

1 **STATE OF NEW HAMPSHIRE**

2 **PUBLIC UTILITIES COMMISSION**

3 **April 4, 2022** - 9:01 a.m.
4 21 South Fruit Street
5 Suite 10
6 Concord, NH

7 RE: **DG 22-015**
8 **LIBERTY UTILITIES (ENERGYNORTH**
9 **NATURAL GAS) CORP. d/b/a LIBERTY-**
10 **KEENE DIVISION:**
11 Summer 2022 Cost of Gas.
 (Prehearing conference)

12 **PRESENT:** Chairman Daniel C. Goldner, Presiding
13 Commissioner Pradip K. Chattopadhyay
 Commissioner Carleton B. Simpson

14 Michael Haley, Asst. Atty. General
15 (N.H. Department of Justice)

16 Tracey Russo, Clerk

17 **APPEARANCES:** **Reptg. Liberty Utilities (EnergyNorth**
18 **Natural Gas) Corp. d/b/a Liberty-**
19 **Keene Division:**
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20 **Reptg. New Hampshire Dept. of Energy:**
21 Mary E. Schwarzer, Esq.
 (Regulatory Support Division)

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23 Court Reporter: Steven E. Patnaude, LCR No. 52
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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning. We're here in Docket DG 22-015, for a prehearing conference regarding the Liberty Utilities' Liberty-Keene Division Summer 2022 Cost of Gas.

Let's take appearances, beginning with Liberty.

MR. SHEEHAN: Good morning, Commissioners. Mike Sheehan, for Liberty Utilities (EnergyNorth Natural Gas) Corp. And, by way of introduction, I think everyone knows Ms. Gilbertson, Ms. McNamara, and Ms. Menard. But the new face behind me is Joshua Tilbury. He's our new Director of Energy Procurement. Our Energy Procurement Department is responsible for gas at all of our gas utilities, New York, New Hampshire, Massachusetts, Georgia, and Missouri. So, he's joined us just a couple weeks ago.

CHAIRMAN GOLDNER: Thank you. The Department of Energy?

MS. SCHWARZER: Good morning, Commissioners. My name is Mary Schwarzer. And I'm a Staff Attorney with the Department of Energy.

1 I will note that I do not have a gas
2 analyst with me this morning. And, so, any
3 issues that I raise are those that are of
4 concern, but by no means resolved.

5 CHAIRMAN GOLDNER: I think we've
6 identified everyone here. But I'll ask, just for
7 completeness, if we have any petitions to
8 intervene?

9 *[No verbal response.]*

10 CHAIRMAN GOLDNER: No. Okay. Are
11 there any motions this morning?

12 MR. SHEEHAN: No, sir.

13 CHAIRMAN GOLDNER: Okay. Are there any
14 other requests or any other preliminary matters
15 at this time?

16 *[No verbal response.]*

17 CHAIRMAN GOLDNER: No. Okay.

18 MS. SCHWARZER: Commissioner?

19 CHAIRMAN GOLDNER: Yes.

20 MS. SCHWARZER: I have a concern with
21 regard to the schedule. And perhaps that's a
22 preliminary matter, or perhaps you'd rather wait?
23 I don't know.

24 CHAIRMAN GOLDNER: We can take it now.

1 Sure.

2 MS. SCHWARZER: Okay. Thank you. The
3 parties had issued a Joint Report with a
4 recommended procedural schedule that Liberty
5 filed in their initial cover letter. And the
6 hearing guidelines that the Commission issued has
7 required that witness lists and exhibit lists and
8 actual exhibits be identified five days before
9 the hearing date, which, as I calculated, would
10 be April 18th. Based on our -- the parties'
11 agreed schedule, that would be the same day that
12 Liberty's responses to the second set of data
13 requests is due, before the deadline that they
14 were required to update their Petition, and
15 before the parties' second scheduled technical
16 session.

17 Because we're raising scheduling issues
18 now, the thought might be that we could file what
19 we have for you on the 18th, with the
20 understanding that there might be a supplemental
21 filing, or filings, at the same time. Again, as
22 a preliminary matter, there are some substantive
23 issues that might require more than the three
24 hours, or at least seem to me, at this time, to

1 perhaps require more than the three hours. In
2 which case, it might be advisable to either start
3 the hearing sooner on the 26th. Or, if that is
4 not possible, to maybe consider the 25th.

5 CHAIRMAN GOLDNER: Okay. Thank you.
6 Mr. Sheehan, any thoughts on that?

7 MR. SHEEHAN: I agree with the
8 scheduling conflict, for lack of a better word,
9 does exist, and we'd appreciate perhaps relaxing
10 the five-day rule for this purpose.

11 The supplemental filing she's referring
12 to is, as you know, we will look at the market
13 prices. And, if it's changed since our initial
14 filing, we'd make that supplemental filing to
15 pick up the new pricing, up or down. So, it
16 could be that we make that filing after the date
17 for filing exhibits. And that's the disconnect.

18 MS. SCHWARZER: And just to clarify,
19 Commissioner. That supplemental filing is
20 actually not that filing. The parties'
21 procedural schedule provided that, if Liberty
22 were to make any updates following the discovery
23 process, that they would not make any updates,
24 absent emergency, after the 18th. So, there

1 might also be an update for numbers, but there
2 might be substantive updates as well, as has
3 unfortunately happened in the past.

4 CHAIRMAN GOLDNER: Okay. And I'll just
5 comment. I think the five-day, you know, filing
6 deadline is a bit of a new topic. We're trying
7 to, for exhibits that are known well ahead of
8 time, it's very helpful for the Commission to be
9 able to have Bates pages and organize their work
10 that way. So, we're sort of, on a normal basis,
11 starting to ask, in all of the new notices of
12 adjudicative proceedings, asking for five days.
13 Recognizing, in a cost of gas filing or default
14 service, there may be some flexibility that's
15 required.

16 So, appreciate the comment, and we'll
17 take it under advisement, and come back to you
18 with an answer.

19 MS. SCHWARZER: If I might, one last
20 thing?

21 CHAIRMAN GOLDNER: Uh-huh.

22 MS. SCHWARZER: Commissioner, thank
23 you.

24 In the parties' Joint Report, the

1 parties reached an agreement that I referenced in
2 the cover letter that I sent with my appearance,
3 but it may not have come to the Commissioners'
4 attention. So, I just wanted to read that
5 paragraph into the record: "Consistent with
6 Liberty-Keene and DOE's Joint Report from
7 December 27th, 2022 [2021?], filed in Docket
8 Number DG 21-132, DOE notes that Liberty-Keene is
9 required to have made *"a good faith effort to
10 identify any cost of gas issues (including LDAC
11 issues specific to Liberty-Keene, if any) that
12 are likely too complex to be resolved in the
13 compressed cost of gas schedule."* And DOE
14 further notes that Liberty-Keene has not
15 identified any such issues in this Liberty-Keene
16 Summer 2022 Cost of Gas filing."

17 Thank you.

18 CHAIRMAN GOLDNER: Okay. I'll let
19 Mr. Sheehan comment. I guess what I would say is
20 that it was our understanding that Liberty was
21 taking the input from previous cost of gas
22 filings, trying to simplify, eliminating LDAC and
23 other sort of peripheral issues, and just
24 focusing on cost of gas in this filing.

1 But, Mr. Sheehan, I'll let you comment.

2 MR. SHEEHAN: Yes. The LDAC filing, or
3 the LDAC rate, if you will, as we all know,
4 consists of a number of various components, the
5 energy efficiency, the decoupling, etcetera.
6 That is always done once a year in the
7 EnergyNorth cost of gas filing in the fall. It
8 has never been part of the Keene summer gas, and
9 it is not part of anything we're talking about
10 here today.

11 CHAIRMAN GOLDNER: Thank you.

12 MS. SCHWARZER: No dispute. I just
13 wanted to bring that to everyone's attention.

14 CHAIRMAN GOLDNER: Okay. Okay. Very
15 good. Very good. So, it sounds like we're
16 aligned on that one.

17 Any other preliminary matters, before
18 we move to positions of the parties?

19 *[No verbal response.]*

20 CHAIRMAN GOLDNER: No. Okay, we'll
21 start with Department of Energy, and I'll
22 recognize Ms. Schwarzer.

23 MS. SCHWARZER: Thank you,
24 Commissioners.

1 The Department of Energy has some
2 concerns that we look forward to speaking to the
3 Company about later at the technical session
4 that's been scheduled today. I'm going to
5 outline them, and so the Commission is aware of
6 what some of the concerns are in this docket, not
7 all of them, but the larger ones.

8 Most specifically, in Docket Number
9 20-152, which was the disallowance of the
10 historic CNG demand charges docket, there was
11 testimony and discussion about the general
12 process in a cost of gas proceeding, and a
13 specific discussion with Mr. Frink, who is the
14 former Department's Gas -- Director of the Gas
15 and Water, with regard to expenses connected with
16 the incremental costs for the October 2019
17 period. That was the very first month that CNG
18 was served in Keene. And in the cost of
19 reconciling and finding the cost of gas -- that
20 the 2019 costs prudent in the summer, in the
21 reconciliation report that went through the Audit
22 Division and was approved as the beginning point
23 for the Summer 2020 cost of gas calculation,
24 those incremental costs were reviewed and

1 approved and found prudent.

2 There is a small value, approximately
3 \$5,000, but, as Mr. Frink testified in the 20-152
4 proceeding, the Department was not looking to
5 recover those costs, and would not, because to do
6 so would be retroactive ratemaking.

7 I think the settlement agreement that
8 the parties -- that Liberty has cited, 20-105,
9 includes language that seems to be in conflict
10 with itself, and we can move to that later. But,
11 specifically, with regard to this proceeding, the
12 Petition, as submitted by the Company,
13 contemplates returning half of the Summer 2019
14 incremental costs, which would be retroactive
15 ratemaking. Moreover, it recovers them
16 temporarily, only to both reimburse half of them
17 now and to reserve the remaining fraction for a
18 future return under certain circumstances if the
19 cost of CNG drops. So, there's no monetary loss
20 to either the Department or to the Company, if
21 the 2019 Summer Cost of Gas incremental costs are
22 taken out of this Petition, and the Department
23 just forgoes recovery, which would be the
24 Department's recommendation preliminarily.

1 The other larger issue has to do with
2 the calculation of the incremental costs of gas,
3 and where those appear in the Petition and how
4 they are included. Again, we have not had a
5 preliminary tech session, although data requests
6 have been issued, as you might have seen in the
7 suggested schedule, and answers have been
8 provided.

9 It is not clear to me at this time why
10 incremental costs for Summer 2022 are not
11 calculated on sort of purely, if you will, with
12 just the market cost of COG, including demand
13 costs, juxtaposed to propane costs. That seems,
14 as a preliminary matter, as the most
15 straightforward way to compare the costs at this
16 time, with, of course, adding back in the
17 incremental costs from 2020 and 2021, if
18 appropriate, before the entire cost is
19 calculated, but much of what's been anticipated
20 would be for an ongoing pattern of incremental
21 cost recovery.

22 There's also a concern of mine, again,
23 it may be allayed at the tech session, that the
24 projected incremental costs for the Summer of

1 2022 have been included in the initial
2 calculation of the cost of gas. Not only are the
3 projected costs, obviously, hypothetical, perhaps
4 based on best available information, but,
5 nonetheless, they're not actual incremental
6 costs. And I believe the settlement agreement
7 and the general function of cost of gas
8 anticipates that incremental costs will be
9 compensated when known, and inclusion in the
10 first instance might easily distort what is seen
11 as the incremental costs for this period. And,
12 then, as you correct them retroactively, you're
13 probably not going to go all the way back to the
14 initial comparison of what the cost of gas for
15 CNG was, as opposed to the cost of propane.

16 I believe the language in the
17 settlement agreement, 20-105, Footnote 8,
18 describes the correct process for calculating the
19 incremental cost of gas, and anticipates a
20 forward-looking -- excuse me -- anticipates a
21 process where there would be a one-year delay
22 between the calculation of incremental costs
23 after their actual costs and their inclusion for
24 recovery, is probably the best word for that.

1 And there's also language in the settlement
2 agreement that, let me just see if I can quote
3 that, that references the -- Footnote 8 discusses
4 "average costs" in calculating the incremental
5 costs to be compensated, not monthly actual
6 costs, as was done. I think there was an idea of
7 a single number for the year, and not an ongoing
8 monthly adjustment. And there's a reference to
9 "incrementally higher CNG costs accrued since the
10 commencement of CNG service", which have not been
11 recovered from customers, and that reference is
12 significant to the Department, because it's going
13 back to the Summer of 2019 costs. That seems to
14 suggest that those are not to be included,
15 because they have already been recovered.

16 If I can have a moment, Mr. Chair?

17 CHAIRMAN GOLDNER: Sure.

18 MS. SCHWARZER: Two more issues that we
19 touched on briefly at the beginning of the
20 hearing.

21 The Department agrees that LDAC
22 calculations are appropriate in the EnergyNorth
23 cost of gas proceeding. And, so, none of the
24 issues, including the costs for the gas holder

1 work or resolving what was referenced in the fall
2 as a 4 million RDAF issue, and questions
3 regarding Tariff Number 11, are appropriate for
4 this docket. However, we would appreciate a
5 clear statement, consistent with prehearing
6 conference, that those issues have been carved
7 out completely and are not reflected in any
8 calculation at issue in this docket.

9 Finally, some of the data requests,
10 and, again, we have not had an opportunity to
11 discuss them at this time, but some of the data
12 requests from the Department have asked Liberty
13 to adjust or update some of its schedules to
14 alter some of the methodology or assumptions that
15 Liberty made in the schedules as filed. For
16 example, asking Liberty to take out the Summer
17 2022 projected incremental costs, and show what
18 the cost of gas would be were that -- had that
19 number not been included.

20 Liberty has not done this calculation.
21 It has said, for example, that the costs would be
22 higher if the summer incremental costs were taken
23 out. Which, of course, is true, but is not
24 sufficient to fully answer the question.

1 And, although we have not had a chance
2 to discuss it further, as a preliminary
3 statement, Liberty suggested that there's a
4 difference between analysis, which is perhaps, in
5 its view, it's not required to do, and providing
6 available information. But I would note that, in
7 the past, our standard pattern of data requests
8 has been to ask the Company to alter methodology
9 or calculations as required, so that we need not
10 engage in a concern about whether we've done it
11 correctly or they've done it correctly.

12 And where I certainly hope that we
13 don't need to come before you with a discovery
14 matter, which is time-consuming and diverting,
15 given the short timeframe here, the Department,
16 if it must, we could seek your assistance and
17 asking Liberty to complete calculations that seem
18 to be part of standard discovery. Although, I
19 certainly expect and hope it will not come to
20 that.

21 And I believe I've raised the issues
22 that are of concern to me at this time. And
23 thank you very much.

24 CHAIRMAN GOLDNER: Thank you. We'll

1 move to Liberty, and I'll recognize Mr. Sheehan.

2 MR. SHEEHAN: Thank you. I had a few
3 comments prepared, and some of them have been
4 addressed, so I'll go quickly through them.

5 In the cost of gas orders from last
6 fall, the Commission asked us to kind of
7 reexamine the scheduling and the process for this
8 and the EnergyNorth cost of gas proceedings, to
9 see if there are a better way to do it. We've
10 done that with the reports that Ms. Schwarzer
11 referenced. And, although the Commission hasn't
12 acted on them, and I think there's not a lot you
13 need to act on, other than adjusting filing
14 dates. We have followed them.

15 And, in this case, following them has
16 included a proposed schedule, which was in our
17 cover letter, that we had agreed to a template,
18 and this prehearing conference. Cost of gas
19 hearings typically have not had them, because of
20 the short time. The parties requested one, and
21 we appreciate the Commission holding it this
22 morning. The reason for that is, some cost of
23 gas proceedings do have oddball issues that
24 require more time or effort. And we've agreed

1 two things: One, is that we would flag those
2 issues in our initial filing, if they appear;
3 and, second, we could discuss it at a prehearing
4 conference how we're going to handle that oddball
5 issue. And, so, that's a good purpose for a
6 prehearing conference.

7 I'm happy to report today that the
8 Keene cost of gas filing for this summer has no
9 such issues. It is a as simple and straight
10 forward a cost of gas as we see anymore. The one
11 complicator, and it's simply a calculation
12 complicator, is the incremental gas issue that
13 Ms. Schwarzer described.

14 As she noted, it does not move the
15 needle. It's a few thousand dollars here or
16 there. We are confident that we did it
17 correctly, and we're happy to talk to DOE in the
18 tech session to hopefully answer any questions
19 she may have.

20 The idea behind it is, we have both CNG
21 and propane in Keene. When we started CNG, it
22 was a higher cost. The Commission was concerned
23 about that. And, initially, we've been always
24 accounting for it -- or, recording it separately,

1 so we could keep track of it. And it was an open
2 issue going into the rate case, of what would
3 happen with those higher costs, labeled the
4 "incremental costs", because sometimes they may
5 be incrementally lower.

6 And the Settlement Agreement in the
7 rate case laid out the rules for how we're going
8 to do that. And starting in the fall of '19,
9 which is when the CNG started, the basic rule is,
10 for CNG pricing that's over propane, the Company
11 will eat half and customers will pay half. And,
12 when it's below, the same thing, it will be a
13 50/50 share of the lower price.

14 So, that, on a going-forward basis, is
15 fairly straightforward. The last couple seasons
16 it's been lower. So, it's been a benefit to both
17 customers and the Company.

18 The complicator is that, for the
19 settlement agreement, we had accrued a balance,
20 so to speak, and, excuse me, the -- for a couple
21 seasons, the CNG was higher, so, initially, we
22 didn't recover any of it. And, so, now we're
23 looking back to say "Okay, we spent \$100 extra in
24 that season for CNG. We can now recover \$50 of

1 it."

2 I object -- or, not "object", I
3 disagree with the characterization of that as
4 "retroactive ratemaking". There is no
5 retroactive ratemaking in a cost of gas where
6 you're reconciling passthrough costs like this.
7 This is all simple reconciliation. We look back
8 all the time in cost of gas proceedings to
9 reconcile the numbers, to make sure that what
10 came in and went out were the right numbers.

11 So, to the extent that we are
12 recovering or giving back that \$50 from 2019,
13 it's not retroactive ratemaking, it's
14 reconciling. So, the Commission has full
15 authority to do that.

16 And, like I said, I'm comfortable that
17 we did it correctly, according to the settlement
18 agreement. To the extent we can educate DOE,
19 great. To the extent maybe we didn't, we'll
20 certainly work through those details and have
21 them for you at the final hearing. But it is a
22 mechanical application of the settlement
23 agreement. And it won't move the rates in any
24 significant way either way.

1 The filing we made, on the plain
2 vanilla part of a cost of gas, has a proposed
3 rate. The proposed rates are higher than last
4 year, for the reasons you've heard in various
5 contexts over the last few months. I think, in
6 the testimony, we indicate that about
7 three-quarters of the higher rate from last
8 summer, what was approved last summer, to this
9 filing, is market rates. The whole market has
10 increased.

11 And the other quarter of the increase
12 is the fact that last summer we started with an
13 over-collection, which reduced rates. This
14 summer we're starting with an under-collection,
15 which make rates a touch higher. And the
16 combination of those is the other 25 percent of
17 the increase.

18 The proposed residential rate is \$1.66,
19 compared to \$1.18 last summer. And those numbers
20 are all, of course, in the filing.

21 We look forward to working through the
22 issues with DOE, and presenting, if a -- an
23 updated filing, if the market changes enough to
24 warrant it. And, otherwise, we will see you

1 later this month at a hearing.

2 On the scheduling of the hearing, I do
3 note that that morning there's a -- we have an
4 electric hearing earlier on the 26th. So, to the
5 extent that you'd like to get more time in the
6 hearing, perhaps we just -- we'll be here, and
7 just maybe start, once the other hearing is over,
8 we can maybe pick up an hour or so that way.

9 Thank you.

10 CHAIRMAN GOLDNER: Ms. Schwarzer, I
11 think you'd like to make an additional comment?

12 MS. SCHWARZER: Thank you, Mr.
13 Chairman. I would.

14 It's just not -- it's not simply a
15 matter of a \$5,000 difference. The argument that
16 the Company has made goes to the heart of the
17 dispute over the RDAF and the \$4 million in the
18 fall, which is whether reconciling matters,
19 reconcile for a year, until after actual costs
20 are reported, or if they can reconcile back five
21 years or ten years or 25 years, or back to 1932.

22 And, so, the Department's view is that,
23 because the October 2019 costs were reported,
24 reconciled, reviewed, and paid as prudent, that

1 those changes should not be made.

2 The other issue is that, with regard to
3 incremental costs, in the event that it's
4 important to calculate the 2022 costs in the
5 first instance without including the costs from
6 prior years or projected years, that is likely to
7 change what the cost of gas is, and, even if not
8 the cost of gas, it will change what the
9 incremental costs are seen as being. And, so,
10 that is not a small matter.

11 Thank you. Thank you very much.

12 CHAIRMAN GOLDNER: All right.

13 Mr. Sheehan, would you like to respond?

14 MR. SHEEHAN: I'm sorry, the thought
15 just went out of my head.

16 Oh. The concept of "projected costs",
17 again, every cost of gas has that. We have to
18 build a rate on what we think the costs are going
19 to be this summer. So -- and, again, they're
20 reconcilable. So, to the extent there are -- of
21 course, there are projections of both the CNG
22 price and the propane price. And, when the
23 actuals come in, we'll be here next, like we are
24 now, reconciling last summer. So, that's

1 standard practice.

2 MS. SCHWARZER: I'm sorry, I don't mean
3 to engage in a prolonged debate. But my point
4 isn't that there aren't projected costs in the
5 first instance. It's what to do with the
6 incremental cost of gas as between propane and
7 CNG. I certainly admit that any cost of gas
8 proceeding you're going to have to have projected
9 costs.

10 CHAIRMAN GOLDNER: Very good. Yes, I
11 think we understand the dispute.

12 Okay. Very good. We do have some
13 questions for consideration today, from a
14 Commission standpoint, to perhaps illuminate what
15 we're interested in at the proceeding at the end
16 of the month. So, we thought it would be helpful
17 to have that discussion today.

18 So, I'll begin with Commissioner
19 Simpson with any questions.

20 CMSR. SIMPSON: Thank you, Mr.
21 Chairman.

22 I would start with Ms. Schwarzer. I
23 just want to confirm that the Department has the
24 support that they need, in terms of an analyst,

1 is that the case?

2 MS. SCHWARZER: Commissioner Simpson,
3 I'm sorry to tell you, at this time there is no
4 analyst assigned to my docket.

5 CMSR. SIMPSON: Okay. Thank you. And
6 I don't have any questions for the Company. I
7 would just note that an area of interest is with
8 respect to the additional customers that have
9 been added, as noted in the filing, and the main
10 extension of approximately 700 feet in order to
11 add those customers, and how that conforms to the
12 settlement agreement in the acquisition of this
13 territory, the settlement agreement in their last
14 base rate case, and in accordance with their
15 tariff?

16 MR. SHEEHAN: We can prepare for a more
17 thorough discussion at hearing. But I can tell
18 you that the extension was negotiated as part of
19 the rate case settlement. It was clear that
20 Staff, in the negotiations, and the Commission,
21 wanted us to come back to the Commission for each
22 new phase of Keene development.

23 And, at the time, we knew there were a
24 couple customers close to the CNG system that

1 were ready to sign up, and could we do that and
2 not call it a "new phase"? And, if you look in
3 the settlement agreement, there's a description
4 of what constitutes a "phase". The thought
5 being, if we wanted to extend a few relatively
6 short amount of pipe to get a new customer,
7 that's a good thing. So, let's do it. And as
8 opposed to a whole new phase, where we'd be --
9 let me stop, a new paragraph.

10 The conversion of the whole Keene
11 system, we see it as like taking a neighborhood
12 that's on propane-air, we're going to have to get
13 the gas ready to go while the propane is flowing,
14 and then have a full conversion of a whole
15 neighborhood, where we turn off the propane, turn
16 on the CNG, which requires work of its own, deal
17 with all the customers. So, those are how we see
18 a "phase", if you will, of a conversion.

19 Adding one or two customers to the CNG
20 system didn't seem to warrant that kind of full
21 treatment, because the extension to that customer
22 is cost-justified under the tariff, and they're
23 knocking on the door saying "Please come."

24 And, so, we believe that the customers

1 we did add on Key Road is entirely consistent
2 with what was approved in the settlement
3 agreement. A couple hundred feet of main, a
4 couple new customers; the facility can handle it.
5 No other big changes.

6 CMSR. SIMPSON: Can you speak to
7 whether it's a Company practice to charge CIAC
8 for new customer additions in its territory?

9 MR. SHEEHAN: Absolutely. The line
10 extension policy for EnergyNorth applies to
11 Keene. Keene is, for all purposes, other than
12 cost of gas, Keene is the same as EnergyNorth.
13 So, yes. If there was a need for a CIAC, it
14 would have been collected.

15 I don't know the details of that
16 particular extension.

17 CMSR. SIMPSON: Okay. Thank you,
18 Attorney Schwarzer. Thank you, Attorney Sheehan.

19 Mr. Chairman, I don't have any further
20 questions.

21 CHAIRMAN GOLDNER: Thank you. I'll
22 move to Commissioner Chattopadhyay.

23 CMSR. CHATTOPADHYAY: Thank you.

24 I'll just first ask, as far as the

1 audit is concerned, when is it expected to be
2 done? Do you have a sense?

3 MS. McNAMARA: The Keene audit is --

4 CMSR. CHATTOPADHYAY: Yes.

5 MS. McNAMARA: -- has already been
6 done.

7 CMSR. CHATTOPADHYAY: It's been done?

8 MS. McNAMARA: The Summer of 2021.

9 CMSR. CHATTOPADHYAY: Okay. The Excel
10 files would be very helpful. So, you know, I
11 think you have -- whenever you update the
12 numbers, is it April 7th or --

13 MR. SHEEHAN: Commissioner, I think we
14 probably should have filed those Excels with the
15 original filing. And, so, we will make that
16 filing ASAP. We'll get them to you now.

17 CMSR. CHATTOPADHYAY: Okay. And make
18 sure that, if you update the numbers, those are
19 also filed as Excel files.

20 MR. SHEEHAN: Yes.

21 CMSR. CHATTOPADHYAY: It just helps us,
22 at least our end, just to sort of look at it.

23 MS. McNAMARA: Just to be clear, you're
24 looking for the Excel model of the

1 reconciliations submitted to the Audit Division,
2 right?

3 CMSR. CHATTOPADHYAY: That is.

4 MS. McNAMARA: Okay.

5 CMSR. CHATTOPADHYAY: That is correct,
6 yes.

7 This is sort of a general question,
8 trying to understand how the CNG costs are met.
9 So, you are adding new customers, right, who are
10 going to be using CNG?

11 MR. SHEEHAN: Don't hold me to the
12 number, but it was one or two or three, and
13 that's it.

14 CMSR. CHATTOPADHYAY: No, but, in terms
15 of -- they do impact, you know, the use of gas?

16 MR. SHEEHAN: Yes.

17 CMSR. CHATTOPADHYAY: Right.

18 MR. SHEEHAN: Yes.

19 CMSR. CHATTOPADHYAY: So, my question
20 is, you already have a contract with a supplier.
21 Are you somehow bumping onto the peak demand?
22 No.

23 MR. SHEEHAN: No.

24 CMSR. CHATTOPADHYAY: I'm just trying

1 to confirm.

2 MR. SHEEHAN: Yes. We are comfortably
3 within the -- the limiting factor is the facility
4 itself, the decompression facility. And we're
5 still comfortably within its capacity.

6 CMSR. CHATTOPADHYAY: Okay.

7 MR. SHEEHAN: So, it's just maybe one
8 more truck every X amount of time. But, other
9 than that, it's no changes.

10 CMSR. CHATTOPADHYAY: And do you have a
11 sense, like, how comfortably are you, you know,
12 away from the peak?

13 MR. SHEEHAN: I don't know that.

14 CMSR. CHATTOPADHYAY: Okay.

15 MR. SHEEHAN: But we can -- that's more
16 of an engineering question.

17 CMSR. CHATTOPADHYAY: Okay.

18 MR. SHEEHAN: But we can have that
19 answer for you.

20 CMSR. CHATTOPADHYAY: Yes. It would be
21 helpful to have that discussion whenever the
22 parties meet and talk about it. So, I just
23 wanted, like the Chair indicated, we're just
24 trying to indicate some of the issues that we are

1 thinking of.

2 I don't think I have anything else at
3 this point to add.

4 CHAIRMAN GOLDNER: Okay. Thank you,
5 Commissioner. I just have a couple of comments.

6 You know, in terms of the "looking
7 back" part of this docket, there's a "looking
8 back" and a "looking forward" portion. Sounds
9 like we have the question of "how far back?"
10 That we have a date between 1932, I think, and
11 2020, I think were our options. So, we would
12 be -- we'll, obviously, be interested in the
13 outcome of that discussion.

14 My encouragement would be, if you look
15 at, for example, Page 14 of the -- hold on just a
16 second here, my machine wants to restart, hope
17 it's not too bad -- of the testimony, if anyone
18 has that handy. So, let me go back to it here,
19 after I've cleared my machine.

20 So, there's just, you know, a couple of
21 tables in there that really simplify matters.
22 And I would just point out, the Commission really
23 appreciates it. You know, we read thousands of
24 pages, as I'm sure you do, a week. And, to the

1 extent that you can simplify matters in the
2 testimony, nice, simple tables, it's very, very
3 helpful for us. When we're looking through
4 tables in Times Roman 2-point, with, you know, a
5 thousand numbers in it, we're equipped to
6 understand the numbers, but it makes it more
7 difficult, and I think results in more questions
8 and more lack of understanding on the part of the
9 Commission. So, to the extent that you can, in
10 your testimony, simplify things, in simple
11 tables, that's very helpful to us.

12 And I think I had one more comment.
13 And just -- I'll just amplify what Attorney
14 Schwarzer and Attorney Sheehan were saying
15 earlier, which is that, you know, in a cost of
16 gas docket, we don't have a lot of time. So, we
17 really need to streamline these proceedings, and,
18 in cost of gas, really just focus on cost of gas
19 issues, and keep it as simple as possible. And
20 push things like LDAC, and other more complicated
21 matters, out to other proceedings, which has been
22 done here, and the Commission appreciates.

23 Any other comments from the
24 Commission?

1 CMSR. CHATTOPADHYAY: Not a comment,
2 just kind of suggest, include the Audit Report.
3 Can you provide that as part of this docket?

4 MS. SCHWARZER: I'm sorry, as a point
5 of qualification -- clarification. I believe
6 that the Audit Report was produced from Audit
7 Staff, and was marked as "Confidential".
8 Although, the Department is unclear as to why
9 that choice was made for all matters.

10 I guess I would ask Liberty to clarify
11 that the only confidential information in the
12 Audit Report would be in the CNG calculation
13 stemming from the rates that they have marked as
14 "Confidential"?

15 And, when you ask, Commissioner
16 Chattopadhyay, to include it in this docket, do
17 you mean as an exhibit or in the first instance?

18 I'm not sure if I'm hearing a record
19 request or -- I'm just trying to get clarity.

20 CMSR. CHATTOPADHYAY: I'll tell you the
21 purpose of it. So, we want our analyst to be
22 able to look at it. So, I'm not sure I know, in
23 a prehearing conference, whether that, you know,
24 counts as an exhibit or, you know, a record

1 request, but however it's --

2 CHAIRMAN GOLDNER: Let me jump in,
3 Commissioner Chattopadhyay.

4 CMSR. CHATTOPADHYAY: Yes.

5 CHAIRMAN GOLDNER: So, yes, we would
6 request it as a filing in the docket, just to be
7 clear.

8 CMSR. CHATTOPADHYAY: Yes. Okay.
9 Okay.

10 CHAIRMAN GOLDNER: Yes. I thought
11 that's where we were going, but I thought I'd
12 clarify it.

13 MS. SCHWARZER: So, you're asking that
14 Liberty file it as part of the docket?

15 CHAIRMAN GOLDNER: As an exhibit.

16 MS. SCHWARZER: Okay.

17 CHAIRMAN GOLDNER: That's right. Yes.

18 MS. SCHWARZER: And I'm sorry, do you
19 mean at the hearing, like when the exhibits are
20 filed, or sooner?

21 CHAIRMAN GOLDNER: I think that
22 five-day requirement would be sufficient.

23 MS. SCHWARZER: Okay. Great. Thank
24 you.

1 CHAIRMAN GOLDNER: So, that's an
2 example of where the five-day really helps us.
3 Obviously, the sooner the better, because then
4 our analyst can, who I'm looking at right now,
5 can do their work in a timely fashion. So,
6 earlier is better, but that's why we put the
7 five-day deadline, so we would have some time to
8 look at it.

9 MR. SHEEHAN: So, we're happy to file a
10 cover letter that says "Pursuant to the
11 prehearing conference discussion, the Company is
12 supplementing its filing with", and it would be
13 the Excel file that Commissioner Chattopadhyay
14 and the Audit Report.

15 As to confidentiality, Ms. Schwarzer is
16 correct. The custom has been Commission
17 Staff/Audit Staff before, and now as a division
18 of DOE, have always marked the whole thing
19 "Confidential". And it's a fair question of
20 "Should it all be?" And I don't know. We'll
21 look into that to see what that assertion is, and
22 make the appropriate filing, whether we're
23 seeking the whole document or just the numbers,
24 the particular CNG numbers.

1 CHAIRMAN GOLDNER: Before you go
2 forward, Mr. Chattopadhyay. Is there a reason
3 that it would be confidential?

4 That is, it seems like an audit report
5 would be something that would normally be in the
6 public domain. Sounds like there's a long
7 history here, I'm just trying to understand.

8 MS. SCHWARZER: Mr. Chair, as Legal
9 Staff, I have a similar question. And I do not
10 have an answer for you at this time, other than
11 to say that Audit Staff has marked it as wholly
12 "confidential".

13 And I would ask my, you know, brother
14 across the aisle to confirm that, in Liberty's
15 view, at least that the CNG -- it's the CNG
16 figures, or perhaps not?

17 MR. SHEEHAN: Yes. It's the CNG
18 figures, which mostly are the confidential terms
19 of this docket.

20 MS. SCHWARZER: So, we'll sort that out
21 between us.

22 CHAIRMAN GOLDNER: Thank you.
23 Commissioner Chattopadhyay.

24 CMSR. CHATTOPADHYAY: Yes. Just a

1 question for the Company.

2 When you say you will be happy to
3 provide, you know, the cover letter and provide
4 the Audit Report as a filing, you're not going
5 to -- the sooner we get it, the better. I just
6 wanted to --

7 MR. SHEEHAN: Understood. Understood.

8 CMSR. CHATTOPADHYAY: Okay.

9 CHAIRMAN GOLDNER: Anything else,
10 Commissioner?

11 CMSR. CHATTOPADHYAY: No thank you.
12 Sorry.

13 CHAIRMAN GOLDNER: Okay. Before the
14 parties can gather to engage in the technical
15 session following this prehearing conference, is
16 there anything else the parties would like to
17 discuss?

18 MS. SCHWARZER: I guess, Mr. Chairman,
19 just to note, I have plans to be out of the
20 office on the 26th and the 27th of April, which
21 are the dates immediately following this hearing,
22 for a college trip for my daughter, which would
23 be challenging to reschedule in light of an
24 overrun of this hearing on the 26th. And, so, as

1 noted, if there's a hearing in the morning, the
2 25th might be available. Or, perhaps it's
3 unnecessary, but I know we started the hearing
4 with a question as to whether additional time was
5 needed. And, so, I just thought I'd round it
6 out, I guess.

7 CHAIRMAN GOLDNER: Okay.

8 MS. SCHWARZER: Thank you, Mr. Chair.

9 CHAIRMAN GOLDNER: So, just to clarify,
10 you're going to be out on the 27th and beyond,
11 but the 26th or prior you're available?

12 MS. SCHWARZER: Yes. The 26th is a
13 Tuesday, the hearing, correct? Yes. I'm here on
14 the 26th.

15 CHAIRMAN GOLDNER: Okay.

16 MS. SCHWARZER: But the 27th and the
17 28th would be extremely challenging.

18 CHAIRMAN GOLDNER: Okay. Okay. Thank
19 you.

20 MS. SCHWARZER: Thank you.

21 CHAIRMAN GOLDNER: All right. Anything
22 else? Not today?

23 *[No verbal response.]*

24 CHAIRMAN GOLDNER: Okay. We'll thank

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everyone, and we are adjourned.

*(Whereupon the prehearing conference
was adjourned at 9:40 a.m., and a
technical session was held thereafter.)*