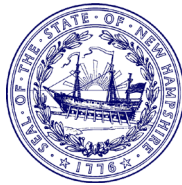


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December 27, 2021

Via Electronic Mail Only

Daniel C. Goldner, Chair
Public Utilities Commission
21 S. Fruit Street
Concord, NH 03301-2429

Re: DG 21-132 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty,
Keene Division, 2021/2022 Winter Cost of Gas Filing
Liberty and Energy's Joint Report on LDAC and COG

Dear Chair Goldner:

Enclosed please find Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, Keene Division (Liberty-Keene) and the Department of Energy (Energy)'s *Joint Report on LDAC and COG proceedings (Liberty-Keene)*, filed pursuant to the Commission's Order No. 26,542. Liberty-Keene's counsel, Michael Sheehan, has authorized Energy to file this report on behalf of both parties.

The Office of the Consumer Advocate (OCA) participated in the parties' discussions but does not join in this report.

Respectfully Submitted,

/s/ *Mary E. Schwarzer*

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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
D/B/A LIBERTY, KEENE DIVISION

Docket No. DG 21-132

2021/2022 Winter Cost of Gas Filing

Joint Report on LDAC and COG proceedings (Liberty-Keene)

In Order No. 26,542 (October 29, 2021) the Public Utilities Commission (PUC) ordered the following:

FURTHER ORDERED, Liberty shall explore with the parties to this docket a separate filing schedule and process for review and approval of LDAC charges, as well as a modified schedule for filing updates to the COG rates prior to hearing. The parties are to report their recommendations to the Commission within 60 days of this order. . . .

Id. at 10.

Liberty Utilities (Liberty EnergyNorth Natural Gas) Corp. d/b/a Liberty-Keene Division (“Liberty-Keene” or “the Company”), the Department of Energy (“Energy”), and the Office of the Consumer Advocate (“OCA”) met and discussed the above directive. As a result of those discussions, Liberty-Keene and Energy (the Parties) respectfully ask that the PUC issue an order approving the following changes to the Company’s annual cost of gas (COG) filings, beginning with Liberty-Keene’s Winter 2022/2023 filing. The Parties respectfully ask the PUC to consider and approve the following changes by April 1, 2022¹ (the date the Parties specified in a parallel report in Docket No. DG 21-130).

First, the Parties propose that the Company continue to make the Liberty-Keene Winter COG filing no later than September 15, consistent with the Company’s past practice, and approximately two weeks after the EnergyNorth COG filing. The Parties propose that the Company make its Summer COG filing on March 15, the date consistent with the Company’s past practice. Liberty’s local delivery adjustment clause (LDAC) is determined in the EnergyNorth COG docket and used in the Liberty-Keene Winter COG calculations. Accordingly, the Liberty-Keene Winter COG filing shall incorporate the LDAC rates proposed

¹ Pending the PUC’s review, the Company will file a proposed procedural schedule with its Summer 2022 Liberty-Keene cost of gas petition. The proposed schedule, reviewed by Energy and the OCA in advance, shall be consistent with the recommendations described herein.

in the previously filed EnergyNorth's COG filing; the Liberty-Keene summer COG filing will use the LDAC rate approved in the prior EnergyNorth COG order.

Second, in order to conduct discovery and hold technical sessions efficiently, the Parties propose that an initial set of data requests per party may be filed by September 23, with responses due September 29, and the technical session to be held October 2 at 10:00 a.m. and that an initial set of data requests per party may be filed by March 23, with responses due March 29, and the technical session to be held April 2 at 10:00 a.m. In the event any of these dates fall on a weekend or holiday, then the next business day will be the due date. Thereafter, responses to additional data requests shall be due no later than 10 calendar days from the date the requests are filed, unless otherwise ordered by the Commission. See Puc 203.09(f). The Company will provide data request responses earlier if at all possible.

The Parties agree that an initial technical session shall be held on October 2 for the Winter COG filing and on April 2 for the Summer COG filing, unless otherwise agreed by all parties, in advance, in writing. The Winter COG technical session may also include discussion of LDAC issues, although generally that discussion shall occur in the EnergyNorth COG docket. If designated initial technical session days are weekends or holidays, then the technical session shall be held on the next business day. See Puc 202.03(b). Given the short timeframe under which COG review is conducted, this will permit the Parties to make full use of available time while the PUC reviews the Parties' proposed procedural schedule(s) and schedules hearing dates.

The Parties will further endeavor to agree to consensus schedules to address other procedural steps (including but not limited to additional data requests and technical sessions), which schedules Liberty-Keene will propose with its September 15 Winter COG filing and March 15 Summer COG filing. If no consensus is reached, alternative schedules may be proposed.

Third, the Parties propose that, if necessary, the Company make one updated filing each season, no later than October 7 for the Winter COG and no later than April 7 for the Summer COG, to reflect changes in gas pricing. Any updated filings will be accompanied by Liberty-Keene's explanation of the changes made, and will contain "clean" and red-lined /annotated copies of testimony, schedules, and proposed tariff pages. If any necessary changes are identified after the October 7 (Winter) or April 7 (Summer) filing, the Company agrees to promptly identify those changes in discussions with the parties and at hearing and file any necessary post-hearing updates before November 1 (Winter) or May 1 (Summer). Significant changes may warrant separate treatment.

The Parties agree that it is important for Liberty-Keene to retain the option of updating its filing on October 7 (Winter) and April 7 (Summer) to include updated propane and CNG pricing, as those fuels may be subject to volatile market pricing.

Given this potential market volatility, the Parties agree that it is sometimes appropriate for Liberty-Keene to update the proposed COG rates after the September 15 Winter filing and after the March 15 Summer filing in order to reduce the risk of a large over-or under-collection over the course of each season. The Parties therefore agree that Liberty-Keene's updated filing *no later than October 7 (Winter) and April 7 (Summer)* reasonably balances the occasional need

for more current propane and CNG pricing, against the administrative burdens imposed by making updated filings later in October or April, respectively. The Parties note that for significant gas market changes occurring after those designated dates, the Company may avail itself of the monthly trigger filings, which can first be made effective on December 1 (Winter) and June 1 (Summer), respectively, and may consider filing a motion requesting authority to exceed the 25% cap on increases in the COG rate that can be made with those monthly filings. See Order No. 26,542 at 8 (“Going forward, Liberty-Keene is required to advise the Commission immediately when it appears that rates are projected to increase above the 25 percent cap so that the Commission may consider adjusting the rate above the cap”).

The Parties ask the PUC to allow a minimum of ten days for Energy to review Liberty Keene’s compliance tariff filings (in November and May) before the PUC issues a letter of compliance. The Parties ask the PUC to allow a minimum of three days for Energy to review Liberty-Keene’s trigger filings (including tariff pages) before the PUC issues a letter of compliance. This will allow Energy an opportunity for review.

To summarize, the Parties propose the following procedural schedule for the Company’s Winter 2022-23 and Summer 2023 cost of gas filings, and for such filings in subsequent years:

Liberty-Keene Winter COG filing:

September 15	Winter COG filing retaining the format of the Winter 2021/2022, and filed with the Parties’ proposed procedural schedule(s),
September 23	Initial COG discovery to the Company
September 29	Liberty Responses
October 2 ²	Technical Session, 10:00 a.m.
October 7	Updated filing to reflect current propane and CNG pricing, and any other Company changes, if necessary. Filing to include “clean” and “red-lined”/ annotated testimony, schedules and proposed tariff pages, and a brief explanation of why the changes were made in the accompanying cover letter. Energy(and intervenors) may file data requests following any updated filing. The Company shall use best efforts to respond to those data requests in advance of hearing.
October	Complete discovery, technical sessions, and motions practice (if any) conduct hearing.
November 1	no later than this date, the PUC issues an Order establishing Liberty-Keene COG rates effective November 1.

² October 2, 2022 is a Sunday. Therefore, for the first year of this proposed schedule, the updated filing shall be due Monday, October 3, 2021, unless otherwise agreed by the parties in writing, in advance.

Liberty-Keene Summer COG filing (beginning with the Summer 2023 COG filing):

March 15	COG filing retaining format of the Summer 2021 filing, and filed with the Parties' proposed procedural schedule(s)
March 23	Initial COG discovery to Liberty-Keene
March 29	Liberty responses
April 2 ³	Technical session at 10:00 a.m.
April 7	Updated filing to reflect current propane and CNG pricing, and any other Company changes, if necessary. Filing to include "clean" and "red-lined"/annotated testimony, schedules and proposed tariff pages, and a brief explanation of why the changes were made in the accompanying cover letter. Energy, (and intervenors) may file data requests following any updated filing. The Company shall use best efforts to respond to those data requests in advance of hearing.
April	Complete discovery, technical sessions, and motions practice (if any), conduct hearing.
May 1	no later than this date, the PUC issues an Order establishing Liberty-Keene COG rates effective May 1

Fourth, when petitions are first filed, Liberty-Keene agrees to make a good faith effort to identify any COG issues (including LDAC issues specific to Liberty-Keene, if any) that are likely too complex to be resolved in the compressed COG schedules outlined above, and to propose carving out those complex issues to be addressed on a separate timeline in this docket or in a separate docket, provided such separate treatment does not prejudice any party's rights. The Parties would then ask the PUC to approve a process to separately adjudicate such an issue on a different timeline. Recent examples of such complex issues that are better resolved outside the fast-paced COG process are the Revenue Decoupling Adjustment Factor issue discussed in Docket No. DG 21-130, and the prudence of the Liberty-Keene CNG contracts/historic demand charges as addressed in Docket No. DG 20-152. See Order No. 26,480 (May 14, 2021). Absent agreement, nothing in this statement precludes any party from asking the PUC to carve out an issue for consideration on a separate schedule or in a separate docket

The Parties ask that the PUC to address a motion to defer or "carve out" adjudication on a particular issue as promptly as possible, to conserve PUC and the Parties' time and resources, including preparation time.

³ April 2, 2023 is a Sunday. Therefore, for the first year of this proposed schedule, the updated filing shall be due on April 3, 2022.

With the above adjustments, the Parties anticipate that Energy's Regulatory Division, and any intervenors, will have a sufficient opportunity to review the Company's proposed COG rate adjustments and, with Energy's Audit Division, the Company's reconciliation report and prior year's COG. Energy notes that any supplemental or corrected-pages that Liberty-Keene may provide to the Audit Division must be filed into the relevant COG dockets in order to be properly considered. Substantive changes to reconciliation filings made after September 15 (Winter) and March 15 (Summer), apart from documents filed with the Audit Division at the Audit Division's request, will not be audited until the next year's reconciliation period. In addition, Audit reviews actual charges and volumes; it does not audit prospective rates. Audit will "match" the reconciled over/under figure from the prior year's Winter or Summer COG docket to the over/under figures filed in Liberty-Keene's September 15 (Winter) and March 15 (Summer) petitions.

Fifth, the Parties also agree to include the initial September 15 (Winter) COG filing, and the initial March 15 (Summer) COG filing, and any updated filings as Company hearing exhibits in the Winter and Summer hearings respectively, in both redacted and confidential formats.

In conclusion, as stated above, the Parties respectfully ask the PUC to consider and approve the above changes by April 1, 2022, consistent with changes recommended in Docket No. DG 21-130 (regarding proposed EnergyNorth LDAC and COG rates).

Thank you for considering the Parties' Joint Report on LDAC and COG proceedings.
