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October 28, 2021

Via Electronic Mail Only

Dianne Martin, Chairwoman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

**Re: Docket No. DG 21-130; Liberty Utilities (EnergyNorth Natural Gas) Corp.
2021-2022 Winter Cost of Gas and 2022 Summer Cost of Gas**

Dear Chairwoman Martin:

On behalf of Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty ("Liberty" or the "Company"), this letter responds to the " cursory comments" of the New Hampshire Department of Energy ("Energy") in the above-referenced docket, regarding the Company's responses to Commission record requests, submitted to on October 27, 2021.

First, with respect to the Local Distribution Adjustment Clause ("LDAC"), Energy asserts that Tariff No. 11 "has not been found compliant" by the Commission and that, further, the Revenue Decoupling Adjustment Factor formula (included in Tariff No. 11) has not yet been "fully approved" by the Commission. However, this claim is not correct.

On July 30, 2021, in Docket DG 20-105, the Commission issued Order No. 26,505, which approved the Settlement Agreement among all parties to that docket, including Energy. Attachment 11 to the Settlement Agreement was the "Complete Revised Tariff," titled "NHPUC NO. 11 - GAS." Settlement Agreement. at Bates 27 and Bates 50 - 470. The Commission has thus approved the entirety of Tariff No. 11 for effect August 1, 2021. Order No. 26,505 also directed the Company to file a compliance tariff within 15 days. Liberty filed the compliance tariff on August 13, 2021.

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On September 13, 2021, the Commission's tariff administrator filed a letter of "non-compliance," raising an issue with a single page of Tariff No. 11:

it was determined that the tariff on Original Page 101 does not reflect any changes to the Revenue Decoupling Adjustment Factor (RDAF) for any class of customer, and that the methodology for this was altered by the settlement agreement and the Commission's order."

The Company responded the following day, explaining that Original Page 101 (attached) is a summary page stating the rates then being charged for components of the LDAC because Order No. 26,505 did not change any of the LDAC rates. The LDAC takes effect on November 1, 2021, not August 1, 2021. Therefore, the Company explained that this page would be updated following the Commission's approval of the new LDAC factors for effect November 1, 2021. Those factors are the subject of this docket and will be inserted to Original Page 101, once approved. Original Page 101 is correct as filed. The tariff administrator took no further action in response to Liberty's letter, and the Commission has not taken any action. Tariff No. 11 was approved in Order No. 26,505.

Second, with respect to an amount to be recorded to the Company's General Ledger of approximately \$500,000, Energy asserts that Exhibit 37, Record Request 2-5,

was supposed to address the degree to which both Liberty's requested refund of approximately \$4 million in Docket DG 21-130 and the identified variance with Liberty's General Ledger in the amount of approximately \$500,000, *played a role in Liberty's over/under calculations for the Winter 2020-2021 calculation, i.e. the reconciliation to be made for the RDAF and all other LDAC components in the pending DG 21-130 docket.*

(Emphasis in original.)

As the Company explained at hearing, the amount of approximately \$500,000 was not included in the Company's filing, but rather is an amount that the Company stated was to be recorded on the Company's General Ledger to reconcile the Company's General Ledger accounts to the calculated \$4 million that was included in the initial regulatory filing. The \$4 million has since been removed from the regulatory filing. Therefore, it does not factor into "Liberty's over/under calculations for the Winter 2020-2021 calculation" and is not an issue implicated in the decisions now pending before the Commission.

Lastly, Energy asserts that Liberty,

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was also supposed to explain why the \$4 million appears in its current General Ledger, as a refund due, given that the past two COG proceedings in Dockets DG 19-145 and DG 20-141 had refunded \$4 million to customers, in approved and final reconciliations of over/under calculations.

Per the Commission's directive, the issue of the \$4 million under-collection was removed from this docket. Therefore, the Company appropriately did not address the issue in its record request response and will do so at the appropriate juncture, consistent with the directives of the Commission.

Unless the Commission requires further information to make its decisions, there is no "lack of information" or "lack of clarity" in this proceeding that merits further suspension of Commission findings in relation to the costs of gas and the over/under calculations in dockets DG 21-130 and DG 21-132.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Sheehan".

Michael J. Sheehan

cc: Service List
enclosure

36 LOCAL DISTRIBUTION ADJUSTMENT CLAUSE CALCULATION

Local Delivery Adjustment Charge Calculation

	Sales <u>Customers</u>	Transportation <u>Customers</u>
<u>Residential Non Heating Rates - R-1, R-5</u>		
Energy Efficiency Charge	\$ 0.0831	
Demand Side Management Charge	0.0000	
Conservation Charge (CCx)	<u>0.0831</u>	
Relief Holder and pond at Gas Street, Concord, NH	\$ 0.0000	
Manufactured Gas Plants	<u>0.0197</u>	
Environmental Surcharge (ES)	0.0197	
Revenue Decoupling Adjustment Factor (RDAF)	(0.0562)	
Energy Efficiency Resource Standard Lost Revenue Mechanism	0.0000	
Rate Case Expense Factor (RCEF)	0.0002	
Gas Assistance Program (GAP)	<u>0.0121</u>	
LDAC	\$ 0.0589	per therm

<u>Residential Heating Rates - R-3, R-4, R-6, R-7</u>		
Energy Efficiency Charge	\$ 0.0831	
Demand Side Management Charge	0.0000	
Conservation Charge (CCx)	<u>0.0831</u>	
Relief Holder and pond at Gas Street, Concord, NH	\$ 0.0000	
Manufactured Gas Plants	<u>0.0197</u>	
Environmental Surcharge (ES)	0.0197	
Revenue Decoupling Adjustment Factor (RDAF)	(0.0562)	
Energy Efficiency Resource Standard Lost Revenue Mechanism	0.0000	
Rate Case Expense Factor (RCEF)	0.0002	
Gas Assistance Program (GAP)	<u>0.0121</u>	
LDAC	\$ 0.0589	per therm

<u>Commercial/Industrial Low Annual Use Rates - G-41, G-51, G-44, G-55</u>			
Energy Efficiency Charge	\$0.0441		
Demand Side Management Charge	0.0000		
Conservation Charge (CCx)	<u>0.0441</u>	\$	0.0441
Relief Holder and pond at Gas Street, Concord, NH	\$ 0.0000		
Manufactured Gas Plants	<u>0.0197</u>		
Environmental Surcharge (ES)	0.0197		0.0197
Revenue Decoupling Adjustment Factor (RDAF)	(0.0206)		(0.0206)
Energy Efficiency Resource Standard Lost Revenue Mechanism	0.0000		0.0000
Rate Case Expense Factor (RCEF)	0.0002		0.0002
Gas Assistance Program (GAP)	<u>0.0121</u>		<u>0.0121</u>
LDAC	\$ 0.0555	\$	0.0555 per therm

<u>Commercial/Industrial Medium Annual Use Rates - G-42, G-52, G-45, G-56</u>			
Energy Efficiency Charge	\$0.0441		
Demand Side Management Charge	0.0000		
Conservation Charge (CCx)	<u>0.0441</u>	\$	0.0441
Relief Holder and pond at Gas Street, Concord, NH	\$ 0.0000		
Manufactured Gas Plants	<u>0.0197</u>		
Environmental Surcharge (ES)	0.0197		0.0197
Revenue Decoupling Adjustment Factor (RDAF)	(0.0206)		(0.0206)
Energy Efficiency Resource Standard Lost Revenue Mechanism	0.0000		0.0000
Rate Case Expense Factor (RCEF)	0.0002		0.0002
Gas Assistance Program (GAP)	<u>0.0121</u>		<u>0.0121</u>
LDAC	\$ 0.0555	\$	0.0555 per therm

<u>Commercial/Industrial Large Annual Use Rates - G-43, G-53, G-54, G-46, G-56, G-57, G-58</u>			
Energy Efficiency Charge	\$ 0.0441		
Demand Side Management Charge	0.0000		
Conservation Charge (CCx)	<u>0.0441</u>	\$	0.0441
Relief Holder and pond at Gas Street, Concord, NH	\$ 0.0000		
Manufactured Gas Plants	<u>0.0197</u>		
Environmental Surcharge (ES)	0.0197		0.0197
Revenue Decoupling Adjustment Factor (RDAF)	(0.0206)		(0.0206)
Energy Efficiency Resource Standard Lost Revenue Mechanism	0.0000		0.0000
Rate Case Expense Factor (RCEF)	0.0002		0.0002
Gas Assistance Program (GAP)	<u>0.0121</u>		<u>0.0121</u>
LDAC	\$ 0.0555	\$	0.0555 per therm

DATED: August 13, 2021

ISSUED BY: /s/Neil Proudman

EFFECTIVE: August 1, 2021

Neil Proudman
TITLE: President