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STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

N.H.P.U.C. Case No. <u>DG 13-251</u> Exhibit No.<u>6</u> Witness<u>M Savoie, F. DaFonte, S. Erink</u>

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

DG 13-251

PETITION TO INCREASE WINTER 2013/2014 COST OF GAS RATES

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty" or the "Company") hereby petitions the New Hampshire Public Utilities Commission to increase its Winter 2013/2014 cost of gas rates for service rendered as of March 1, 2014 and ending April 30, 2014 by \$0.1322 per therm for all residential, commercial/industrial high winter use, and commercial/industrial low winter use customers. In support hereof, Liberty states as follows:

1. On October 31, 2013, the Commission approved cost of gas rates for the Company for the 2013/2014 Winter period. *See* Order 25,591 in DG 13-251. Pursuant to Original page 35, Section 16(N)(2) of its tariff, the Company is authorized, without further Commission action, to adjust its approved cost of gas rates upward by no more than 25 percent and downward so far as is necessary to refund or recover any projected over- or under-collection. The Company makes such adjustments on a monthly basis through its so-called "trigger filing" with the Commission.

2. On December 20, 2013, the Company made a trigger filing and increased its cost of gas rates by \$0.1301 effective January 1, 2014.

3. In its most recent trigger filing, submitted on January 27, 2014, the Company projected a total under collection of gas costs for the 2013/2014 Winter period at approximately \$12.9 million. As explained in the Prefiled Direct Testimony of Francisco

C. DaFonte, this under collection has been caused by a significant increase in gas costs due to the unprecedented increase in the prices paid for spot natural gas purchases primarily as a result of the much colder than normal temperatures experienced in December and January throughout the Company's service territory and the nation in general.

4. Through its January 2014 trigger filing, the Company adjusted its cost of gas rates upward by the maximum allowed 25%, but even with such adjustment, the Company's under collection is still significant at an estimated \$9.3 million.

5. Given this \$9.3 million under collection, the Company requests that the Commission authorize it to further increase its cost of gas rates to permit the recovery of \$3.1 million of the under collection during March and April 2014, the last two months of the 2013/2014 Winter Cost of Gas period. Specifically, the Company is proposes an increase effective with service rendered on or after March 1, 2014, to the non-FPO firm sales cost of gas rates, of \$0.1322 per therm for all residential, commercial/industrial high winter use, and commercial/industrial low winter use customers. Testimony of Mark Testimony at 5. With the rate increase requested in this filing, the projected under collection would be reduced to \$6.2 million. *Id.* at 6.

6. The proposed rate increase is in the public interest because it will allow the Company to begin to recover its under collection in the same time frame in which customers incurred the costs for gas, as well as mitigate the rate impact on customers by spreading the recovery over a greater period of time. As explained in the Prefiled Direct Testimony of Mark G. Savoie, the Company is considering the possibility of seeking recovery of some portion of the remainder during the 2014 Summer Cost of Gas period

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and another portion during the 2014/2015 Winter Cost of Gas period. This would have the effect of smoothing out the cost of gas rates for customers. It would not be in the public interest to recover the entire under collection in March and April 2014 alone, as the cost of gas rate would have to be increased by approximately \$0.40 per therm, which could pose a hardship to the Company's customers.

7. Based on the foregoing, and the Prefiled Direct Testimony of Mr. DaFonte and Mr. Savoie, the Company requests that the Commission authorize an increase in its cost of gas rate effective March 1, 2014 through April 30, 2014 of \$0.1322 per therm for all residential, commercial/industrial high winter use, and commercial/industrial low winter use customers.

WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Grant this petition to increase Winter 2013/2014 Cost of Gas Rates; and
- B. Grant such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY UTILITIES

By its Attorney,

By:

Strah B. Knowlth

Date: January 31, 2014

Sarah B. Knowlton Assistant General Counsel Liberty Energy Utilities (New Hampshire) Corp. 11 Northeastern Boulevard Salem, NH 03079 Telephone (603) 328-2794 sarah.knowlton@libertyutilites.com

Certificate of Service

I hereby certify that on January 31, 2014, a copy of this Petition has been sent to the service list in this docket.

Strah B. Knowltn

Sarah B. Knowlton