

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

DG 21-130

Winter 2021/2022 Cost of Gas and Summer 2022 Cost of Gas

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 10/25/21
Request No. PUC RR 2-5

Date of Response: 10/27/21
Respondent: Erin O'Brien

REQUEST:

Please explain the accounting related to the “adjusting entry of \$459,586” as stated in the “Confidential Final Audit Report – Clarification,” Exhibit 18.

RESPONSE:

The adjusting entry of \$459,586 represents the difference between estimated amounts recorded on the Company’s general ledger and actual amounts calculated in preparation of the DG 21-130 filing. With the Commission’s ruling to remove the R-4 issue from this filing for consideration on a separate path from the Winter 2021/2022 Cost of Gas and Summer 2022 Cost of Gas filing, the amount of \$459,586 has also been removed from the Company’s filing.

As the Company will explain in its subsequent filing on the R-4 issue, the adjusting entry of \$459,586 arises from the annual reconciliation of the Recovery Decoupling Adjustment Factor (RDAF). By its natural operation, the RDAF incorporates estimates due to the timing of the filing and the need to incorporate estimates for unbilled revenues that are later tried up. The RDAF mechanism also incorporates true ups for any changes in customer bills issued during the relevant period. The estimates included in each annual filing are then adjusted for actual results in the subsequent year’s filing.

To adjust the general ledger by the \$459,586 identified as the difference between the general ledger and the initial filing in this docket, the Company plans to debit the EnergyNorth and Keene Deferred Decoupling Asset accounts 8840-2-0000-10-1168-1823 and 8843-2-0000-10-1168-1823 and Credit Revenue for \$459,586. As recommended by Audit Staff, this will be done within 30 days of the approval of the proposed prior period refund recoveries.