

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 15-353

**LIBERTY UTILITIES (ENERGY NORTH NATURAL GAS) CORP.
d/b/a LIBERTY UTILITIES**

2015 Winter Period Cost of Gas Adjustment

ORDER OF NOTICE

On August 28, 2015, Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities (Liberty), a public utility that distributes natural gas in 28 cities and towns in south-central New Hampshire, and Berlin in northern New Hampshire, filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2015, through April 30, 2016, and proposed local delivery adjustment clause (LDAC) charges for the period November 1, 2015 through October 31, 2016, with the New Hampshire Public Utilities Commission (Commission). The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The proposed residential COG rate is \$0.7516 per therm (FPO rate \$0.7716 per therm), a \$0.2025 per therm decrease compared to last winter's weighted average residential COG rate of \$0.9541 per therm. The proposed changes to Liberty's residential COG rate and LDAC charges are expected to reduce a residential heating customer's winter bill by approximately \$111, or 19 percent. This reduction is offset by an increase in permanent delivery rates, as approved by the Commission in Docket No. DG 14-180; in total, the rate changes are expected to reduce a residential heating customer's winter bill by approximately \$73, or 7.7 percent.

The proposed commercial and industrial (C&I) low winter use COG rate is \$0.7647 per therm, and the proposed C&I high winter use COG rate is \$0.7454 per therm. The FPO program is no longer available to C&I customers as permitted by Order No. 25,691 (July 10, 2014). The changes in C&I low and high winter use rates are similar to the changes in the COG rate of a residential heating customer and are expected to reduce C&I customers' winter bills from 11 to 13 percent when factoring in the changes in delivery rates. The proposed firm transportation COG rate is an offset of (\$0.0007) per therm, compared to a charge of \$0.0079 last winter.

A variety of components make up the proposed LDAC charges of \$0.1014 per therm for all residential customers and \$0.0685 per therm for all C&I customers, which represents an increase from \$0.0937 for residential customers, and a decrease from \$0.0793 for C&I customers. The proposed charge to recover environmental remediation costs is \$0.0144 per therm, which is an increase from the current environmental charge of \$0.0055 per therm, as Liberty seeks to recover certain environmental-remediation costs during this period. The proposed energy efficiency and conservation charge for residential customers is \$0.0585 per therm, which is a decrease from the current charge of \$0.0646 per therm. The proposed energy efficiency/conservation charge for C&I customers is \$0.0256 per therm, which is a decrease from the current charge of \$0.0502 per therm. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is \$0.0145 per therm, an increase from the current charge of \$0.0091 per therm. A rate case expense charge, as approved in Docket No. DG 14-180, of \$0.0140 per therm, is proposed, a reduction from the \$0.0145 per therm charge from the current charge.

Liberty is also updating its Company Allowance for Lost and Unaccounted for Gas percentage for the period of November 2015 through October 2016, with a Company Allowance

of 1.69 percent. Liberty is updating its short term debt limits to \$19,335,780 for fuel financing and \$73,871,505 for non-fuel purposes, calculated in accordance with Order No. 24,824 (Feb. 29, 2008), approving the Settlement Agreement in Docket No. DG 06-122.

Liberty is also updating its supplier balancing charges, which suppliers must pay Liberty for balancing services as Liberty attempts to meet the shifting loads for the suppliers' customer pools. The proposed balancing charge of \$0.24 per MMBtu is an increase from the current balancing charge of \$0.21 per MMBtu. The proposed peaking demand charge of \$12.89 per MMBtu is a decrease from the current charge of \$18.22 per MMBtu. These charges are based on an update of volumes and costs used in calculating the charges. The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment program, required for firm transportation service, have also been updated to reflect Liberty's supply portfolio for the coming year.

Liberty reported an over collection of approximately \$3.6 million over the 2014-2015 winter period. Liberty states this over collection was primarily due to a decline in market gas prices.

Within its COG petition, Liberty presented testimony indicating that it would like to begin discussions on the possibility of filing one annual COG filing with the Commission, instead of two (winter and summer). Liberty states that having one yearly COG filing would reduce administrative burden, and would still provide for different winter and summer COG rates (without specifying how this would be accomplished). Liberty believes that an annual COG filing plan could be approved by the Commission prior to the 2016-2017 winter COG filing deadline.

The filing raises, inter alia, issues related to: RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of over and under recoveries, the reconciliation of prior period costs and revenues, the prudence and recovery of environmental remediation costs, and the reasonableness of having a single annual COG filing for the setting of winter and summer COG rates. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 23, 2015 at 9:00 a.m.; and it is

FURTHER ORDERED, that Liberty, the Staff of the Commission and any Intervenors hold a Technical Session at the Commission on October 5, 2015 at 9:00 a.m.; and it is

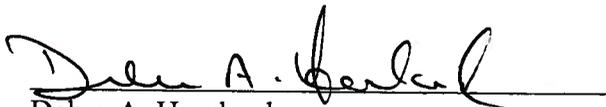
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 30, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 19, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before October 19, 2015, such Petition stating the facts demonstrating

how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 23, 2015.

By order of the Public Utilities Commission of New Hampshire this ninth day of September, 2015.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
al-azad.m.iqbal@puc.nh.gov
alexander.speidel@puc.nh.gov
amanda.noonan@puc.nh.gov
mark.naylor@puc.nh.gov
ocalitigation@oca.nh.gov
R.J.Ritchie@libertyutilities
steve.frink@puc.nh.gov

Docket #: 15-353-1 Printed: September 10, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.