

Northern Utilities, Inc. New Hampshire Division

Updated 2013-2014 Winter Period Cost of Gas Filing DG 13-257

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Cost of Gas (COG) Factor Updates and Revisions to September 16, 2013 Initial Filing

1. The NYMEX price forecast, on Page 1, Line 13 of Revised Schedule 22, was updated from settlement prices on September 5, 2013 to settlement prices on October 11, 2013. The average monthly NYMEX price for the November 2013 through April 2014 period increased from \$3.83 per Dth to \$3.99 per Dth. This price change increases expected gas costs for the New Hampshire Division by \$300,740.
2. Due to the NYMEX changes in Schedule 22, as summarized in Item 1, above, the winter hedging losses, presented in on Page 1, Line 30 of Revised Attachment Schedule 22, have decreased from \$297,730 in the initial filing to \$76,240 in this updated filing, or by \$221,490. The New Hampshire Division's portion of this decrease is \$107,587.
3. Revised Page 4 to Attachment to Schedule 5A provides updated LNG demand costs for the 2013-2014 Winter Period. This update decreases total peaking demand costs as listed on Line 6 of Schedule 21 from \$3,384,644 to \$2,779,644 in this filing, a decrease of \$605,000. The New Hampshire Division's portion of this decrease is \$287,083. In addition, the reduced LNG cost lowers capacity assigned demand revenue estimates as shown on Revised Page 1 of Schedule 5B.
4. In the 2012 Summer Season COG proceeding, Northern began flowing the Tennessee Gas Pipeline refund back to customers over the 11 month period June 2012 through April 2013. Revised Schedule 15 now includes Attachment F which provides the calculation of the demand and commodity supplier refund balances from May 2012 through April 2013.

5. Revised Schedule 1a, Page 6, now includes the April 30, 2013, supplier refund balances with PNGTS litigation costs, asset management and capacity release revenues.
6. Revised Schedule 25 provides the calculations that determine the amount of the Portland Natural Gas System (PNGTS) refund that is allocated to the winter season. Because most of the PNGTS pipeline costs are incurred in the winter months, Schedule 25 has been revised to allocate a greater portion of the annual refund to the winter season.
7. Due to the cost changes summarized above, Revised versions of Schedule 1A, Schedule 1B, Schedule 3A, Schedule 8, Schedule 9, Schedule 10A, Schedule 10C, Schedule 21, Schedule 22, Schedule 23 and the Summary Schedule have been submitted. These schedules reflect all cost revisions and updates.
8. Tariff Pages Thirteenth Revised Page 154, Schedule of Administrative Fees and Charges, and Sixth Revised Page 170-b, Sales Service Re-Entry Fee, have been updated to reflect the changes to demand costs discussed in Item 4 above.
9. Tariff Page Twelfth Revised Page 169, Capacity Allocators, has been updated to reflect corrected assignment percentages for high and low winter use commercial and industrial customers.

LDAC and Typical Bill Updates to September 16, 2013 Initial Filing.

10. Revised Schedule 16 reflects actuals through the month of August 2013 for the LDAC rate components of RLIARA, DSM, and ERC. The DSM rate also includes an increase of the 2013 calendar year budget of \$70,000 as proposed in the Company's correspondence to the Public Utilities Commission which was filed in Docket DE 12-262 on October 11, 2013.
11. Lastly, monthly and annual typical bill comparisons, as shown in Revised Attachment Schedule 8, have been updated to reflect the 2013-2014 Winter Period COG rates shown on Fifty-third revised Sheet No. 38 and Seventy-third revised Sheet No 39. Residential heating bills at typical use are expected to increase by \$81 or 10 percent from those experienced in the 2012-2013 Winter Period, as shown on page 1 of 5, under the column "Winter".