

NU-NH 2015 Meter Test Cost Summary

Description of Test/Repair	Size of Meter	Cost per Test	Quantity	Test Cost
Class A Repair	Domestic	\$ 22.25	85	\$ 1,891.25
Class A Repair	Class 400	\$ 22.12	6	\$ 132.72
Class A Repair	Class 700	\$ 58.79	0	\$ -
Class A Repair	Class 800/1000	\$ 62.25	0	\$ -
Class A Repair	Rotary (all sizes)	\$ 72.00	0	\$ -
Intest/Condemn; or Class B & C Test only	Domestic	\$ 9.81	953	\$ 9,348.93
Intest/Condemn; or Class B & C Test only	Class 400	\$ 9.81	65	\$ 637.65
Intest/Condemn; or Class B & C Test only	Class 700 - 1000	\$ 57.46	93	\$ 5,343.78
Intest/Condemn; or Class B & C Test only	Class 1400	\$ 64.99	0	\$ -
Intest/Condemn; or Class B & C Test only	Class 2300	\$ 70.32	0	\$ -
Intest/Condemn; or Class B & C Test only	Class 5000	\$ 76.99	0	\$ -
Intest/Condemn; or Class B & C Test only	Rotary 1.5M - 7M	\$ 69.86	247	\$ 17,255.42
Intest/Condemn; or Class B & C Test only	Rotary 11M	\$ 72.53	7	\$ 507.71
Intest/Condemn; or Class B & C Test only	Rotary 16M	\$ 75.19	4	\$ 300.76
Intest/Condemn; or Class B & C Test only	Rotary 23M	\$ 80.53	0	\$ -
			1460	\$ 35,418.22
Shipping Expenses				\$ 690.01
Total				\$ 36,108.23

Shipping Breakdown		
Diaphragm 0 - 500 CFH	76.0%	\$ 524.12
Diaphragm > 500 CFH	6.4%	\$ 43.95
Rotary	17.7%	\$ 121.93
		\$ 690.01

PUC Meter Group Classification	# of Meters	Total Expense	Cost per Meter
Diaphragm 0 - 500 CFH	1109	\$ 12,534.67	\$ 11.30
Diaphragm > 500 CFH	93	\$ 5,387.73	\$ 57.93
Rotary	258	\$ 18,185.82	\$ 70.49
Average Cost Per Meter	1460	\$ 36,108.23	\$ 24.73

Utilities and Industries

1995 Industrial Blvd

Reynoldsville, PA 15851

Phone: (814) 653-8269 Fax: (814) 653-4127

QUOTATION

Quote Number: 1645

Quote Date: 04/30/15

Page: 1

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B FITCHBURG GAS AND ELECTRIC
I LIGHT COMPANY
L 285 JOHN FITCH HIGHWAY
L FITCHBURG, MA 01420-8207

S FITCHBURG GAS AND ELECTRIC
H LIGHT COMPANY
I 285 JOHN FITCH HIGHWAY
P FITCHBURG, MA 01420-8207
ATTN: MIKE

Entered By: RF
Location: DEFAULT
Account Cd: UNITIL F
Salesperson: 0

RFQ Number:
Ship Via: UI TRUCK
Taxable: N
Pmt Terms: NET 15

Line	Order Qty	Part# / Description	DISC	Price	UM	Extended Price	Est Ship
	1	CLASS J REP DOM UNITIL INTEST/CONDEMN DOM	0.00	\$9.8100	EA	\$9.81	04/30/15
	1	CLASS J REP 400 UNITIL INTEST/CONDEMN 400'S	0.00	\$9.8100	EA	\$9.81	04/30/15
	1	CLASS J REP LC UNITIL INTEST/CON LC 700-1000	0.00	\$57.4600	EA	\$57.46	04/30/15
	1	CLASS J REP LC UNITIL INTEST/CON LC AL1400	0.00	\$64.9900	EA	\$64.99	04/30/15
	1	CLASS J REP LC UNITIL INTEST/CON LC AL2300	0.00	\$70.3200	EA	\$70.32	04/30/15
	1	CLASS J REP LC UNITIL INTEST/CON LC AL5000	0.00	\$76.9900	EA	\$76.99	04/30/15
	1	CLASS J REP ROT UNITIL INTEST/CON ROT 1.5M-7M	0.00	\$69.8600	EA	\$69.86	04/30/15
	1	CLASS J REP ROT UNITIL INTEST/CON ROT 11M	0.00	\$72.5300	EA	\$72.53	04/30/15
	1	CLASS J REP ROT UNITIL INTEST/CON ROT 16M	0.00	\$75.1900	EA	\$75.19	04/30/15
	1	CLASS J REP ROT UNITIL INTEST/CON ROT 23M	0.00	\$80.5300	EA	\$80.53	04/30/15
	1	INTEST DOM SPECIAL TEST DOMESTIC METER	0.00	\$28.0000	EA	\$28.00	01/07/15
	1	LC INTEST SPECIAL TEST LARGE CAPACITY	0.00	\$52.6700	EA	\$52.67	01/07/15
	1	ROTARY INTEST SPECIAL TEST ROTARY METER	0.00	\$47.0000	EA	\$47.00	01/07/15
	1	REPAIR CLASS A AMERICAN/ROCKWELL DOM METERS	0.00	\$22.5000	EA	\$22.50	01/07/15

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ATTN: MIKE

Entered By: RF
Location: DEFAULT
Account Cd: UNITIL F
Salesperson: 0

RFQ Number:
Ship Via: UI TRUCK
Taxable: N
Pmt Terms: NET 15

Line	Order Qty	Part# / Description	DISC	Price	UM	Extended Price	Est Ship
	1	REPAIR CLASS B AMERICAN/ROCKWELL DOM METER	0.00	\$35.9000	EA	\$35.90	01/07/15
	1	REPAIR CLASS C AMERICAN/ROCKWELL DOM METER	0.00	\$40.1100	EA	\$40.11	01/07/15
	1	REPAIR CLASS A 400 CLASS METERS	0.00	\$22.1200	EA	\$22.12	01/07/15
	1	REPAIR CLASS B 400 CLASS METERS	0.00	\$35.8300	EA	\$35.83	01/07/15
	1	REPAIR CLASS C 400 CLASS METERS	0.00	\$41.6700	EA	\$41.67	01/07/15
	1	CLASS A REPAIR 700 CLASS LARGE CAPACITY METER	0.00	\$78.3400	EA	\$78.34	01/07/15
	1	CLASS B REPAIR 700 CLASS LARGE CAPACITY METER	0.00	\$155.4900	EA	\$155.49	01/07/15
	1	CLASS C REPAIR 700 CLASS LARGE CAPACITY METER	0.00	\$182.5900	EA	\$182.59	01/07/15
	1	CLASS A REPAIR AL800/1000 LC METER	0.00	\$75.6700	EA	\$75.67	01/07/15
	1	CLASS B REPAIR AL800/1000 LC METER	0.00	\$154.2600	EA	\$154.26	01/07/15
	1	CLASS C REPAIR AL800/1000 LC METER	0.00	\$189.7200	EA	\$189.72	01/07/15
	1	ROTARY REPAIR B 1.5M ROTARY METER	0.00	\$268.9800	EA	\$268.98	01/07/15
	1	ROTARY REPAIR B 3M -5M ROTARY METER	0.00	\$268.9800	EA	\$268.98	01/07/15
	1	ROTARY REPAIR B 7M ROTARY METER	0.00	\$239.1400	EA	\$239.14	01/07/15
	1	ROTARY REPAIR B 11M ROTARY METER	0.00	\$239.1400	EA	\$239.14	01/07/15

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 ATTN: MIKE

Entered By: RF
 Location: DEFAULT
 Account Cd: UNITIL F
 Salesperson: 0

RFQ Number:
 Ship Via: UI TRUCK
 Taxable: N
 Pmt Terms: NET 15

Line	Order Qty	Part# / Description	DISC	Price	UM	Extended Price	Est Ship
	1	ROTARY REPAIR B 16M ROTARY METER	0.00	\$268.9800	EA	\$268.98	01/07/15
	1	ROTARY REPAIR B 23M ROTARY METER	0.00	\$327.9600	EA	\$327.96	01/07/15
	1	DDM INSTALL BADGES	0.00	\$2.8900	EA	\$2.89	01/07/15
	1	DDM INSTALL BADGER UNITS	0.00	\$5.1000	EA	\$5.10	01/07/15
	1	DDM INSTALL ERTS	0.00	\$5.1000	EA	\$5.10	01/07/15
	0	DELVCHG-PU UNITIL PICKUP CHARGES	0.00	\$0.0000	EA	\$0.00	04/30/15
	0	DELVCHG-DEL UNITIL DELIVERY CHARGES	0.00	\$0.0000	EA	\$0.00	04/30/15

Serving the Natural Gas
 Industry With: Meters, Drips,
 Correctors, Recorders, Filters
 Prefabs, Separators, Testing,
 Repairs, H2S Treatment Units

Subtotal: \$3,375.63
 Sales Tax: \$0.00
 Freight: \$0.00
 Total: \$3,375.63

**Unitil - Northern
Gas Meter Testing Cost Analysis 2015**

Cost Analysis

The 2015 cost for Northern to outsource the testing of the 1460 meters associated with its NH customers was \$36,108.23, or an average of \$24.73 per meter.

The total cost for the 3450 meters associated with Unitil's three gas companies was \$66,060.93, or \$19.15 per meter.

It is estimated that in order to bring the meter testing and servicing operation back in-house, Unitil would need to hire two full-time employees and the annual cost with benefits would be:

2 Full Time Employees w/ Benefits	\$166,279
Utility Expenses	\$3,500
Tool Replacements	\$1,000
Total	\$170,779

The estimated annual cost of \$170,779 for two employees, utilities, and tools would result in the cost per meter test for the 3450 meters tested in 2015 to be \$49.50 per meter.

Additional consideration should be taken for the start-up costs that would be incurred and depreciated over time to facilitate a meter testing laboratory are as follows:

Start-up Costs	Location	
	Fitchburg	Portsmouth
Facility Estimate	\$399,367	\$974,436
Equipment Estimate	\$250,156	\$250,156
Total	\$649,523	\$1,224,592

Conclusion

Due to the estimated annual operating costs of \$166,279 exceeding the current annual expenditures of \$66,060.93 paid to vendors for performing testing, it is not economical at this time for Unitil to pursue establishing a gas meter testing facility.