

1 compares to the FPO rate approved for the 2018/2019 winter period of \$0.7611 per therm  
2 for residential customers. This represents a \$0.1208 per therm, or 15.8% decrease in the  
3 residential FPO rate. The total bill impact on the winter period bills for an average FPO  
4 heating customer using 666 therms is a decrease of approximately \$98.27 or 9.75%  
5 compared to last winter. The total bill impact reflects the overall rates in effect following  
6 implementation of the increases approved in Docket No. DG 19-054, effective July 1,  
7 2019, relating to the cast iron/bare steel main replacement program. The estimated  
8 winter period bill for an average residential heating customer opting for the FPO would  
9 be approximately \$13.32 (or 1.45%) higher than the bill under the proposed cost of gas  
10 rates, assuming no monthly adjustments to the COG rate during the course of the winter.  
11 Schedule 23 (Bates 196) contains the historical results of the FPO program.

12 **V. LOCAL DELIVERY ADJUSTMENT CLAUSE (“LDAC”)**

13 **Q. What are the surcharges that will be billed under the LDAC?**

14 A. As shown on Proposed Second Revised Page 97 (Bates 054), the Company is submitting  
15 for approval an LDAC of \$0.0310 per therm for the residential non-heating class and  
16 residential heating class, and \$0.0478 per therm for the commercial/industrial bundled  
17 sales classes, effective November 1, 2019. The surcharges proposed to be billed under  
18 the LDAC are the Energy Efficiency Charge, the Revenue Decoupling Adjustment  
19 Factor, the Energy Efficiency Resource Standard Lost Revenue Adjustment Mechanism,  
20 the Environmental Surcharge for Manufactured Gas Plant (“MGP”) remediation, the  
21 Residential Low Income Assistance Program charge, and the rate case expense  
22 reconciliation surcharge from Docket No. DG 17-048.

1 **Q. Which customers are billed an LDAC?**

2 A. All EnergyNorth customers including those in Keene are billed an LDAC charge. When  
3 calculating the LDAC charge, the November 1, 2019, through October 31, 2020,  
4 forecasted Keene therm sales of 1,542,677 are added to the EnergyNorth therm sales  
5 forecast of 185,636,009 for a total therm sales forecast of 187,178,686 (slightly off due to  
6 rounding).

7 **Q. Please explain the Energy Efficiency Charge.**

8 A. The Energy Efficiency Charge is designed to recover the projected expenses associated  
9 with the Company's energy efficiency programs for Calendar Year 2019 that will be filed  
10 with the Commission in the near future. In the calculation of the Energy Efficiency  
11 Charge, the Company has also included the projected prior period under-recovery of the  
12 Company's residential and commercial energy efficiency programs as of October 2019.  
13 As shown on Schedule 19 Energy Efficiency (Bates 132-134), the proposed Energy  
14 Efficiency charge is \$0.0640 per therm for Residential customers and \$0.0426 per therm  
15 for commercial and industrial customers.

16 **Q. Please explain the Revenue Decoupling Adjustment Factor ("RDAF").**

17 A. Schedule 19 RDAF (Bates 124-R–129-R) shows the Actual Base Revenue per Customer  
18 and the Benchmark Base Revenue per Customer calculation which results in a total over-  
19 collection of \$7,016,791 effective November 1, 2019, through October 31, 2020, based  
20 on the formulas in the Company's proposed tariff. The Actual Base Revenue per

1 Customer proposed tariff change includes weather-normalized actuals as discussed with  
2 Commission Staff at the technical session held on September 23, 2019.

3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16

THIS SPACE IS INTENTIONALLY LEFT BLANK

1 therm is determined by dividing the \$309,225 by the estimated November 2019 through  
2 October 2020 sales volumes of 187,178,686 therms.

3 **Q. Has the Company also updated its Company Allowance percentage for the period**  
4 **November 2019 through October 2020 in accordance with Section 8 of the**  
5 **Company's Delivery Terms and Condition?**

6 A. Yes, in Schedule 25 (Bates 198) the Company has recalculated its Company Allowance  
7 for the period November 2019 through October 2020. The Company calculated the  
8 Company Allowance of 1.92% based on sendout and throughput data for the twelve-  
9 month period ending June 2019. The Company proposes to apply this recalculated  
10 Company Allowance to all supplier deliveries beginning in November 2019.

11 **VI. CUSTOMER BILL IMPACTS**

12 **Q. What are the estimated impacts of the proposed firm sales cost of gas rate and**  
13 **proposed LDAC surcharges on an average heating customer's winter bill as**  
14 **compared to the winter rates in effect last year?**

15 A. The bill impact analysis is presented in Schedule 8 (Bates 092-R) of this filing. These  
16 bill impacts reflect the implementation of the increases approved in Docket No. DG 19-  
17 054 effective July 1, 2019, relating to the cast iron/bare steel main replacement program.  
18 The total bill impact over the winter period for an average residential heating customer is  
19 a decrease of approximately \$46.46 or 4.93%. The total bill impact over the winter  
20 period for an average commercial/industrial G-41 customer is a decrease of

1 approximately \$132.18, or 5.35% (Bates 093-R). Schedule 8 of this filing provides more  
2 detail of the impact of the proposed rate adjustments on heating customers.

3 **VII. OTHER TARIFF CHANGES**

4 **Q. Is the Company updating its Delivery Terms and Conditions in the filing?**

5 A. Yes. The Company is submitting Proposed Second Revised Page 147 (Bates 055)  
6 relating to Supplier Balancing and Peaking Demand Charges and Proposed Second  
7 Revised Page 148 (Bates 056) relating to Capacity Allocation.

8 **Q. Please describe the changes to tariff Page 147.**

9 A. In Proposed Second Revised Page 147, the Company is updating the Peaking Demand  
10 Charge from \$20.41 per MMBtu of Peak MDQ to \$18.12 per MMBtu of Peak MDQ.  
11 This calculation is also presented in Schedule 21 (Bates 187).

12 **Q. Please describe the changes to tariff Page 148.**

13 A. Proposed Second Revised Page 148 updates the Capacity Allocator percentages used to  
14 allocate pipeline, storage, and local peaking capacity to high and low load factor  
15 customers under the mandatory capacity assignment requirement for firm transportation  
16 service. Schedule 22 (Bates 190–195) contains the six-page worksheet that backs up the  
17 calculations for the updated allocators.