

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

Website:
www.energy.nh.gov

DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

January 13, 2022

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DG 20-105; Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty;
Petition for Permanent Rates; Department of Energy Updated Final Audit Report on Rate
Case Expenses Incurred after August 30, 2021

Dear Chairman Goldner:

In Order No. 26,691, issued September 29, 2022, the Commission ordered the Department of Energy to audit rate case expenses incurred by Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty (Liberty) in this matter that were not previously audited (*i.e.*, after August 30, 2021). The Commission also required the Department to file a report on those audited expenses by December 30, 2022.

The Department's Audit Division Staff completed such audit on November 18, 2022. This final report was provided to Liberty, but inadvertently the Department did not file that report with the Commission in this docket. That audit report is attached hereto.

The Department generally adopts the findings of this Updated Audit Report as its position in this matter. However, the Department does not support recovery of the \$37,997 of costs incurred for a depreciation study update performed by Management Applications Consulting because those costs were incurred in 2022 and concerned the second step adjustment provided for in the approved settlement in this case; these costs are not related to the full base rate case. The Department takes the position that the settlement agreement in this case provided for rate case expense related to the full base rate case, not subsequent step increases. *See* Exhibit 49 at Bates 21, 47. The Department believes this position is consistent with the Puc 1900 Rules governing recovery of full rate cases expenses.

The Department regrets the inconvenience caused by its oversight in not filing this audit report with the Commission in a timely manner. The Department plans to proceed with the hearing scheduled in this case for January 17, 2023.

Consistent with current Commission practice, this letter is being filed only in electronic form.

Sincerely,

/s/ Paul B. Dexter

Paul B. Dexter
Senior Hearings Examiner

Cc: Service List