

**Northern Utilities, Inc.**  
**DG 22-059**  
**Winter 2022-2023 and Summer 2023 Cost of Gas, Department of Energy (DOE)**  
**Data Request Set 1**

**Request No. DOE 1-10:**

Reference: COG Filing

- a. Please provide summaries of the RFP responses to all of this year's RFPs (for Winter 2022-23 and Summer 2023) issued in the last 12 months, for all gas supplies. Please also provide a comparison of the RFP responses, focusing on the main differences. Please include the date the RFP was issued and the date of the response. If no response to a particular RFP was received, please so indicate.
- b. As compared to prior years with less volatile markets, has the RFP process been protracted or different in any way?
- c. Has Northern contracted for different percentage quantities of CNG, LNG and propane as compared to natural gas for the 2022-23 Winter and Summer season? Why or why not?

**Response:**

- a. Northern issued its annual RFP for the April 1, 2022 – March 31, 2023 term on February 4, 2022, with a due date of February 16, 2022. This RFP sought bids for asset management arrangements and baseload supply. Four bidders responded to the RFP. A summary of the responses is included in DOE 1-10 Attachment 1 CONFIDENTIAL.

Northern issued a peaking supply RFP for either a 3 or 5 year term beginning November 1, 2023. This RFP was issued on May 4, 2022, with a due date of June 2, 2022. One bidder responded to the RFP with indicative pricing but no binding bids were received and no award was made. The response is included in DOE 1-10 Attachment 2 CONFIDENTIAL.

Northern issued an LNG supply RFP for the November 1, 2022 – October 31, 2023 term on May 4, 2022, with a due date of May 18, 2022. Four bidders responded to the RFP but no award was made and bids were refreshed on June 22, 2022. An award was made but the counterparty reneged. One bidder refreshed on July 28, 2022 and an award was made. A summary of the responses is included in DOE 1-10 Attachment 3 CONFIDENTIAL.

Northern issued a PNGTS supply RFP for the December 1, 2022 – February 28, 2023 term on June 8, 2022, with a due date of June 22, 2022. One bidder responded to the RFP but no award was made. The response is included in DOE 1-10 Attachment 4 CONFIDENTIAL.

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Northern issued a peaking supply RFP for the November 1, 2022 – March 31, 2023 term on June 6, 2022, with a due date of June 22, 2022. One bidder responded to the RFP on the due date. The bid was refreshed the next day, reflecting changes in market prices, and an award was made. The response is included in DOE 1-10 Attachment 5 CONFIDENTIAL.

- b. Northern's process for procuring baseload supplies and asset management arrangements was very successful, resulting in historically high asset management revenues, which are passed through to ratepayers. These high asset management revenue results indicate that the market places a high value on the pipeline and storage contracts in Northern's portfolio.

Securing peaking and LNG supplies has been challenging in recent years due to the low number of suppliers with the physical assets capable of providing these services in the New England region. The impact of the Russian invasion of Ukraine on the European gas market and by extension the global LNG market has exacerbated this situation. Northern has needed to work diligently with its usual suppliers of these services just to receive peaking and LNG supply offers. Northern was able to secure sufficient peaking and LNG supplies for the upcoming 2022-2023 Winter Period. As noted above, Northern did not award a peaking supply contract for a 3 to 5 year term beginning November 2023 due to the very limited participation in that RFP. 2022-2023 is the final year of Northern's current multi-year peaking supply contract so Northern will need to find a replacement for this supply prior to the beginning of the 2023-2024 Winter Period. Northern has continued discussions with peaking service suppliers to seek the best possible outcome for consumers.

- c. Northern does not contract for CNG or propane on its system. Northern's LNG Contract is for the same volume, a maximum daily volume equal to 3,000 Dth and a maximum annual volume equal to 75,000 Dth as it was for the 2021-2022 Winter and Summer Periods. Prior to 2021-2022, Northern had contracted for higher volumes of LNG (5,000 Dth per Day and 125,000 Dth per year). Due to the increases in LNG Contract costs, Northern reduced this volume, replacing it with less expensive peaking contract supplies. Northern's LNG facility, located in Lewiston, Maine, provides an on-system, resource that provides Northern with the flexibility to balance gas supply volumes with actual flows.

**Person Responsible:** Francis X. Wells

**Date:** October 17, 2022