

**NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
NOVEMBER 2022 / OCTOBER 2023 ANNUAL PERIOD
COST OF GAS ADJUSTMENT FILING
PREFILED SUPPLEMENTAL TESTIMONY OF
CHRISTOPHER A. KAHL**

1 **Q. Please state your name and business address.**

2 A. My name is Christopher A. Kahl. My business address is 6 Liberty Lane West,
3 Hampton, New Hampshire.

4 **Q. For whom do you work and in what capacity?**

5 A. I am a Senior Regulatory Analyst for Unitil Service Corp. (“Unitil Service”), a subsidiary
6 of Unitil Corporation (“Unitil”). Unitil Service provides managerial, financial, regulatory
7 and engineering services to the principal subsidiaries of Unitil. These subsidiaries are
8 Fitchburg Gas and Electric Light Company d/b/a Unitil, Granite State Gas Transmission,
9 Inc. (“Granite”), Northern Utilities, Inc. d/b/a Unitil (“Northern” or “the Company”), and
10 Unitil Energy Systems, Inc. I am responsible for developing, providing and sponsoring
11 certain reports, testimony and proposals filed with regulatory agencies.

12 **Q. Please summarize your professional and educational background.**

13 A. I have worked in the natural gas industry for over twenty-five years. Before joining
14 Unitil in January 2011, I was employed as an Analyst with Columbia Gas of
15 Massachusetts (“Columbia”) where I had worked since 1997 in supply planning. Prior to
16 working for Columbia, I was employed as an Analyst in the Rates and Regulatory Affairs
17 Department of Algonquin Gas Transmission Company (“Algonquin”) from 1993 to 1997.
18 Prior to working for Algonquin, I was employed as a Senior Associate/Energy Consultant

1 for DRI/McGraw-Hill. I received a Bachelor of Sciences degree and a Masters of Arts
2 degree in Economics from Northeastern University.

3 **Q. Have you previously testified before the New Hampshire Public Utilities**
4 **Commission or for Unital?**

5 A. Yes, I have testified before the Commission in the 2021 / 2020 Annual Cost of Gas
6 (“COG”) proceeding, Docket No. DG 21-131 and the 2020 / 2021 Annual COG
7 proceeding, Docket No. DG 20-154. I have testified in numerous other Cost of Gas
8 proceedings as well.

9 **Q. Please explain the why Northern is submitting this supplement to its Annual COG**
10 **filing.**

11 A. Northern is submitting this supplemental filing due to revisions in the Company’s
12 accounting data that were not available for inclusion in the Company’s initial COG filing
13 submitted on September 16, 2022. Specifically, revised indirect demand costs related to
14 the Company’s most recent rate case, Docket No. DG 21-104, but collected through the
15 COG were revised effective August 1, 2021. Despite being revised for effect on August
16 1, 2021, the revisions to the monthly demand charges, as utilized in the reconciliation,
17 were not available at the time the initial COG filing needed to be made. Now that these
18 costs are available, they need to be reflected in the filing.

19 **Q. Please explain what costs are changing.**

20 A. As described in footnote 1 to Section 2.1 of the May 26, 2022 Settlement Agreement in
21 Docket No. DG 21-104, indirect costs relating to production and storage capacity and
22 overheads were being revised downward through the settlement. While those costs were

1 revised following the approval of the settlement agreement, the posting of the revised
2 monthly demand costs were not available until just after the initial filing was submitted.

3 **Q. In which attachment does this change appear?**

4 A. The change in the reconciliation appears in Attachment NUI-CAK-10. Specifically, on
5 Schedule 4, Page 2, the costs “Local Storage and Production Allowance” and “Other
6 A&G Allowance” has been revised. Whereas Other A&G Allowance shows a small
7 increase in costs, Local Production and Storage shows an approximate \$262,000 decrease
8 in costs when compared to the prior approved amount.

9 **Q. Are other attachments impacted?**

10 A. Yes, the change in the reconciliation impacts the ending balance and interest calculation
11 in Attachment NUI-CAK-12, the final calculated COG rates in Attachment NUI-CAK-
12 13, the comparison of projected COG rates to current COG rates in Attachment NUI-
13 CAK-14, the calculation of the Re-entry rates in Attachment NUI-FXW-11 and the
14 typical bill analysis in Attachment NUI-SED-3. I have included revised versions of my
15 attachments as well as a revised version of Attachment NUI-FXW-11. Elena Demeris,
16 Senior Regulatory Analyst for Unitil Service, has provided a revised version of
17 Attachment NUI-SED-2.

18 **Q. What is the impact of the revised reconciliation on COG rates?**

1 A. Because the revision applies to indirect gas costs, the impact on all rate classes is the
2 same. Compared to the initial COG filing, the Winter Season and Summer Season rate
3 impacts are decreases of \$0.0068 per therm and \$0.0011 per therm respectively.

4 **Q. Were any other changes made to the reconciliation?**

5 A. A few minor changes were made including a correction to the footnote on Schedule 2, the
6 removal of reference errors on page 4 and a revision of the October 2021 prime rate to
7 reflect the most recent increase in interest rates instituted by the Federal Reserve.

8 **Q. What was the reconciliation revision's impact on the Re-entry Rate?**

9 A. The Re-entry Rate was revised from \$0.0709 per therm to \$0.0724 per therm.

10 **Q. Is there any change to the Conversion Rate?**

11 A. There is no change to the Conversion Rate.

12 **Q. Which tariff pages are you resubmitting?**

13 A. I am resubmitting tariff pages, 40, 41, 42, 43, 86 and 88 and page 158. Pages 86 and 88
14 will include both a Summer Season rate summary and a Winter Season rate summary.

15 **Q. Which tariff pages are unaffected and not being resubmitted?**

16 A. The tariff pages that are not impacted by the change in the reconciliation and, therefore,
17 not being resubmitted are Page 62 (LDAC), Page 144 (Appendix A, administrative fees
18 and charges) and Page 156 (Appendix C, capacity allocators).

1 **Q. Please Summarize Northern’s revised 2022 / 2023 Summer Period and Winter**
 2 **Period COG rates and describe how they compare to last year’s rates.**

3 A. Table 1 below provides Northern’s revised 2022 / 2023 Winter Period COG rates and
 4 compares them to the average COG rates for the 2021 / 2022 Winter Period. As this table
 5 shows, Winter Period COG rates are higher than those in 2021 / 2022 by \$0.1570 for
 6 residential customers and higher by \$0.1756 and \$0.1550 per therm for High and Low
 7 Load Factor Commercial / Industrial (“C / I”) customers, respectively.

8 **Table 1**
 9 **Winter Period Cost of Gas Rates**

Class	2022 / 2023 Proposed Rate per therm	2021 / 2022 Average Rate per therm	Percent Change From 2021/2022 Winter Period
Residential Non-Heat (R-5, R-6 & R-10)	\$1.1289	\$0.9719	15.70%
C & I - High Load Factor (G-50, G-51 & G-52)	\$1.0536	\$0.8780	20.00%
C & I - Low Load Factor (G-40, G-41 & G-42)	\$1.1428	\$0.9878	15.69%

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11 Table 2 below provides Northern’s revised 2022 / 2023 Summer Period COG rates and
 12 compares them to the average COG rates for the 2021 / 2022 Summer Period. As this
 13 table shows, the proposed COG rates are \$0.2442 lower for Residential customers,
 14 \$0.2591 lower for High Load Factor C / I customers and \$0.2244 lower for Low Load
 15 Factor C / I customers.

1

Table 2

2

Summer Period Cost of Gas Rates

Class	2022 / 2023 Proposed Rate per therm	2021 / 2022 Average Rate per therm	Percent Change From 2021 / 2022 Summer Period
Residential Non-Heat (R-5, R-6 & R-10)	\$0.6916	\$0. 9358	(26.10)%
C & I - High Load Factor (G-50, G-51 & G-52)	\$0.6331	\$0. 8922	(29.04)%
C & I - Low Load Factor (G-40, G-41 & G-42)	\$0.7383	\$0. 9627	(23.31)%

3

4 **Q. What is typical bill impact for a residential customer?**

5 A. Typical bill impacts are discussed in the supplemental testimony of Elena Demeris

6 **Q. Does this conclude you testimony?**

7 A. Yes it does.