

**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 1-4:**

Reference: COG filing

What steps has Northern taken to lower gas costs during this volatile period?

**Response:**

Northern's gas supply costs are affected by both volatility in NYMEX natural gas futures prices and volatility in New England regional prices. These issues are discussed in my pre-filed testimony beginning on line 3 of Bates Page 88 and line 8 of Bates Page 90 of the Initial Filing, respectively.

Northern has implemented its Price Risk Mitigation Plan to mitigate the impact of NYMEX volatility on Winter Period COG balances. This is discussed in detail in my pre-filed testimony beginning on line 20 of Bates Page 77 of the Initial Filing.

To mitigate the impact of the volatility in New England regional gas prices, Northern has systematically reduced its reliance on volatile New England delivered supplies through its participation in several pipeline expansions into New England. These include the Continent to Coast ("C2C"), Portland XPress ("PXP") and Westbrook XPress ("WXP") expansions on the PNGTS pipeline (including related upstream expansions on Enbridge (formerly Union) and TCPL). These PNGTS expansions allow Northern to replace PNGTS delivered supplies with lower cost Dawn Hub supply (including related underground storage). Northern has also participated in the Atlantic Bridge expansion on Algonquin and Maritimes pipelines. The Atlantic Bridge expansion allows Northern to replace Maritimes delivered supplies with lower cost supplies at either the interconnection between Algonquin and Millennium Pipeline at Ramapo, New Jersey or the interconnection between Algonquin and Tennessee Gas Pipeline at Mahwah, New Jersey, which are priced using the Texas Eastern Zone M-3 index price. Considering the high prices of PNGTS and Maritimes delivered supplies relative to prices at the Dawn Hub and Texas Eastern Zone M-3, Northern's participation in these pipeline expansions have provided significant reduction in gas supply cost relative to reliance on delivered supplies.

**Person Responsible:** Francis X. Wells

**Date:** October 17, 2022