

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 17-xxx

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

Change to Tariff Page 17, Standard Heat Content Value

Technical Statement of David B. Simek

A. Purpose of Technical Statement.

The purpose of this technical statement is to: (1) explain why the Company is filing a First Revised Page 17 of the Keene Division Tariff, “Standard Heat Content Value” (“Revised Page 17”); (2) explain that Revised Page 17 will not affect the Company’s “rates, fares, charges, and prices;” (3) explain that Revised Page 17 will not change the terms and conditions under which the affected customers will receive service, and (4) explain why the Company need not comply with the notice provisions of Puc 1604.03.

B. Reasons for Filing Revised Page 17.

Revised Page 17 adds the phrase “and natural gas” to the following sentence: “Propane-air gas and natural gas will be used to meet the needs of the Keene customers.” It also adds the following sentence disclosing the heat content value for the natural gas to be sold: “The standard heat content value for the natural gas sold will be 1.0 therm per hundred cubic feet and will apply to all bills rendered for the same meter reading month.”

The Company is filing Revised Page 17 because Liberty is installing a temporary compressed natural gas (CNG) facility to serve some commercial customers who are currently served by the so-called “high pressure” line of the existing propane-air system. They will be isolated from the propane-air system and served by a line running from the temporary CNG facility to be sited on Production Avenue. The temporary CNG facility is the first step in the Company’s plan to convert the entire Keene system to CNG and liquefied natural gas (LNG) over the coming years.

These customers will receive natural gas, not “propane-air gas” as described in Original Page 17. Revised Page 17 merely discloses that some customers will receive natural gas and that the heat content value of the natural gas to be sold is one therm per hundred cubic feet. Over the coming years, the number of customers who will receive natural gas will increase, but there should be no reason to amend Page 17 further.

C. Revised Page 17 Does Not Affect the Company’s Rates, Fares, Charges, and Prices.

Revised Page 17 does not propose any change in rates, fares, charges, or prices because the customers who receive natural gas will be charged the same “per therm” rate that they now pay for propane-air, which rate the Commission approves through the Company’s cost of gas dockets.

A “therm” is a generic unit of heat energy that is equivalent to 100,000 Btu. Although it takes different volumes of propane-air and natural gas to comprise a therm, customers are charged for each therm -- they are not charged for the differing volume (cubic feet) of propane-air or natural gas consumed. That is, customers obtain the same heat from a therm of propane-air as they receive from a therm of natural gas, and customers will pay the same price for a therm of propane-air as for a therm of natural gas because the Company will have a single, Commission-approved, per-therm rate regardless of whether the customer is burning propane-air or natural gas. The “heat content value” for natural gas contained in Revised Page 17 merely discloses the calculation the Company will perform to convert the cubic feet of natural gas provided to the customer into the number of therms for which the customer will be billed, just as the Company now calculates for propane-air using a different heat value contained in Original Page 17.

Revised Page 17 will not cause any change in the Company’s “rates, fares, charges, and prices,” and thus does not implicate RSA 378:3. The Company respectfully disagrees with the Commission’s statement to the contrary in the December 9, 2016, secretarial letter.

D. Revised Page 17 Does Not Change the Terms Under Which the Company Will Provide Service.

The rules define a “service or tariff change” as follows:

“Service or tariff change” means any proposed change in any rate, fare, charge, price or the terms or conditions under which service shall be provided, including, but not limited to, the following:

- (1) A fuel or commodity adjustment;
- (2) A purchased power adjustment;
- (3) A line or main extension; and
- (4) A new service.

Puc 1605.01(a). The Company accepts for purposes of this filing that it is a “tariff change” filing, and thus must comply with Puc 1605. Puc 1603 (which applies through a directive in Puc 1605.02(f) “to comply with all applicable requirements of Puc 1603”) requires the Company to provide a “full description of the rates and terms under which service shall be provided” under Revised Page 17. Puc 1603.02(m).

The rates charged for the service provided under Revised Page 17 are, as discussed above, exactly the same as current rates. There will be no change. Customers who receive natural gas will pay the same price per therm as they do now for their propane-air.

The “terms under which service shall be provided” under Revised Page 17 will also remain unchanged. Every aspect of the utility-customer relationship will be the same – meter reading, billing, customer service, emergency calls, repairs, etc.

The only changes related to Revised Page 17, and they are not changes “of the rates and terms under which service shall be provided,” are the calculations that the Company must do to convert cubic feet of natural gas into therms (in the same manner, although with a different multiplier, that it converts cubic feet of propane-air into therms), and the fact that the Company will make the minor changes to the customer’s appliances necessary to burn natural gas. That is a one-time change, is done at the Company’s expense, and thus does not constitute a change in the terms of service.

The CNG customers will be charged the same rate and will be served under the same terms of service as under the current tariff.

E. The Company Need Not Publish Notice of this Filing.

Puc 1605.03, titled “Publication of Proposed Tariff Change,” states that, “[w]hen a utility proposes a service or tariff change pursuant to this part, it shall publish notice of the proposed service or tariff change pursuant to the requirements set forth in Puc 1604.03.”

Puc 1604.03, in turn, describes how the Company must publish the Commission’s order of notice in a filing that contains “a proposed rate change.” Puc 1604.03(a). As discussed above, Revised Page 17 does not propose a rate change so this rule does not apply. If the Commission nonetheless determines that an order of notice must be published, then the Company will do so when issued.

Finally, if the Commission determines that there is information lacking in this technical statement, Liberty respectfully asks that the Commission not reject the filing but provide Liberty the opportunity to cure any deficiency as the rules require. Puc 1605.02(c) (“If the commission determines that a utility has submitted, as part of a service or tariff change filing, information not sufficient to enable the commission to properly evaluate the proposed change in tariff, the commission shall notify the utility as to such further documentation required by Puc 1603 and Puc 1604 which the utility shall be required to file”).