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December 26, 2019

Re: DG 17-023, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
NHPUC Tariff No. 8 Revision Adding Excess Flow Valves

DG 17-065, Northern Utilities, Inc.
Excess Flow Valve Regulations

Docket Closure

To the Parties:

The above-captioned dockets were opened in response to regulations promulgated by the federal Pipeline and Hazardous Materials Safety Administration regarding excess flow valves (EFVs), safety devices installed on natural gas distribution pipelines, which are designed to reduce the risk of accidents. *See* 49 C.F.R. §§ 192.381-192.385 (2019) (Revised EFV Regulations). The Revised EFV Regulations, effective April 14, 2017, added new service categories in which the installation of EFVs was mandatory. They also required gas system operators to notify customers of their right to request installation of EFVs on service lines that are not being newly installed or replaced. The Revised EFV Regulations left the issue of who paid the cost of installing EFVs on service lines that are not being newly installed or replaced "to the operator's rate-setter." *Id.*, § 192.383(d) (2019).

In Docket No. DG 17-023, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (Liberty) requested the Commission's approval of a revised tariff, which would require customers to pay in advance for the installation of EFVs pursuant to the Revised EFV Regulations. In Docket No. DG 17-065, Northern Utilities, Inc. (Northern), on the other hand, proposed installing EFVs pursuant to the Revised EFV Regulations at no cost to customers, unless the customer requested an earlier "expedited" installation date. The Commission consolidated both dockets by secretarial letter issued on June 22, 2017.

In response to a motion filed by Commission Staff (Staff), in which Staff stated that the parties were working on a negotiated settlement, the Commission postponed the August 17, 2017 final hearing. No settlement agreement, however, was filed.

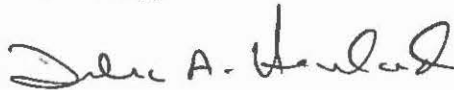
On December 12, 2019, Staff filed a memorandum recommending that the Commission issue a secretarial letter rejecting Liberty's proposed revised tariff and closing both dockets. Staff stated that, based on Liberty's and Northern's responses to the data requests it issued on

September 17, 2019, the Revised EFV Regulations have had a negligible impact on utility costs. From April 2017 to September 2019, Liberty, for example, installed only 8 EFVs on existing service lines. Based on the average annual cost of these installations, the impact on a Liberty residential customer's annual heating bill would be less than 5 cents. During the same time period, Northern did not install any EFVs.

Staff concluded that customers should not be charged for routine EFV installations, which costs should be recovered through base rates, consistent with how EFV installation costs on new services are recovered. According to Staff, customers should only be required to pay an incremental cost of installation of EFVs under circumstances which would result in higher than normal installation costs. It recommended that Liberty and Northern file proposed revised tariffs, which include a customer's right to request installation of an EFV pursuant to the Revised EFV Regulations, either prior to, or as part of, their next general rate filing. Neither Liberty nor Northern filed a response to Staff's recommendation.

Based on Staff's recommendation, the Commission has rejected Liberty's proposed revised tariff filed in Docket No. DG 17-023. Liberty and Northern shall file any proposed revised tariffs relating to the Revised EFV Regulations either prior to, or as part of, their next general rate filings. In addition, the Commission has closed Docket No. DG 17-023 and Docket No. DG 17-065.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra A. Howland", is positioned above the printed name.

Debra A. Howland
Executive Director

cc: Service List (Electronically)
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