

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

Department Energy Data Requests - Set 2

Date Request Received: 6/21/22
Request No. DOE 2-3

Date of Response: 7/6/22
Respondent: Deborah Gilbertson

REQUEST:

Reference: Liberty Motion at 3; Gilbertson Supp. Testimony” “McNamara Supp. Testimony.

Please explain and provide documentation that supports the Company’s conclusion that “the [then] current market prices, although volatile, with substantial swings both up and down, will remain at roughly the current level for the balance of the 2022 Summer period. . . .” The response should include, but not be limited to, supports for the Company’s conclusion that there will be “substantial swings up and down,” and that the current market prices will remain “roughly at the current level for the balance of the 2022 Summer period.”

RESPONSE:

The Company was referencing the [then] current market forward pricing for the upcoming month, which was, and continues to be, highly volatile, with substantial price swings both up and down. This is evidenced by daily market reports which capture the NYMEX forward prediction for the upcoming month.

At the end of each month, the NYMEX contract will settle at a fixed price for the upcoming month. Said differently, July 2022 NYMEX will settle on June 28. It is these daily reports which show high volatility, both up and down in the days before the NYMEX settlement closes for the next month.

The Company stated in paragraph 4 of the Liberty motion, that the Company “**projects**.....will remain at roughly the current level for the balance of 2022 summer.” That is because on May 10th the forward projections for NYMEX showed relatively stable predicted prices for the duration of the summer. This can be seen on Bates 012, line 8, NYMEX Tracking 5/10/2022 vs Initial Filing. Also, please refer to DOE 2.11.e.