



DG 12-067

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**CONFIDENTIAL
MATERIAL
IN COMM FILE**

February 28, 2013



Via Electronic Mail and U.S. Mail

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DG 12-067: EnergyNorth Natural Gas, Inc. Summer 2012 Cost of Gas
CONFIDENTIAL**

Dear Ms. Howland:

On behalf EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities (the "Company"), enclosed for filing please find one redacted and seven confidential copies of the 2012 Summer Period Cost of Gas reconciliation. This reconciliation compares the actual deferred gas costs to the projections submitted in the Company's 2012 Summer Period Cost of Gas Filing submitted to the Commission on March 15, 2012.

Certain pages included in this filing contain confidential information, specifically, the Company's costs associated with the summary of supply and demand forecast, contacts ranked on a per-unit cost basis, adjustments to gas costs, details of demand costs per unit, details of demand rates per unit, details of commodity costs per unit and hedged contacts (including pricing terms). The Company requests confidential treatment of these materials pursuant to 201.06(a)(26) and 201.07, which collectively afford confidential treatment of such materials in routine Cost of Gas proceedings. The confidential information in this filing is also covered by Order No. 25,356, dated April 30, 2012 in Docket DG 12-067.

The filing shows an under collection for the 2012 Summer Period of \$50,793 summarized as follows:

Summer Period Beginning Balance	\$ (408,983)
Prior Period Adjustment and Interest	(756,866)
Less: Cost of Gas Revenue Billed	(8,503,591)
Add: Cost of Gas Allowable	<u>9,720,233</u>
Summer Period Ending Balance	<u>\$ 50,793</u>

The filing consists of a four-page summary and twelve supporting schedules.

- Page 1 of the Summary compares the actual deferred gas costs to the projections submitted in the Company's filing including the beginning balance, prior period adjustment, interest, gas costs and gas cost revenue. The result is a net under collection of \$50,793;
- Page 2 of the Summary compares the actual demand charges of \$4,388,263 to the \$4,129,301 in demand charges estimated in the filing, resulting in an increase in demand costs of \$258,962;
- Page 3 shows a similar comparison for commodity costs. The actual commodity costs were \$5,343,207 compared to the \$7,707,458 in the filing. The \$2,364,251 decrease in commodity costs was caused mainly by lower sendout volumes than originally forecasted by 6,678,252 therms. The results show that the total actual gas costs, demand and commodity were \$2,105,289 lower than forecasted in the filing;
- Page 4 of the Summary provides a variance analysis that explains how much of the difference between actual costs and forecasted costs is due to weather (\$350,242), changes in demand resulting from lower sendout (\$1,795,938) and changes in gas prices \$(17,501). Page 4 also provides the net total of 58,393 for the capacity managed credit, supplier cashouts and other costs;
- Schedule 1 provides a monthly summary of the deferred gas cost account balances including beginning balances, actual gas cost allowable, gas cost collections, and interest applied;
- Schedules 2A and 2B provide the details of gas cost by source;
- Schedule 3 provides the detailed calculation of summer gas cost revenue billed by rate class;
- Schedule 3A provides a breakdown of the calculation of unbilled gas costs;
- Schedule 4 provides a monthly summary of the non-firm margin and capacity release credits to the summer cost of gas account;
- Schedule 5 provides the monthly summary of the deferred gas cost balances associated with gas working capital and shows the monthly beginning account balances, working capital allowable, the working capital revenue billed and the interest applied to derive the monthly ending balances;
- Schedule 6 shows the bad debt and working capital calculation that determines the amount of expense booked for those items;
- Schedule 7 provides the backup calculations for the revenue billed to recover working capital and bad debt by rate class;
- Schedule 8 provides a summary of the commodity costs and the related volumes;
- Schedule 9 provides a summary of the monthly prime interest rates used to calculate the interest on the deferred balances; and
- Schedules 10, 11 and 12 provide the calculation of the occupant account disallowance/(credit). The Company calculated a \$60,799 disallowance/(credit) in gas cost recovery associated with the occupant accounts, a \$12,440 Off-Peak disallowance/(credit) in gas costs and a \$48,359 Peak disallowance/(credit) in gas costs.

Please return one copy of this filing to me bearing the Commission's receipt stamp in the envelope that has been provided for your convenience.

Thank you for your assistance in this matter. Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "ChristiAne G. Mason".

ChristiAne G. Mason

Enclosures

cc: Service List