Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 22-057

Winter 2022/2023 Cost of Gas

Department of Energy Technical Session Data Requests –Set 1

Date Request Received: 10/12/22 Date of Response: 10/24/22
Request No. DOE TS 1-1 Respondent: James King

REQUEST:

Reference: Liberty-Keene's Response to DOE DR 1-3; Liberty-Keene Winter 2022-23 COG (filed Sept. 15, 2022) as updated October 7, 2022 hereinafter "COG filing" unless otherwise stated; Schedules B, N, O and P; Settlement Agreement in Docket No. DG 20-105, Bates 13-14 and Appendix 4 and 5.

Please review Testimony at Bates 07 which states, "*Prior winter period incremental costs are included at a rate of 50% for the winter of 2019/2020 and winter of 2020/21, per Section 7.1 of the Settlement Agreement in Docket No. DG 20-105. The calculation can be found on Schedule O. Projected savings for winter 2021/2022 of $37,737 are included at 100% because that amount does not exceed the 50% of accumulated incremental CNG costs from prior periods. . . . The net incremental costs included in this filing are $60,995. These items can be found on Schedule B, line 13*."

Please reply and update related testimony as needed:

a. Please confirm that Schedule O shows actual incremental CNG supply costs for Winter 2021-22 in the amount of $121,989 of which Liberty initially asserted 50%, or $60,995 is subject to recovery, and as of the technical session sought to recover in full. Please explain why the amount of $121,989 does not appear in Schedule O filed on October 7, 2022.

b. Please explain which "signs on [Schedule B] line 13" were "reversed" per Liberty's response to DOE DR 1-3. Please explain why the Company initially made Line 13 a cost and line 14 a credit. Should line 14 match line 13; if not, why not? It appears in the October 7, 2022 filing, line 13 is again a cost and line 14 is a credit.

c. Please expand Schedule O to show, calculation by calculation, the cumulative history by Season from 2019 to the present for actual "accumulated incremental CNG costs from prior periods." *See* Testimony Bates 07 (September 15, 2022). Please include underlying computations and excel spreadsheets if any. Please provide a narrative description of how the chart provided in response to DOE DR 1-3 resulted in the chart provided as schedule O (filed October 7, 2022). How did Liberty use the figures "Amount

($121,989)" credit and 50% Recovery ($60,995)" as filed in response to DOE DR 1-3 to result in what is identified in the October 7, 2022 filing as a charge of $39, 489?

d. Please identify the dockets, Company schedules and PUC Orders that Liberty seems to assert resulted in "zeroing out" any "accumulated incremental CNG costs from prior periods."

e. What does Liberty assert is the current balance of "accumulated incremental CNG costs from prior periods" as of October 12, 2022 and why? Please show historical calculations with reference to the settlement in Docket No. DG 20-105 and Appendix 4 and 5.

f. Please explain how Liberty calculated Line 14 on Schedule B (October 7, 2022).

RESPONSE:

Please see Confidential Attachment DOE TS 1-1 for a redlined version of the updated testimony of Heather Tebbetts to reflect the October 7, 2022, filing.

a. During a review of the October 7, 2022, update filing the Company realized an error in the calculation of the 2021–2022 incremental CNG supply costs. In the September 15, 2022, filing, Schedule P, the Company incorrectly used the figure "Cost – CNG" instead of "Total CNG" from the "C-Pricing 2021" tab to calculate the "CNG Cost Per Therm Actual." This error increased the price differential between CNG and propane leading to a $121,989 incremental difference with CNG costs being less than propane costs for the winter 2021–2022 period. The October 7, 2022, filing correctly calculates the incremental CNG savings for the winter 2021–2022 period of $39,489.

b. In the response to DOE 1-3, part d, the Company identified that line 13 should be reflected as a refund (negative sign) to customers and line 14 should be reflected as a collection (positive sign) from customers. Line 13 is the refund to customers for the 50% penalty related to 50% of the higher CNG cost as compared to propane. Line 14 is the allowed collection from customers for the savings associated with lower CNG costs as compared to propane.

   In DG 21-132, in the winter 2020–2021 period, the cost of CNG was higher than propane by $44,016. Therefore, the Company is penalized by 50% of the higher cost and not allowed to collect 50% of the incremental cost, or $22,008. This is applied as a credit against the cost of gas in the amount of half of the incremental cost. This is shown on Schedule B, line 13, and Schedule O of the October 18, 2021, filing.

   In DG 22-057, in the winter 2021–2022 period, the cost of CNG was lower than propane by $39,489. Therefore, the Company can collect up to the amount previously deferred and not collected. For the 2019–2020 period, $66,299 was deferred and for the 2020–2021 period, $22,008 was deferred for a total of $88,243. Therefore, the Company can collect from customers the maximum amount of savings in the period, or $39,489. The remaining $48,754 ($88,243 - $39,489) is tracked and used for comparison in a future period. This is shown on Schedule B, line 13, and Schedule O of the October 7, 2022, filing.

Docket No. DG 22-057 Request No. DOE TS 1-1

c. Please see Attachment DOE TS 1-1.c.xlsx. The table represents the cumulative history of the winter season incremental CNG costs for October 2019 through the present. During winter 2019–2020 propane was cheaper than CNG. The incremental costs for this period were $132,469, with 50% of that amount, or $66,235, deferred as the Company is allowed to recover one-half of the incrementally higher CNG supply costs as compared to the propane supply cost. Per the settlement agreement, the Company charged $66,299. During the winter 2020–2021 propane was again cheaper than CNG. The incremental costs for this period were $44,016. Of that amount, the Company is allowed to recover $22,008 with $22,008 deferred. At the end of this period, the incremental cost not recovered balance is $88,243. During the winter 2021–2022 CNG was cheaper than propane. In this situation the Company recovers and retains the full amount of the incrementally lower CNG supply cost up to the amount of the incrementally higher CNG costs accrued since the commencement of CNG service, which has not been recovered from customers. The incremental cost savings for this period is $39,489, which is less than the $88,243 that has not yet been recovered from customers, therefore the Company is allowed to recover the full amount of $39,489. At the end of this period, the incremental cost not recovered balance is $48,754 ($88,243-$39,489). Looking forward to the proposed winter 2022–2023 period, propane is back to being cheaper than CNG. The incremental costs for this period are $66,401, $33,201 or 50% of cost which are recoverable and $33,201 deferred. Actuals for this period will be reconciled, but this represents an illustrative amount that has yet to be recovered from customers of $81,945.

d. Section 7.1 of the Settlement Agreement in DG 20-105 describes how the Keene Cost of Gas is to be calculated. “If the CNG supply cost is lower than the propane supply cost, the Company shall recover and retain the full amount of the incrementally lower CNG supply cost up to the amount of incrementally higher CNG costs accrued since the commencement of CNG service, which have not then been recovered from customers, at which point the Company shall recover and retain one-half of the incrementally lower CNG supply costs.”

   The ”zeroing out” would apply when the savings during any given period is more than the accumulated incremental costs not allowed for recovery. This is based on the language from the settlement agreement described above.

   During the winters of 2019–2020 and 2020–2021, the Company accrued an incremental cost not recovered balance of $66,235 and $22,008, respectively, associated with the 50% incremental costs not recovered as propane was cheaper than CNG in these periods. In the winter 2021–2022 period, the costs for CNG were cheaper than propane. As shown on line 13, the incremental savings is $39,489, but the balance of the amount of incremental costs not recovered/deferred is $88,243. Therefore, the Company can recover $39,489 through the COG.

e. Please see Attachment DOE TS 1-1.c.xlsx. As of October 12, 2022, the Company’s accumulated incremental CNG costs from prior periods are $48,745 as shown on line 7, column (e) in the attachment. The Company‘s actual accumulated incremental costs not recovered from customers for the winter periods 2019–2020 and 2020–2021 is $88,243. In the winter period 2021–2022, the Company is allowed to recover and retain the full amount of the incrementally lower CNG supply costs, $39,489, which offsets the accumulated total to arrive at the current total of $48,745 if approved by the Commission.

Docket No. DG 22-057 Request No. DOE TS 1-1

f. The calculation of the $33,201 shown on Schedule B, line 14, is shown on Schedule N, lines 19–24. The incremental cost of propane as compared to CNG is $66,401. Fifty percent of that amount is allowed for recovery, the remaining fifty percent is applied as a reduction to the cost of gas.

Confidential Attachment DOE TS 1-1 contains pricing and other information that is "confidential, commercial, or financial information" that is protected from disclosure by RSA 91-A:5, IV, and presumed to be confidential in cost of gas proceedings pursuant to Puc 201.06(a)(11). Therefore, pursuant to that statute and Puc 203.08(d) and Puc 201.01.06(a)(11)(g) (protecting "responses to data requests related to a. through f. above"), the Company has a good faith basis to seek confidential treatment of this information and asserts confidentiality pursuant to those rules.

REDACTED

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DG 22-~~XXX~~057

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division
Winter 2022/2023 Cost of Gas

DIRECT TESTIMONY

OF

DEBORAH M. GILBERTSON

AND

HEATHER M. TEBBETTS

~~September~~ October ~~15~~7, 2022

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I. INTRODUCTION

Q. Please state your full name, business address, and position.

A. (DG) My name is Deborah M. Gilbertson. My business address is 15 Buttrick Road, Londonderry, New Hampshire. My title is Senior Manager, Energy Procurement.

(HT) My name is Heather M. Tebbetts. My business address is 15 Buttrick Road, Londonderry, New Hampshire. My title is Director, Business Development.

Q. By whom are you employed?

A. We are employed by Liberty Utilities Service Corp. ("LUSC"). LUSC provides local utility management, shared services, and support to Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty ("Liberty" or "the Company") and its regulated water, wastewater, natural gas, and electric utility affiliates.

Q. On whose behalf are you testifying?

A. We are testifying on behalf of Liberty's Keene Division.

Q. Ms. Gilbertson, please summarize your educational background and your business and professional experience.

A. I graduated from Bentley College in Waltham, Massachusetts, in 1996 with a Bachelor of Science in Management. In 1997, I was hired by Texas Ohio Gas where I was employed as a Transportation Analyst. In 1999, I joined Reliant Energy, located in Burlington, Massachusetts, as an Operations Analyst. From 2000 to 2003, I was employed by Smart Energy as a Sr. Energy Analyst. In 2004, I joined Keyspan Energy Trading as a Sr. Resource Management Analyst, and from 2008 to 2011, I was employed by National

Grid as a Lead Analyst in the Project Management Office. In 2011, I was hired by LUSC as a Natural Gas Scheduler and was promoted to Manager of Retail Choice in 2012. In 2016, I was promoted to Sr. Manager of Energy Procurement. In this capacity, I provide gas procurement services to Liberty.

Q. Have you previously testified in regulatory proceedings before the New Hampshire Public Utilities Commission (the "Commission")?

A. Yes, I have.

Q. Ms. Tebbetts, please describe your educational background and your business and professional experience.

A. I graduated from Franklin Pierce University in 2004 with a Bachelor of Science degree in Finance. I received a Master's of Business Administration from Southern New Hampshire University in 2007. I joined Liberty in October 2014. Prior to my employment at Liberty, I was employed by PSNH as a Senior Analyst in NH Revenue Requirements from 2010 to 2014. Prior to my position in NH Revenue Requirements, I was a Staff Accountant in PSNH's Property Tax group from 2007 to 2010 and a Customer Service Representative III in PSNH's Customer Service Department from 2004 to 2007.

Q. Have you previously testified in regulatory proceedings before the Commission?

A. Yes, I have.

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to explain the Company's proposed cost of gas rates for its Keene Division for the 2022/2023 winter (peak) period to be effective beginning on November 1, 2022. Our testimony will also address bill comparisons and other items related to the winter period.

II. WINTER 2022/2023 COST OF GAS FACTOR

Q. What is the proposed firm winter cost of gas rate?

A. The Company proposes a firm cost of gas rate of $~~2.2194~~2.1216 per therm for the Keene Division as shown on Eighth Revised Page 97.

Q. Please explain the calculation of the Cost of Gas rate on tariff page Eighth Revised Page 97.

A. Eighth Revised Page 97 contains the calculation of the 2022/2023 Winter Period Cost of Gas Rate ("COG") and summarizes the Company's forecast of propane and compressed natural gas ("CNG") sales and propane and CNG costs. The total anticipated cost of the gas sendout from November 1, 2022, through April 30, 2023, is $~~2,301,888~~2,191,846. The information presented on the tariff page is supported by Schedules A through J which are described later in this testimony.

To derive the Total Anticipated Cost of Gas, the following adjustments have been made:

1) The prior period under-collection of $192,310 is added ~~from~~ to the anticipated cost of gas sendout; and

2) Interest of $3,065 is added to the anticipated cost of gas sendout for the period of May 2022 through October 2022. Schedule H shows this forecasted interest calculation for the period May 2022 through April 2023. Interest is accrued using the monthly prime lending rate as reported by the Federal Reserve Statistical Release of Selected Interest Rates.

The Non-Fixed Price Option ("Non-FPO") cost of gas rate of $~~2.2194~~2.1216 per therm was calculated by dividing the Total Anticipated Cost of Gas of $~~2,301,888~~2,387,221 by the Projected Gas Sales of 1,25,173 therms. The Fixed Price Option ("FPO") rate of $2.2394 per therm was established in the initial September 15, 2022, filing by adding a $0.02 per therm premium to the Non-FPO rate of $2.2194 per therm calculated at that time.

Q. Please describe Schedule A.

A. Schedule A converts the gas volumes and unit costs from gallons to therms. The 1,195,022 therms represent sendout as detailed on Schedule B, line 3 and line 9. The blended unit cost of those supplies is $[redacted] per therm which represents the weighted average cost per therm for the winter period gas sendout as detailed on Schedule F, line 55.

Q. What is Schedule B?

A. Schedule B presents the anticipated (over)/under collection calculation for the winter 2022/2023 period based on the forecasted volumes, the cost of gas, and applicable interest amounts. The forecasted total propane sendout on line 3, plus total CNG sendout

on line 9, is the sum of the weather normalized 2022/2023 winter period firm sendout and company use. The forecasted Firm Sales on line 1 represent weather normalized 2022/2023 winter period firm sales. The weather normalization calculations for sendout and sales are found in Schedules I and J, respectively.

Q. Are CNG demand charges included in this filing?

A. Yes, CNG demand charges are included in Schedule B on line 12.

Schedule B, line 12, includes 75% of the 2022/2023 demand charges. These charges are [redacted] per month or [redacted] for the season and represent the portion attributable to the winter period.

Q. Are incremental costs for prior winter periods related to the use of CNG vs. propane included in this filing?

A. Yes, prior winter period incremental costs are included at a rate of 50% for the winter of 2019/2020 and winter of 2020/2021, per Section 7.1 of the Settlement Agreement in Docket No. DG 20-105. The calculation can be found on Schedule O. Projected savings for winter 2021/2022 of $~~37,737~~39,489 are included at 100% because that amount does not exceed the 50% of accumulated incremental CNG costs from prior periods.

Q. What prior incremental costs are included in this filing?

A. The net incremental costs included in this filing are $~~60,995~~39,489. These items can be found on Schedule B, line 13.

Q. Are unaccounted-for gas volumes included in the filing?

A. Unaccounted-for gas is included in the firm sendout on Schedule B, lines 1 and 9. The Company actively monitors its level of unaccounted-for volumes, which amounted to 2.11% for the twelve months ended June 30, 2022.

Q. Please describe Schedules C, D, and E.

A. Schedule C presents the calculation of the total forecasted cost of gas purchases in the 2022/2023 winter period, segregated by Propane Purchasing Stabilization Plan ("PPSP") purchases, available storage deliveries from Liberty's Amherst facility, CNG deliveries, and spot purchases.

Schedule D presents the structure of PPSP pre-purchases for the winter period, monthly average rates for the pre-purchases, and the resulting weighted average contract price for the winter period as used in Schedule C, line 5.

Schedule E presents the forecasted market spot prices of propane. Column 1 of the Schedule represents the Mont Belvieu propane futures quotations as of August 25, 2022, followed by projected broker fees, pipeline fees, PERC fees, supplier charges, and trucking charges. Together, the pricing and fees make up the expected cost of spot propane purchases as represented in Schedule C, line 32.

Q. Please describe the Propane Purchasing Stabilization Plan (PPSP).

A. The PPSP, as approved in Order No. 24,617 in Docket No. DG 06-037, was again implemented for the winter of 2022/2023. As shown on Schedule D, the Company pre-purchased 700,000 gallons of propane between April and September at a weighted

average price of $1.5099 per gallon ($1.6501 per therm), inclusive of broker, pipeline, Propane Education & Research Council ("PERC"), and trucking charges in effect at the time of the supplier's bid.

Q. Have the pre-purchased volumes in the PPSP changed since 2021/2022?

A. No. The volume remains at 700,000 gallons or 640,500 therms. The Keene Division maintains a pre-purchase hedge of approximately 65%.

Q. How was the cost of CNG purchases determined?

A. The CNG costs are shown in Schedule C, lines 20 through 27. These costs reflect the contractual agreement between the Company and its supplier, Xpress Natural Gas, LLC.

Q. Please describe Schedule F.

A. Schedule F contains the calculation of the weighted average cost of inventory for each month through April 2023. The unit cost of projected gas to be sent out each month utilizes this weighted average inventory cost, which is inclusive of all PPSP purchases, spot purchases, Amherst storage withdrawals, and CNG deliveries. Note that the CNG deliveries are shown in separate columns from the propane-weighted cost but are included in the average winter rate, which is established on line 55 of Schedule F. This mix of supply purchases is also itemized on Schedule C.

Q. What is shown on Schedule G?

A. Schedule G shows the under-collected balance for the prior winter 2021/2022 period, including interest calculated in a manner consistent with prior years. The under-collected balance of $67,057 is shown on line 52.

Q. How is the information in Schedule H represented in the cost of gas calculation?

A. Schedule H presents the interest calculation and adjustments on (over)/under-collected balances through April 2022. The prior period under-collection of $223,755 plus the adjustments total $192,310, the anticipated balance on October 31, 2022, plus interest of $3,065, for a total under-collection from winter 2021/2022 of $195,375.

III. FIXED PRICE OPTION PROGRAM

Q. Please describe the FPO program that will be in place for the winter period.

A. The Company will offer the FPO program for the upcoming winter period to provide customers the opportunity to lock in their cost of gas rate. Enrollment in the program is limited to 50% of forecasted winter sales, with allotments made available to both residential and commercial customers on a first-come, first-served basis. The Company is forecasting that 12.4% of total sales volumes will enroll in the FPO program. The 12.4% is the five-year average FPO participation rate from winter 2016/2017 through the winter of 2020/2021.

Q. Will a premium be applied to the FPO rate?

A. Yes. As approved in Order No. 24,516 in Docket No. DG 05-144, the Company has added a $0.02 per therm premium to the $2.2194 per therm Non-FPO cost of gas rate calculated as part of the initial September 15, 2022, filing, to derive the FPO rate of $2.2394 per therm.

Q. How will customers be notified of the availability of the FPO program?

A. A letter will be mailed to all customers by October 1 advising them of the program, the FPO rate, and the procedure to enroll.

IV. COST OF GAS RATE AND BILL COMPARISONS

Q. How do the proposed Winter 2022/2023 cost of gas rates compare with the previous winter's rates?

A. The proposed Non-FPO COG rate of $~~2.2194~~2.1216 per therm is an increase of $~~0.3453~~0.2475 per therm or ~~18~~12% from the winter 2021/2022 approved rate of $1.8741 per therm, in Docket No. DG 21-132, which approved interim Cost of Gas rates.

The proposed FPO rate is $2.2394 per therm, representing an increase of $0.3453 per therm or 18% from last winter's interim fixed rate of $1.8941 per therm.

Q. What are the primary reasons for the change in rates?

A. The main reason for the $~~0.3453~~0.2475 per therm increase is due to the increase in supply costs because of market futures.

Q. What is the impact of the Winter 2022/2023 COG rate on the typical residential heat and hot water customer participating in the FPO program?

A. As shown on Schedule K-1, Column 7, lines ~~33~~ 24 and ~~34~~25, the typical residential heat and hot water FPO customer would experience an increase of $154.37 or 18.2% in the gas component of their bills compared to the prior winter period.

Q. What is the impact of the Winter 2022/2023 COG rate on the typical residential heat and hot water customer choosing the Non-FPO program?

A. As shown on Schedule K-2, Column 7, lines ~~30~~ 31 and ~~31~~32, the typical residential heat and hot water Non-FPO customer is projected to see an increase of $~~110.14~~66.41 or ~~12~~7.5% in the gas component of their bills compared to the prior winter period.

Q. Please describe the impact of the Winter 2022/2023 COG rate on the typical commercial customer compared to the prior winter period.

A. Schedule L-1 illustrates that the typical commercial FPO customer would see a $594.27 or 18.2% increase in the gas component of their bill and a 13.5% increase in their total bill. Schedule L-2 shows that the typical commercial Non-FPO customer would see increases of $590.65 or an 18.3% increase in the gas component of their bill and a 13.5% increase in their total bill.

V. OTHER ITEMS

Q. What is the status of CNG currently?

A. The Company began serving customers with CNG in October 2019. Customers experienced a smooth transition from propane service to CNG service. The service territory for CNG is exclusive to the Monadnock Marketplace and several customers on Key Road at this time. After an RFP process, the Company entered into a new contract with Xpress Natural Gas (XNG), which went into effect July 1, 2021. The Company will otherwise follow the guidelines from the most recent rate case settlement and order to continue the conversion of the Keene Division to natural gas.

Q. What is the price differential between the cost of spot propane and the cost of CNG?

A. For the upcoming peak period, spot propane is [redacted] cents per therm less expensive than CNG. The calculation is Spot Purchases cost per therm found on Schedule C, line 31 less the CNG Deliveries cost per therm found on Schedule C, line 24.

Q. Does that comparison include the CNG demand charge?

A. Yes.

Q. Has there been any change to the allocation of the demand charge between the summer and winter as compared to last year?

A. No, the Company has allocated 75% of the demand charge to the winter period, and 25% of the demand charge to the summer period. In Order No. 26,505 (July 30, 2021), the Commission approved the Settlement Agreement in the Company's distribution service rate case, which adjusted this allocation to 75% in the winter period and 25% in the summer.

Q. Can you comment on energy prices for the upcoming heating season?

A. According to the U.S. Energy Information Administration's (EIA) short-term energy outlook, energy prices including propane, natural gas, coal, and electricity will remain historically high throughout 2023. There are a variety of contributing factors including geopolitical uncertainties and tight inventories. The Company has been and continues to seek the lowest cost solutions for both propane and CNG by locking in supply early using physical hedging, refilling storage in off-peak periods, and using price optionality as outlined in our CNG contract to obtain the least cost option in both winter and summer.

Q. When does the existing CNG contract expire?

A. The current CNG contract will expire at the end of June 2024; it is a three-year contract that went into effect on July 1, 2021.

Q. Please describe how the Company will meet its 7-day on-site storage requirement.

A. The Company has a net storage capacity at its plant in Keene of approximately 75,000 gallons of propane. Additionally, Liberty has approximately 129,800 gallons of propane at the Amherst storage facility located approximately 50 miles from the Keene plant. This storage facility is shared between the Keene Division and EnergyNorth. In addition, the Company will arrange its standard trucking commitment with Northern Gas Transport, Inc. for transportation from this storage facility to the Keene plant. Further, the Company has contracted for CNG deliveries to provide service to a section of its system. The firm trucking arrangement coupled with onsite CNG trailers is more than enough to meet the 7-day demand requirement for the 2022/2023 peak period.

Q. Does this conclude your testimony?

A. Yes, it does.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 22-057

Winter 2022/2023 Cost of Gas

Department of Energy Technical Session Data Requests – Set 1

Date Request Received: 10/12/22 Date of Response: 10/24/22
Request No. DOE TS 1-2 Respondent: James King

REQUEST:

Reference: COG Filing

As of October 1, 2022, how many customers have accepted Liberty-Keene's FPO offer / enrolled in the FPO program?

RESPONSE:

Liberty sent the mailers informing customers of the FPO offer on September 23, 2022. As of October 15, 2022, the Keene Division has 154 enrollments in the FPO program.

CNG Increment Cost/Saving Risk Sharing - 50% Shareholder/Ratepayers (from Appendix 4 of DG 20-105 Settlement Agreement)							
Winter Incremental CNG Supply Costs - 2019 thru 2023							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
COG Period	Year	Incremental Cost/(Savings) Amount	Allowed Recoverable Amount from Customers due to Higher/(Lower) CNG vs Propane Costs	Incremental Costs Not Recoverable/ Deferred	Incremental Costs not Recovered Balance	(Refund)/Charge	Comments
Winter (DG 20-105 Settlement Agreement)	2019-20	132,469	66,235	66,235	66,235	66,299	Propane Cheaper than CNG; DG 21-132 10/18/21 filing, Schedule B line 12
Winter (DG 20-152 Recon)	2020-21	44,016	22,008	22,008	88,243	(22,008)	Propane Cheaper than CNG; DG 21-132 10/18/21 filing, Schedule B line 13
Winter (DG 21-132 Recon)	2021-22	(39,489)	(88,243)	48,754	48,754	39,489	CNG Cheaper than propane; DG 22-057 10/7/22 filing, Schedule B line 13
Winter (DG 22-057)	2022-23	66,401	33,201	33,201	81,954	(33,201)	Propane Cheaper than CNG; DG 22-057 10/7/22 filing, Schedule B line 14

7.1 Keene Cost of Gas. The Company shall recover one-half of the incrementally higher CNG supply costs as compared to the propane supply cost, incurred from the commencement of CNG service through October 31, 2021, to be recovered through inclusion over one year in the next Keene cost of gas during the winter or summer periods consistent with the season in which the incremental costs were originally incurred. The Company shall provide the supporting calculations in the Winter 2021-2022 Keene Cost of Gas filing. Incremental CNG supply costs through the 2020-2021 winter period are provided in Appendix 4.

(a) Beginning November 1, 2021, if the CNG supply cost is higher than the propane supply cost as described in footnote 8, the Company shall recover one-half of the incrementally higher CNG supply cost, as determined through the cost of gas reconciliation process. If the CNG supply cost is lower than the propane supply cost, the Company shall recover and retain the full amount of the incrementally lower CNG supply cost up to the amount of incrementally higher CNG costs accrued since the commencement of CNG service, which have not then been recovered from customers, at which point the Company shall recover and retain one-half of the incrementally lower CNG supply costs. Reconciliation of the incremental CNG supply costs shall