

Annual Energy Savings MEP Rates vs Oil & Propane Prices

Attachment WJC/DBS-1  
Testimony of Mr. Clark & Simek – Bates p. 61

	Equivalent Gallons	NHOEP Price	Yearly Total	Savings vs Current Rates	Savings percent	Savings vs MEP Rates	Savings percent
Oil	724	\$ 1.95	\$ 1,411.00	\$ 194.09	14%	\$ (13.53)	-1%
Propane	1098	\$ 2.79	\$ 3,062.57	\$ 1,845.66	60%	\$ 1,638.04	53%

New Hampshire Office of Energy and Planning  
July 7, 2016 Reported

<i>Current Heating Fuel Values - July 7, 2016 (updated weekly from the first Monday in October until the last Monday of March and updated monthly the remainder of the year)</i>			
<b>Fuel Type</b>	<b>Price/Unit</b>	<b>Heat Content Per Unit (BTU)</b>	<b>Price Per Million BTU (See <u>Note 1</u>)</b>
Fuel Oil (#2)	\$1.98/Gallon	138,690	\$14.25
Propane	\$2.52/Gallon	91,333	\$27.55

NHPUC No. 11 – Gas  
Northern Utilities, Inc.

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### III. LINE EXTENSIONS

#### 1. Original Installation and Extension

In areas in which operation by the Company is authorized, service and main extensions will be extended for new customers and/or system improvements will be undertaken for customer initiated load increases pursuant to the Company's Tariff, Rules and Regulations and will be subject to the results of a discounted cash flow ("DCF") (i.e., a Net Present Value ("NPV")) analysis.

The Company uses a DCF method to evaluate main and service line extensions. This method considers an estimate of the cost of capital expenditures associated with the proposed extension, an estimate of the net revenue (revenues exclusive of related gas costs recoveries) to be derived from the expected new customer(s), an estimate of the associated operation and maintenance expenses, depreciation and property and other truces. These amounts are reflected on an annual basis and result in the annual cash flow (after-tax) associated with the proposed new main or service line extension. These annual cash flows are discounted (over ten (10) years for commercial and industrial service and twenty (20) years for residential service) to a present value at a rate representative of the Company's updated after-tax weighted cost of capital. If the NPV is zero or greater, then no contribution is required. However, if the NPV is negative, then the excess cost is required as a Contribution in Aid of Construction ("CIAC") by the Initial Customer(s).

(Company Attachments Not Included)

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 16-447

Managed Expansion Program Rates

Staff Data Requests - Set 1

Date Request Received: 6/30/16  
Request No. Staff 2-5

Date of Response: 7/6/16  
Respondent: William Clark

**REQUEST:**

Refer to Testimony Attachment WJC/DBS-5, Bates p. 069 – 81, please re-calculate the required CIAC's of the projects shown, using a 30% premium on existing rates (as compared to the 35% used in the filing).

**RESPONSE:**

Please Attachment Staff 2-5.1.xlsm, Attachment Staff 2-5.2.xlsm, Attachment Staff 2-5.3.xlsm, and Attachment Staff 2-5.4.xlsm. As shown on the attachments, no CIAC would be required for the Pembroke and Londonderry projects using a 30% premium. However, there would be a CIAC required for the Goffstown project, and the CIAC for the Manchester project would be approximately double than would be the case using a 35% premium.