are working on making sure all customers are receiving bills.

Recommendation

The Company should refile filing schedule 3 with the accurate 37,766,899 in total billed therm volume and going forward should make sure prior summer period adjustments from prior years and the billing cycle 19 adjustment are excluded/adjusted in billed revenue in the cost of gas filing.

Going forward the Company should make sure all revenue/unbilled revenue amounts are accurately reflected and all customers are receiving bills since the conversion to SAP.

Company Response

The Company will refile Schedule 3 with accurate total billed therm volume. Please refer to the revised Summer 2022 Cost of Gas reconciliation file provided with the Company's response to this audit report.

Audit Response

Audit appreciates the response by the Company. Audit has reviewed the proposed revised filing schedule 3 that was provided in the Company response that now indicates the detailed billed therm volumes. The revised filing schedule 3 has not yet been filed with the Commission but must be.

Audit Issue #4

Bad Debt

Background

The Company, on Filing Schedules Summary Page 1, 5 and 6, included incorrect information when comparing the general ledger accounts for deferred bad debt.

Issue

The Summary Page 1 of the filing shows an October 31, 2022 ending over collection of \$828,471. The filing ending balance does not agree with the Summary SAP General Ledger account 3072_10168_130803_11175000 \$756,467 ending October 2022 period balance. This is a \$70,007 difference due to customer billing charges, bad debt billed costs, expenses, carrying costs for bad debt, and CSM billing transactions.

The Company made a December 2022 (\$72,004) summer bad debt credit adjustment to the bad debt deferral account. On filing schedule 5 Off-Peak bad debt the Company debited the \$72,004 adjustment rather than a (\$72,004) credit. As a result, the net adjusted May-October 2022 bad debt costs are overstated reflecting a \$287,247 cost rather than \$143,239. This is a \$144,008 difference. This balance also carries over to Summary Page 1.

The Company on off peak schedule 5 billed \$73,498 in May-October 2022 bad debt costs, while on the bad debt deferral account they only billed \$71,400 in bad debt revenue. This is a \$2,098 difference. This also affects Summary Page 1. Because of this variance the balances on off peak filing schedule 5 are inaccurate as well as any interest charges would need further adjustments.

Schedule 6 off peak bad debt reflects the calculation of the bad debt costs totaling \$111,825. There was no bad debt adjustment when there should have been on line 20.

Recommendation

The Company should refile Schedules Summary Page 1, 5, and 6 filed with the Commission to reflect the bad debt/ working capital charges for the summer 2022 season accurately. Going forward, the bad debt filing schedules should be correctly filed with the Commission.

Company Response

The Company adjusted Schedule 5 Off-peak bad debt to reflect a (\$72,004) credit as opposed to debit of \$72,004, the May 2022 through October 2022 bad debt cost now reflect a total of \$143,239. The difference of \$2,098 in the bad debt deferral account is attributable to a correction made for the October 2022 customer billings. At the time of

the preparation of the reconciliation, a reversal was needed for a prior month accrual rebooked in December 22 to the correct amount. The amount reflected in the filing, Schedule 5 for October 2022 off-peak bad debt, is (\$17,563.95), the corrected bad debt amount should be (\$15,466.25). The correction is reflected in the updated Schedule 5, along with the adjustment for the credit of (\$72,004).

Schedule 6 off-peak bad debt has been updated to reflect the bad debt adjustment in line 20.

Please refer to the revised Summer 2022 Cost of Gas reconciliation file provided with the Company's response to this audit report.

Audit Response

Audit appreciates the response by the Company. Audit has reviewed the proposed revised filing schedules 5 and 6 that were provided in the response from the Company and concurs with the bad debt adjustments on the filing schedules. Audit notes these filing schedules have not yet been filed with the Commission but must be.

Audit Issue #5

Working Capital

Background

The Company, on Filing Schedules Summary Page 1, 5, and 6, included incorrect information when comparing the general ledger accounts for working capital.

Issue

Schedule 5 reflects the calculation of the working capital costs totaling \$36,555 as well as customer billings of (\$2,341). The Customer billings on the 1424 deferral account summed to (\$2,303). This is a difference of \$38. As a result, the over under balances were affected.

Audit further reviewed the working capital deferral account roll forward reconciliation account 8840-2-0000-10-1163-1424 to Schedule 6 Off-Peak Bad Debt and Working Capital. The \$36,555 summer 2022 working capital costs in the deferral account were not able to be verified to the \$24,958 working capital costs on Schedule 6, Line 12. This is a \$11,597 difference. The (\$11,736) working capital adjustment on filing schedule 6-page 1 line 10 are the exact same figure as 2021.

The deferral account # 8840-2-0000-10-1163-1424 Deferred Summer Working Capital carrying costs were based on the monthly Commission approved Federal Reserve Statistical rates, seen on the Original Tariff Page 91 approved in Commission Order 26,541 in DG 21-130. The Tariff Page 91 is the anticipated COG for the 2022 summer season. The (\$11,736) working capital adjustment on filing schedule 6-page 1 line 10 are the exact same figure as 2021.

Recommendation

The Company should refile Schedules Summary Page 1, 5, and 6 with the Commission to reflect the working capital charges for the summer 2022 season accurately. Going forward, the bad debt filing schedules should be correctly filed with the Commission.

Company Response

The October correction discussed in Audit issue #4 was also made to the working capital deferral account. The corrected customer billings for October 2022 should be (\$577.36), a \$38 difference from the filed (\$615.08). This adjustment is reflected in the updated Schedule 6.

Schedule 6 Off-peak bad debt and working capital have been updated to reflect the 2022 experience. The Total working capital costs for the period May 2022 through October 2022 was \$60,070.34.

Please refer to the revised Summer 2022 Cost of Gas reconciliation file provided with the Company's response to this audit report.

Audit Response

Audit appreciates the response by the Company. Audit has reviewed the proposed revised filing schedules 5 and 6 that were provided in the response by the Company and concurs with the working capital adjustments on the filing schedules. Audit notes these filing schedules have not yet been filed with the Commission but must be.