New Hampshire Monthly Cost of Gas Report

Winter Period

February 2024 Summary

The objective of the winter period Monthly Cost of Gas ("COG") Report is to determine if COG rates need to be adjusted in order to minimize differences between the April 30, 2024 target balance and the corresponding estimated end of winter period balance. An adjustment is made to COG rates if the difference between the target balance and estimated end of winter period balance exceeds 2% of total projected gas costs.

For the February update, estimated costs and revenues for November 2023 through January 2024 have been replaced with actuals, commodity costs have been updated to reflect NYMEX prices as of February 21, 2024 and the November 1, 2023 balance has been updated to reflect the actual costs and revenues for the entire 2023 summer season[1].

As shown on Table 1, Line 23, the estimated winter period ending balance is an over-collection of ($4,147,170) and, Line 25, the target winter period ending balance is an over-collection of ($2,636,390). The variance between the estimated and target balances is an over-collection of ($1,510,780) (Line 27). This over-collection represents a variance of 8.03% of total gas costs (Line 31) and exceeds the 2% threshold for requiring a rate change. As a result, Northern will decrease its COG rates by $0.1767 per therm effective March 1, 2024.

Support for the estimated end of winter period balance is provided in Table 2. This table has been modified to focus on the six month winter period only.

Support for the revised target end of winter period balance is provided in Table 3. This table reflects the updated peak period reconciliation balance and has also been modified to reflect the six month winter period only.

[1] The COG rates effective November 1, 2023 reflect a prior period balance that includes estimated costs and revenues for August through October 2023. These estimates have been replaced with actual costs and revenues as of the November 2023 Monthly Cost of Gas Report. In addition, the revised prior period balance updates the April 30, 2024 target balance.

NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
Winter 2023-2024 Period Cost of Gas
DG 23-085
February 2024 Estimated

1	Under/(Over) collection as of 11/01/23		$ (1,313,582)	Table 2, PG. 2, Line 87, October
2				
3	Forecasted firm therm sales 02/01/24 - 4/30/24			
4	Residential heat & non heat	7,344,057		Table 2, PG. 1, Line 2
5	HLF Classes	1,124,293		Table 2, PG. 1, Line 3
6	LLF Classes	6,487,694		Table 2, PG. 1, Line 4
7				
8	Current recovery rate per therm			
9	Residential heat & non heat	$0.6849		Table 2, PG. 1, Line 7
10	HLF classes	$0.6154		Table 2, PG. 1, Line 8
11	LLF classes	$0.6969		Table 2, PG. 1, Line 9
12				
13	Total	$ (10,243,109)		(LN 4 * Ln 9) + (LN 5 * LN 10) + (LN 6 * LN 11)
14				
15	Forecasted recovered costs at current rates 02/01/24 - 04/30/24		$ (10,243,109)	LN 13
16	Actual recovered costs 11/01/2023 - 01/31/2024		$ (11,402,937)	Table 2, PG. 1, Line 14
17	Estimated total recovered costs 11/01/23 - 04/30/24		$ (21,646,045)	LN 15 + LN 16
18				
19	Revised projected direct gas costs [1]		$ 18,128,382	Table 2, PG. 1, Line 57, Winter
20	Revised projected indirect gas costs [2]		$ 684,076	Table 2, PG. 2, Line 89, Winter
21	Revised total projected gas costs 11/01/23 - 04/30/24		$ 18,812,458	LN 19 + LN 20
22				
23	Projected April 30, 2024 Winter Period Balance		$ (4,147,170)	LN 1 + LN 17 + LN 21
24				
25	April 30, 2024 Target Balance [3]		$ (2,636,390)	Table 3, PG. 2, Line 87, April
26				
27	Variance from Target Balance		$ (1,510,780)	LN 23 - LN 25
28				
29	Total Projected Gas Costs		$ 18,812,458	LN 21
30				
31	Under/(over) collection as percent of total gas costs		-8.03%	LN 27 / LN 29

NOTES
[1] Reflects futures prices as of February 21, 2024
[2] Includes: Working Capital Allowance, Bad Debt Allowance, Production and Storage Capacity, Miscellaneous Overhead and Interest
[3] Updated to reflect actual account balance as of October 31, 2023

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

			Winter						
	Sales Revenues		(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	(Forecast)	
1	Volumes	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Winter
2	Residential Heat & Non Heat					3,145,375	2,671,575	1,527,106	
3	Sales HLF Classes					481,522	408,988	233,783	
4	Sales LLF Classes					2,778,605	2,360,053	1,349,036	
5	Total					6,405,502	5,440,616	3,109,925	
6	Rates								
7	Residential Heat & Non Heat CGA					$0.6849	$0.6849	$0.6849	
8	Sales HLF Classes CGA					$0.6154	$0.6154	$0.6154	
9	Sales LLF Classes CGA					$0.6969	$0.6969	$0.6969	
10	Revenues								
11	Residential Heat & Non Heat			$ -		$ (2,154,268)	$ (1,829,762)	$ (1,045,915)	
12	Sales HLF Classes			$ -		$ (296,328)	$ (251,691)	$ (143,870)	
13	Sales LLF Classes			$ -		$ (1,936,410)	$ (1,644,721)	$ (940,143)	
14	Total Sales		$ (2,971,924)	$ (3,631,529)	$ (4,799,484)	$ (4,387,006)	$ (3,726,174)	$ (2,129,928)	$ (21,646,045)

			Winter						
15									
16			Winter						
17	**Gas Costs and Credits**		(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	(Forecast)	
18		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	
19	Demand Costs (net of Capacity Assignment)								
20	Pipeline					$ 297,310	$ 297,310	$ 547,694	$ 1,142,314
21	Storage					$ 944,617	$ 944,617	$ 944,617	$ 2,833,851
22	On-system Peaking					$ 290,051	$ 290,051	$ 132,428	$ 712,531
23	Off-System Peaking					$ 104,459	$ 104,459	$ -	$ 208,918
24	Total Demand Costs					$ 1,636,437	$ 1,636,437	$ 1,624,739	$ 4,897,613
25									
26	Asset Management and Capacity Release								
27	NUI AMA Revenue					$ (2,164,517)	$ (2,164,517)	$ (2,164,517)	
28	NUI Capacity Release								
29	NUI AMA Rev & Cap. Release Subtotal								
30	NH AMA Revenue					$ (858,213)	$ (858,213)	$ (858,213)	
31	NH Capacity Release								
32	NH Total Asset Management and Capacity Release					$ (858,213)	$ (858,213)	$ (858,213)	
33									
34	Re-entry Rate & Conversion Rate Revenue					$ (4,167)	$ (4,167)	$ (4,167)	$ (25,000)
35									
36	Net Demand Costs		$ 755,895	$ 765,497	$ 737,184	$ 774,057	$ 774,057	$ 762,359	$ 4,569,050
37									
38	NUI Commodity Costs								
39	NUI Total Pipeline Volumes					677,191	568,894	968,631	
40	Pipeline Costs Modeled in Sendout™					$ 4,053,327	$ 2,102,517	$ 2,625,100	
41	NYMEX Price Used for Forecast					$ 3.6340	$ 3.3280	$ 3.0520	
42	NYMEX Price Used for Update					$ 2.4900	$ 1.7730	$ 1.8630	
43	Increase/(Decrease) NYMEX Price					$ (1.14)	$ (1.56)	$ (1.19)	
44	% of Pipeline Volumes Tied to NYMEX					83.00%	100.00%	100.00%	
45	Increase/(Decrease) in Pipeline Costs					$ (643,006)	$ (884,630)	$ (1,151,702)	
46	Updated Pipeline Costs					$ 3,410,321	$ 1,217,888	$ 1,473,397	
47	New Hampshire Allocated Percentage					37.09%	35.77%	32.28%	
48	NH Updated Pipeline Costs					$ 1,264,750	$ 435,651	$ 475,602	
49									
50	NH Commodity Costs								
51	Pipeline					$ 1,264,750	$ 435,651	$ 475,602	
52	Storage					$ 893,145	$ 802,607	$ -	
53	Peaking					$ 1,473,923	$ 1,006,667	$ 11,988	
54	Total Commodity Costs		$ 1,174,812	$ 1,806,251	$ 4,210,081	$ 3,631,818	$ 2,244,925	$ 487,590	$ 13,555,477
55	Inventory Finance Charge					$ 1,730	$ 1,416	$ 708	$ 3,855
56									
57	**Total Anticipated Direct Cost of Gas**		$ 1,930,708	$ 2,571,749	$ 4,947,264	$ 4,407,605	$ 3,020,399	$ 1,250,657	$ 18,128,382

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

58			Winter						
59			(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	(Forecast)	
60		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Winter
61	Working Capital								
62	Total Anticipated Direct Cost of Gas		$ 2,050,479	$ 2,691,520	$ 5,067,036	$ 4,527,377	$ 3,140,170	$ 1,370,428	
63	Working Capital Percentage		0.2160%	0.22%	0.22%	0.22%	0.22%	0.22%	
64	Working Capital Allowance		$ 4,429	$ 5,813	$ 10,944	$ 9,778	$ 6,782	$ 2,960	$ 40,706
65	Beginning Period Working Capital Balance		$ (368)	$ 4,074	$ 9,937	$ 20,990	$ 30,952	$ 37,977	
66	End of Period Working Capital Allowance		$ 4,061	$ 9,887	$ 20,881	$ 30,768	$ 37,734	$ 40,937	
67	Interest		$ 13	$ 49	$ 109	$ 183	$ 243	$ 279	$ 878
68	End of period with Interest	$ (368)	$ 4,074	$ 9,937	$ 20,990	$ 30,952	$ 37,977	$ 41,216	
69	Bad Debt								
70	Projected Bad Debt	$ -	$ 2,049	$ 7,148	$ 9,702	$ 9,162	$ 9,162	$ 9,162	$ 46,384
71	Beginning Period Bad Debt Balance		$ 74,485	$ 77,069	$ 84,788	$ 95,126	$ 104,994	$ 114,932	
72	End of Period Bad Debt Balance		*$ 76,535*	*$ 84,217*	*$ 94,491*	*$ 104,288*	*$ 114,155*	*$ 124,093*	
73	Interest		$ 535	$ 571	$ 635	$ 706	$ 776	$ 847	$ 4,070
74	End of Period Bad Debt Balance with Interest	$ 74,485	$ 77,069	$ 84,788	$ 95,126	$ 104,994	$ 114,932	$ 124,940	
75	Local Production and Storage Capacity		$ 35,756	$ 35,756	$ 35,756	$ 35,756	$ 35,756	$ 35,756	
76			$ -	$ -	$ -				
77	Miscellaneous Overhead		$ 84,015	$ 84,015	$ 84,015	$ 84,015	$ 84,015	$ 84,015	
78									
79	Gas Cost Other than Bad Debt and Working Capital Over/Under Collection								
80	Beginning Balance Over/Under Collection	$ (1,387,700)	$ (1,387,700)	$ (2,322,237)	$ (3,282,025)	$ (3,036,773)	$ (2,917,415)	$ (3,526,159)	
81	Net Costs - Revenues		$ (921,444)	$ (940,009)	$ 267,552	$ 140,371	$ (586,004)	$ (759,500)	
82	Ending Balance before Interest		$ (2,309,144)	$ (3,262,247)	$ (3,014,473)	$ (2,896,402)	$ (3,503,419)	$ (4,285,659)	
83	Average Balance		$ (1,848,422)	$ (2,792,242)	$ (3,148,249)	$ (2,966,587)	$ (3,210,417)	$ (3,905,909)	
84	Interest Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	
85	Interest Expense		$ (13,093)	$ (19,778)	$ (22,300)	$ (21,013)	$ (22,740)	$ (27,667)	
86	Ending Balance Incl Interest Expense	$ (1,387,700)	$ (2,322,237)	$ (3,282,025)	$ (3,036,773)	$ (2,917,415)	$ (3,526,159)	$ (4,313,326)	
87	**Total Over/Under Collection Ending Balance**	$ (1,313,582)	$ (2,241,094)	$ (3,187,300)	$ (2,920,657)	$ (2,781,470)	$ (3,373,251)	**$ (4,147,170)**	
88									
89	**Total Indirect Cost of Gas**	$ (1,313,582)	$ 113,705	$ 113,575	$ 118,862	$ 118,588	$ 113,994	$ 105,352	$ 684,076
90									
91	**Total Cost of Gas**	$ (1,313,582)	$ 2,044,412	$ 2,685,323	$ 5,066,126	$ 4,526,193	$ 3,134,393	$ 1,356,009	$ 18,812,458
92									
93	**Total Interest**	$ -	$ (12,545)	$ (19,158)	$ (21,556)	$ (20,124)	$ (21,721)	$ (26,541)	$ (121,644)

Updated End of Period Balance ("Target Balance")
($2,636,390)
Line 87 - April

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

Line			Winter						
	Sales Revenues		(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	
1	Volumes	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Winter
2	Residential Heat & Non Heat		2,125,956	3,109,808	3,620,784	3,145,375	2,671,575	1,527,106	
3	Sales HLF Classes		325,460	476,077	554,302	481,522	408,988	233,783	
4	Sales LLF Classes		1,878,057	2,747,186	3,198,579	2,778,605	2,360,053	1,349,036	
5	Total		4,329,473	6,333,071	7,373,664	6,405,502	5,440,616	3,109,925	
6	Rates								
7	Residential Heat & Non Heat CGA		$0.7282	$0.7282	$0.7282	$0.7282	$0.7282	$0.7282	
8	Sales HLF Classes CGA		$0.6587	$0.6587	$0.6587	$0.6587	$0.6587	$0.6587	
9	Sales LLF Classes CGA		$0.7402	$0.7402	$0.7402	$0.7402	$0.7402	$0.7402	
10	Revenues								
11	Residential Heat & Non Heat		$ (1,548,121)	$ (2,264,563)	$ (2,636,655)	$ (2,290,462)	$ (1,945,441)	$ (1,112,039)	
12	Sales HLF Classes		$ (214,381)	$ (313,592)	$ (365,118)	$ (317,178)	$ (269,401)	$ (153,993)	
13	Sales LLF Classes		$ (1,390,137)	$ (2,033,467)	$ (2,367,588)	$ (2,056,724)	$ (1,746,911)	$ (998,557)	
14	Total Sales		$ (3,152,639)	$ (4,611,621)	$ (5,369,361)	$ (4,664,364)	$ (3,961,753)	$ (2,264,588)	$ (24,024,327)
15									
16			Winter						
17	**Gas Costs and Credits**		(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	
18		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Winter
19	Demand Costs (net of Capacity Assignment)								
20	Pipeline		$ 305,595	$ 305,595	$ 297,310	$ 297,310	$ 297,310	$ 547,694	$ 2,050,814
21	Storage		$ 944,617	$ 944,617	$ 944,617	$ 944,617	$ 944,617	$ 944,617	$ 5,667,701
22	On-system Peaking		$ 290,051	$ 290,051	$ 290,051	$ 290,051	$ 290,051	$ 132,428	$ 1,582,685
23	Off-System Peaking		$ 104,459	$ 104,459	$ 104,459	$ 104,459	$ 104,459	$ -	$ 522,295
24	Total Demand Costs		$ 1,644,722	$ 1,644,722	$ 1,636,437	$ 1,636,437	$ 1,636,437	$ 1,624,739	$ 9,823,495
25									
26	Asset Management and Capacity Release								
27	NUI AMA Revenue		$ (2,164,517)	$ (2,164,517)	$ (2,164,517)	$ (2,164,517)	$ (2,164,517)	$ (2,164,517)	$ (12,987,100)
28	NUI Capacity Release		$ -	$ -	$ -	$ -	$ -	$ -	
29	NUI AMA Rev & Cap. Release Subtotal								
30	NH AMA Revenue		$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (5,149,279)
31	NH Capacity Release								
32	NH Total Asset Management and Capacity Release		$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (858,213)	$ (5,149,279)
33									
34	Re-entry Rate & Conversion Rate Revenue		$ (4,167)	$ (4,167)	$ (4,167)	$ (4,167)	$ (4,167)	$ (4,167)	$ (25,000)
35									
36	Net Demand Costs		$ 782,342	$ 782,342	$ 774,057	$ 774,057	$ 774,057	$ 762,359	$ 4,649,215
37									
38	NUI Commodity Costs								
39	NUI Total Pipeline Volumes		1,206,814	776,970	723,894	677,191	568,894	968,631	
40	Pipeline Costs Modeled in Sendout™		$ 3,259,675	$ 3,439,438	$ 4,470,111	$ 4,053,327	$ 2,102,517	$ 2,625,100	
41	NYMEX Price Used for Forecast		$ 2.9910	$ 3.4530	$ 3.7060	$ 3.6340	$ 3.3280	$ 3.0520	
42	NYMEX Price Used for Update		$ 2.9910	$ 3.4530	$ 3.7060	$ 3.6340	$ 3.3280	$ 3.0520	
43	% of Pipeline Volumes Tied to NYMEX		100.00%	82.00%	84.00%	83.00%	100.00%	100.00%	
44	Increase/(Decrease) NYMEX Price		$ -	$ -	$ -	$ -	$ -	$ -	
45	Increase/(Decrease) in Pipeline Costs		$ -	$ -	$ -	$ -	$ -	$ -	
46	Updated Pipeline Costs		$ 3,259,675	$ 3,439,438	$ 4,470,111	$ 4,053,327	$ 2,102,517	$ 2,625,100	
47	New Hampshire Allocated Percentage		36.08%	37.46%	37.48%	37.09%	35.77%	32.28%	
48	NH Updated Pipeline Costs		$ 1,176,142	$ 1,288,500	$ 1,675,371	$ 1,503,215	$ 752,092	$ 847,363	
49									
50	NH Commodity Costs								
51	Pipeline		$ 1,176,142	$ 1,288,500	$ 1,675,371	$ 1,503,215	$ 752,092	$ 847,363	
52	Storage		$ -	$ 822,493	$ 952,902	$ 893,145	$ 802,607	$ -	
53	Peaking		$ 24,212	$ 1,002,116	$ 3,079,730	$ 1,473,923	$ 1,006,667	$ 11,988	
54	Total Commodity Costs		$ 1,200,354	$ 3,113,110	$ 5,708,003	$ 3,870,283	$ 2,561,367	$ 859,351	$ 17,312,467
55	Inventory Finance Charge		$ 1,082	$ 1,691	$ 2,012	$ 1,730	$ 1,416	$ 708	
56									
57	**Total Anticipated Direct Cost of Gas**		$ 1,983,778	$ 3,897,143	$ 6,484,072	$ 4,646,070	$ 3,336,840	$ 1,622,418	$ 21,970,322

Updated End of Period Balance ("Target Balance")
($2,636,390)
Line 87 - April

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

Line			Winter						
59			(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	
60		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Winter
61	Working Capital								
62	Total Anticipated Direct Cost of Gas		$ 1,983,778	$ 3,897,143	$ 6,484,072	$ 4,646,070	$ 3,336,840	$ 1,622,418	
63	Working Capital Percentage		0.2160%	0.22%	0.22%	0.22%	0.22%	0.22%	
64	Working Capital Allowance		$ 4,285	$ 8,417	$ 14,005	$ 10,035	$ 7,207	$ 3,504	$ 47,452
65	Beginning Period Working Capital Balance		$ (368)	$ 3,929	$ 12,404	$ 26,546	$ 36,805	$ 44,298	
66	End of Period Working Capital Allowance		$ 3,917	$ 12,347	$ 26,409	$ 36,581	$ 44,012	$ 47,802	
67	Interest		$ 13	$ 58	$ 137	$ 224	$ 286	$ 326	$ 1,044
68	End of period with Interest	$ (368)	$ 3,929	$ 12,404	$ 26,546	$ 36,805	$ 44,298	$ 48,128	
69	Bad Debt								
70	Projected Bad Debt	$ -	$ 9,162	$ 9,162	$ 9,162	$ 9,162	$ 9,162	$ 9,162	$ 54,970
71	Beginning Period Bad Debt Balance		$ 74,485	$ 84,207	$ 93,997	$ 103,857	$ 113,787	$ 123,787	
72	End of Period Bad Debt Balance		*$ 83,647*	*$ 93,369*	*$ 103,159*	*$ 113,019*	*$ 122,949*	*$ 132,949*	
73	Interest		$ 560	$ 629	$ 698	$ 768	$ 838	$ 909	$ 4,403
74	End of Period Bad Debt Balance with Interest	$ 74,485	$ 84,207	$ 93,997	$ 103,857	$ 113,787	$ 123,787	$ 133,858	
75	Local Production and Storage Capacity		$ 35,756	$ 35,756	$ 35,756	$ 35,756	$ 35,756	$ 35,756	
76			$ -	$ -	$ -				
77	Miscellaneous Overhead		$ 84,015	$ 84,015	$ 84,015	$ 84,015	$ 84,015	$ 84,015	
78									
79	Gas Cost Other than Bad Debt and Working Capital Over/Under Collection								
80	Beginning Balance Over/Under Collection		$ (1,387,700)	$ (2,450,335)	$ (3,064,504)	$ (1,847,357)	$ (1,758,605)	$ (2,277,992)	
81	Net Costs - Revenues		$ (1,049,090)	$ (594,706)	$ 1,234,482	$ 101,477	$ (505,141)	$ (522,399)	
82	Ending Balance before Interest		$ (2,436,790)	$ (3,045,041)	$ (1,830,022)	$ (1,745,879)	$ (2,263,746)	$ (2,800,391)	
83	Average Balance		$ (1,912,245)	$ (2,747,688)	$ (2,447,263)	$ (1,796,618)	$ (2,011,176)	$ (2,539,191)	
84	Interest Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	
85	Interest Expense		$ (13,545)	$ (19,463)	$ (17,335)	$ (12,726)	$ (14,246)	$ (17,986)	
86	Ending Balance Incl Interest Expense	$ (1,387,700)	$ (2,450,335)	$ (3,064,504)	$ (1,847,357)	$ (1,758,605)	$ (2,277,992)	$ (2,818,377)	
87	**Total Over/Under Collection Ending Balance**	$ (1,313,582)	$ (2,362,198)	$ (2,958,102)	$ (1,716,953)	$ (1,608,013)	$ (2,109,907)	**$ (2,636,390)**	
88									
89	**Total Indirect Cost of Gas**	$ (1,313,582)	$ 120,245	$ 118,574	$ 126,439	$ 127,234	$ 123,019	$ 115,687	$ 731,198
90									
91	**Total Cost of Gas**	$ (1,313,582)	$ 2,104,023	$ 4,015,717	$ 6,610,511	$ 4,773,304	$ 3,459,859	$ 1,738,105	$ 22,701,519
92									
93	**Total Interest**	$ -	$ (12,972)	$ (18,776)	$ (16,499)	$ (11,734)	$ (13,121)	$ (16,750)	$ (89,854)