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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (05-10-22) {CONFIDENTIAL VERSION}	<i>premarked</i>
2	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (05-10-22) <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
3	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (03-15-22) {CONFIDENTIAL VERSION}	<i>premarked</i>
4	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (03-15-22) <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
5	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (04-25-22) {CONFIDENTIAL VERSION}	<i>premarked</i>
6	Direct Testimony of Deborah M. Gilbertson and Catherine A. McNamara, with attachments (04-25-22) <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>

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E X H I B I T S (continued)

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
7	NH Dept of Energy Excerpts from the Settlement Agreement in Liberty's Docket DG 20-105, Exhibit 49 Settlement Agreement originally marked Settlement Bates Pages 001, 013, 014, Appendix 4, and Appendix 5	<i>premarked</i>
8	Liberty-Keene Response to DOE Data Request 1-4a without attachment	<i>premarked</i>
9	Liberty-Keene Response to DOE Data Request 1-10	<i>premarked</i>
10	Liberty-Keene Response to DOE Data Request 1-11 and Attachment 1-11.1	<i>premarked</i>
11	Liberty-Keene Response to DOE Data Request 1-12	<i>premarked</i>
12	Liberty-Keene Response to DOE Data Request 1-13a without attachment	<i>premarked</i>
13	Liberty-Keene Response to DOE Data Request 1-17 without attachments	<i>premarked</i>
13a	RESERVED - TO BE FILED <i>(Excel spreadsheet of LDAC Calculation provided in Exhibit 13 attachments)</i>	(37), 62
14	Liberty-Keene Response to DOE Data Request 1-18	<i>premarked</i>
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E X H I B I T S (continued)

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
16	Liberty-Keene Response to DOE Data Request 1-9	<i>premarked</i>
17	RESERVED FOR RECORD REQUEST <i>(RE: Update Schedule B of Exhibit 1, Bates 029, to provide the following: Add a new Line 9A to include the demand charges associated with CNG on a per therm basis; include Line 11 to include demand charges, plus a line to sum total costs; and provide the incremental costs after the CNG demand charges are added to include what the difference would be between propane and CNG after calculations)</i> <i>(Filed on 05/20/22 at Tab 29 of this docket)</i> {CONFIDENTIAL VERSION}	(55), 62
18	RESERVED FOR RECORD REQUEST <i>(RE: Redacted version of Exhibit 17 as noted above, regarding an Update to Schedule B of Exhibit 1, Bates 029...)</i> <i>(Filed on 05/20/22 at Tab 29 of this docket)</i> <i>[REDACTED - For PUBLIC Use]</i>	62

P R O C E E D I N G

1
2 CMSR. CHATTOPADHYAY: I'm Commissioner
3 Chattopadhyay. And I will be conducting today's
4 proceeding, as Chairman Goldner is not available.
5 I'm joined today by my esteemed colleague,
6 Commissioner Simpson.

7 We are here this afternoon in Docket DG
8 22-015 for a hearing regarding a Petition by
9 EnergyNorth for approval of 2022 Summer Cost of
10 Gas for its Keene Division. Commission Order
11 26,615, dated 22nd April 2022, suspended the
12 Liberty-Keene 2022 Summer Cost of Gas for three
13 months and scheduled this hearing. Also,
14 Commission Order 26,618 extended the Winter Cost
15 of Gas rate through May 31st, 2022, and directed
16 the Company to provide an updated Summer 2022
17 Cost of Gas rate calculation and proposed tariff
18 pages to incorporate the Summer 2022 COG season
19 of May 1st, 2022 through October 31st, 2022 no
20 later than the close of business on May 10th,
21 2022. The Company filed the updated 2022 Cost of
22 Gas rate calculation and the proposed tariff
23 pages on May 10th, as directed.

24 So, I'm going to take appearances

1 first.

2 MR. SHEEHAN: Thank you.

3 CMSR. CHATTOPADHYAY: For the Company?

4 MR. SHEEHAN: Good afternoon,
5 Commissioners. Mike Sheehan, for Liberty
6 Utilities (EnergyNorth Natural Gas) Corp.

7 CMSR. CHATTOPADHYAY: Thank you.

8 MS. SCHWARZER: Good morning *[sic]*,
9 Commissioners. Mary Schwarzer, here for the
10 Department of Energy.

11 CMSR. CHATTOPADHYAY: Thank you. I
12 notice that OCA isn't there. They had filed a
13 participation letter, but I'm going to proceed.

14 MS. SCHWARZER: Commissioner
15 Chattopadhyay, I received an email from the
16 Office of Consumer Advocate, Don Kreis,
17 yesterday, saying that he did not expect to
18 participate today. But I hesitate to speak for
19 him, I just want to relay that information to
20 you.

21 CMSR. CHATTOPADHYAY: Thank you for
22 letting us know.

23 Let's address exhibits first. So, we
24 have premarked and prefiled Exhibit 1 through 16.

1 Just want to confirm that's correct?

2 MS. SCHWARZER: That is correct. And,
3 Commissioner, the Department would like to ask
4 for a waiver of late filing. We needed to
5 respond and review the Petition that was filed on
6 May 10th. And, so, we filed on the 12th, I
7 believe, that Friday.

8 CMSR. CHATTOPADHYAY: Okay.

9 MS. SCHWARZER: My understanding is
10 Liberty has no objection.

11 MR. SHEEHAN: We do not object.

12 CMSR. CHATTOPADHYAY: Okay. Thank you.
13 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
14 *conferring.]*

15 CMSR. CHATTOPADHYAY: So, we accept
16 that filing. Okay.

17 MS. SCHWARZER: Commissioner, if I
18 might? I apologize. The Department filed the
19 initial Petitions March 15th and April 25th,
20 because the discovery responses were made with
21 regard to the March Petition, and for background
22 and context in this proceeding. Liberty has
23 identified information in those proceedings as
24 confidential. And, although the Department

1 introduced them, it would be our position that
2 the identification of any confidential
3 information remains Liberty's, and we would
4 object, but we would not -- we will not defend,
5 and we would reserve our right to review and
6 consider confidentiality at another time.

7 CMSR. CHATTOPADHYAY: Understood. I
8 was actually going to go ask Attorney Sheehan, I
9 did see confidential, you know, material. Do you
10 think there is a need for a motion for
11 confidential treatment from your end?

12 MR. SHEEHAN: No. That's because all
13 of the confidential material in this filing falls
14 under the Rule 201.06, which does not require a
15 motion. It specifies pricing information in cost
16 of filings -- cost of gas filings to be presumed
17 confidential, based on an assertion like we made
18 in writing, and I'm making today. So, the rule
19 says, absent any objection, the Commission will
20 treat them confidentially. And should someone
21 want -- should you get a 91-A request in the
22 future, then we can litigate whether, in fact,
23 they are confidential.

24 But, just for the Commission's benefit,

1 this is the information that has always been
2 treated confidential in the Keene cost of gas for
3 the last hundred years.

4 MS. SCHWARZER: And my comment was just
5 intended to not take a position, as there's been
6 no issue raised. In the future, should someone
7 challenge the confidentiality, the Department
8 would then look at that as well. But we have no
9 reason at this time to disagree with the Company.

10 CMSR. CHATTOPADHYAY: Though I'm not a
11 lawyer, having worked in this arena for awhile, I
12 was expecting that answer, and thank you for your
13 clarification.

14 So, I don't see any other intervenors
15 here, right, or, would-be intervenors either?

16 MR. SHEEHAN: Correct.

17 MS. SCHWARZER: Correct.

18 CMSR. CHATTOPADHYAY: Are there any
19 motions -- or, any other motions?

20 MR. SHEEHAN: Not from us.

21 MS. SCHWARZER: No.

22 CMSR. CHATTOPADHYAY: No? Okay. So,
23 let's --

24 MS. SCHWARZER: Commissioner?

1 CMSR. CHATTOPADHYAY: Yes.

2 MS. SCHWARZER: I would like to make an
3 opening statement, if that's acceptable? And I'm
4 not sure what the Company's position, whether
5 they wish to do that as well.

6 MR. SHEEHAN: I don't have an opening
7 statement. My only request was to allow my
8 witnesses to just to offer -- do some preliminary
9 examination of my witnesses to sort of ground us
10 in what brings us here today. But I don't have a
11 lawyer opening.

12 CMSR. CHATTOPADHYAY: Yes. I mean,
13 typically, I'm just speaking from experience, we
14 would go to direct. But I would allow an opening
15 statement from DOE.

16 MS. SCHWARZER: Thank you very much.

17 At the prehearing conference, the
18 Department raised a concern with regard to the
19 potential issue of retroactive ratemaking,
20 because of the October 2019 credit that appears
21 in the incremental costs for the Summer of 2019,
22 based upon the fact that consumers had paid that
23 charge in full, and, under the negotiated
24 settlement, half of it was being credited back to

1 the customers.

2 After further review, I would just like
3 to put on the record and ask for administrative
4 notice of Order Number 26,241, April 29th, 2019,
5 and Order Number 26,480, from May 14th, 2020.
6 The May 14th, 2020 Order, in Docket Number DG
7 20-152, at Page 19, provides an overview of the
8 cost of gas mechanism and the cost of gas
9 structure. And, at Page 19, states "Once the
10 over or under recovery is approved and included
11 in the upcoming period's rates, the incurred
12 costs are considered prudent, and the over or
13 under recovery will not be retroactively
14 adjusted." And that prompted my concern in the
15 recovery of the October '19 rates.

16 However, there is an exemption to a
17 concern regarding retroactive ratemaking, which
18 is that, if there's an explicit reservation of
19 rights, and the framework for resolution is
20 specified, the customers are presumably on
21 notice, and any adjustment is then not considered
22 retroactive ratemaking.

23 The April 29th, 2019 Order, 26,241, in
24 the Summer 2019 Cost of Gas docket, 19-068,

1 accomplishes that -- those criteria, such that
2 notice was provided. Staff at that time had
3 addressed the situation before CNG was capable of
4 being served in Liberty-Keene, and had expressed
5 a concern that CNG was not economic and "reserved
6 the right to seek disallowance of CNG in the
7 future", and stated "If Liberty goes forward with
8 plans to use CNG this summer and total 2019 CNG
9 costs exceed what the cost of alternative supply
10 would have been, the incremental costs should not
11 be recovered from ratepayers."

12 In the Order I've cited, at IV-5, the
13 Commission "declined to address Staff's concern
14 with regard to CNG costs that may exceed the cost
15 of alternative fuels at this time." However, the
16 Commission stated "Staff is free to raise the
17 issue in future dockets including the Company's
18 next rate case." And the referenced rate case is
19 the rate case which resulted in the Settlement,
20 20-105. So, accordingly, the Department's
21 concerns about retroactive ratemaking have been
22 allayed.

23 Can I proceed?

24 CMSR. CHATTOPADHYAY: Sure.

1 MS. SCHWARZER: Thank you.

2 CMSR. CHATTOPADHYAY: Yes.

3 MS. SCHWARZER: This is also -- I want
4 to comment on the presentation of Schedule B,
5 because this is the first time the risk sharing
6 formula has been included. And I want the
7 Commission to have this framework before it when
8 the witnesses testify.

9 Because this is the first time the risk
10 sharing formula has been included, the Department
11 would like the Commission to consider whether the
12 incremental cost of gas figures are more
13 appropriately included in a separate incremental
14 gas cost line, as opposed to being included in
15 the CNG cost. Because there's a propane cost and
16 a projected CNG cost, and the incremental costs,
17 although included in the cost of gas according to
18 the Settlement, need not be explicitly included
19 in the CNG costs. They're really a risk sharing
20 formula, and we agree they are appropriately
21 included in Line 20 on Schedule B, but we do not
22 agree that they should be part of the total cost
23 of CNG, *per se*.

24 The other concern we have with

1 Schedule B is that the CNG costs per therm, the
2 supply costs, seem artificially low, because they
3 do not include the demand charges broken by a per
4 therm cost. And the CNG supply costs and the CNG
5 demand costs are really part of the CNG rate, as
6 can be seen on Exhibit K [Schedule K?], Line 28.

7 So, we would like the Commission to
8 consider requiring the addition of a line to show
9 the CNG per therm, including both supply and
10 demand charges. It won't change the rates at
11 all, but it would clarify the true cost of CNG on
12 Schedule B for comparison purposes. We would
13 like the Commission to consider including a
14 separate line for the risk sharing formula
15 incremental cost above Line 20 and included in
16 that line.

17 I guess the final comment I'd like to
18 make at this time, because I will not be filing
19 testimony, is that the Company has suggested, in
20 its testimony filed on May 10th, that the
21 Department is largely responsible or at least
22 half and half responsible for the delay in filing
23 the Audit Report. And, while I certainly don't
24 want to get into a blow-by-blow at this time,

[WITNESS PANEL: Gilbertson|McNamara]

1 it's the Department's position that, while we
2 were happy to engage in conversation with Liberty
3 about concerns they brought to us following the
4 prehearing conference, at the prehearing
5 conference the Department was clear that the only
6 understanding of confidential information in the
7 Audit Report was the Company's information. We
8 suggested it would be improper for us to redact
9 it, because we couldn't be sure -- I can't
10 remember if we expressed it on the record, but,
11 at the time, my concern was that DOE would not
12 properly redact confidential Company information,
13 because we could not know for sure what it was.
14 And I believe it was left that Liberty would file
15 that report with the Commission.

16 Thank you.

17 CMSR. CHATTOPADHYAY: Thank you.
18 Points noted. So, we will go ahead with the
19 swearing in of the witnesses. Steve.

20 (Whereupon **Deborah M. Gilbertson** and
21 **Catherine A. McNamara** were duly sworn
22 by the Court Reporter.)

23 CMSR. CHATTOPADHYAY: Okay. So, let's
24 move to the direct.

[WITNESS PANEL: Gilbertson|McNamara]

1 MR. SHEEHAN: Thank you.

2 **DEBORAH M. GILBERTSON, SWORN**

3 **CATHERINE A. McNAMARA, SWORN**

4 **DIRECT EXAMINATION**

5 BY MR. SHEEHAN:

6 Q Ms. Gilbertson, could you please introduce
7 yourself and describe your role with Liberty?

8 A (Gilbertson) Yes. My name is Debbie Gilbertson.
9 I am the Senior Manager of Energy Procurement for
10 Liberty.

11 Q And did you play a role in drafting the testimony
12 and preparing the exhibits that have been marked
13 as "Exhibit 1", confidential, and "Exhibit 2",
14 redacted, that's before the Commission today?

15 A (Gilbertson) Yes, I did.

16 Q And do you have any changes or corrections to
17 those portions of the testimony or schedules that
18 were your responsibility?

19 A (Gilbertson) No, I don't.

20 Q And do you adopt your prefiled testimony, Exhibit
21 1 and 2, as your sworn testimony here today?

22 A (Gilbertson) Yes.

23 Q Just a couple context questions for you, Ms.
24 Gilbertson. The filing that is before the

[WITNESS PANEL: Gilbertson|McNamara]

1 Commission for approval, dated May 10, proposes a
2 cost of gas rate for Keene. Can you tell me the
3 market prices -- the date of the market prices on
4 which the filing is based? What was the last
5 time you ran the futures, so to speak, to
6 calculate those rates?

7 A (Gilbertson) We updated the rates on May 4th.

8 Q And have you also updated or at least looked at
9 the rates since then, since the filing of last
10 week?

11 A (Gilbertson) Yes. I looked at them, actually,
12 today and yesterday, and they are very similar.

13 Q Okay. So, there has not been any significant
14 move since the May 10 filing?

15 A (Gilbertson) There has not been.

16 Q As I suspect, it's been a familiar theme in this
17 room over the last few weeks, prices have gone
18 up. Can you give us maybe a propane-specific
19 story of what's been happening, if there is one,
20 with propane prices over the last bunch of
21 months?

22 A (Gilbertson) Yes. I actually allude to this on
23 Bates Page 020, where I'm comparing the price of
24 propane and CNG from last year to this year. And

[WITNESS PANEL: Gilbertson|McNamara]

1 there has been a significant increase. I know we
2 were here in the fall, and we had seen that
3 prices were going up at that time. And it had to
4 do largely with the global marketplace and
5 competing with prices abroad. That has not
6 changed. And, if anything, it has gotten worse
7 in February, with the war in Ukraine, that has
8 not helped matters, and, certainly, prices have
9 responded.

10 At this time, we're looking at a 62
11 percent increase in the price of propane over --
12 since last year. Last year, at this time, it was
13 averaging about 79 cents a gallon, and now we're
14 looking at \$1.28. For natural gas, we usually
15 use the NYMEX as a benchmark. At this time last
16 year, the NYMEX was trading at about \$2.89, and
17 right now it's trading at \$8.23. That's about a
18 185 percent increase.

19 The trajectory is flat, it's high and
20 flat. I've looked over the winter period.
21 There's none -- as of this point right now, it
22 doesn't look like there's an extreme uptick, but
23 it's not decreasing either. So, we have to just
24 see what happens.

[WITNESS PANEL: Gilbertson|McNamara]

1 Q Thank you. By saying you "looked at the winter
2 period", meaning you looked at this coming
3 winter, what the futures are showing now for this
4 coming winter?

5 A (Gilbertson) Yes, I did. And it's flat. It's
6 about the same as it is now.

7 Q And to be clear, when you referenced the "NYMEX
8 price", Liberty-Keene and EnergyNorth does not
9 buy gas at the NYMEX price, is that correct?

10 A (Gilbertson) Well, CNG is tied to NYMEX. All
11 natural gas is tied to NYMEX.

12 Q But it's always NYMEX, plus something?

13 A (Gilbertson) Or minus, yes. Exactly.

14 Q Okay. And, for CNG, we don't need to know the
15 formula, but the CNG we buy is NYMEX plus X?

16 A (Gilbertson) Something at the price point, yes.

17 Q Okay.

18 A (Gilbertson) Exactly.

19 Q And, of course, with natural gas, the plus is the
20 cost of getting the gas from wherever the NYMEX
21 is set to our city gate?

22 A (Gilbertson) Yes. The NYMEX is at Henry Hub, and
23 that's in Texas, and to where it -- oops -- or,
24 Louisiana, sorry, and the basis, which

[WITNESS PANEL: Gilbertson|McNamara]

1 establishes the price at the price point would
2 be, for instance, at Dracut, if you were looking
3 at EnergyNorth, for that matter.

4 Q And, for the Commission's benefit, EnergyNorth is
5 not before the Commission today. But we
6 understand Northern came in last week with a
7 request to do a midterm increase, and EnergyNorth
8 will be doing the same shortly as well, is that
9 correct?

10 A (Gilbertson) That is correct.

11 Q And that is, again, based on the significant
12 increases in the NYMEX, which bumps the ultimate
13 price we pay up as well?

14 A (Gilbertson) That is right.

15 Q Other than that, Ms. Gilbertson, the Keene cost
16 of gas, the typical summer hearings like this
17 confirms that we're following the same hedging
18 program for this upcoming winter that we have in
19 the past. Is that the case this year, too?

20 A (Gilbertson) We are following the same hedging
21 program, yes.

22 Q And that's because, although prices have changed,
23 other conditions have not changed that justify
24 that hedging program, is that fair?

[WITNESS PANEL: Gilbertson|McNamara]

1 A (Gilbertson) That's correct.

2 Q And could you briefly describe what that primary
3 hedging program is for Keene?

4 A (Gilbertson) Yes. We purchase over the summer
5 period at winter prices to stabilize price. We
6 purchase about 700 -- 700,000 gallons. And,
7 because the portfolio hasn't changed, that's an
8 adequate amount. It's a supply also. It's
9 not -- the intention of the program is not to try
10 to beat the price, it's to try to meet -- it's to
11 try to stabilize the price. Keene doesn't have
12 storage. So, it's a contracted delivered product
13 in the winter that we absolutely need to have.

14 Q You might have flipped summer/winter. To be
15 clear, you're buying gas for this coming winter
16 at this summer's prices?

17 A (Gilbertson) No. We're buying gas over the
18 summer at forward winter prices, --

19 Q Okay.

20 A (Gilbertson) -- because that's how it's done.
21 And then, to be delivered in the winter.

22 Q Okay. And as you say, the expectation is, by
23 locking those prices in, we avoid the ups and
24 downs that may happen with the unpredictable

[WITNESS PANEL: Gilbertson|McNamara]

1 market?

2 A (Gilbertson) That's right. Yes.

3 Q The Commission has always asked us to look back
4 each year and measure the hedging program against
5 the market. Again, not so much to see if there's
6 winners or losers, but just to see how it worked
7 out. Did that happen in the filing here as well?

8 A (Gilbertson) It did. There's a couple of
9 schedules that show that, I think -- I'll have to
10 refresh my memory, sorry.

11 We have three months of actuals versus
12 what the contract price was. And, as of
13 February, the end of February, it was in the
14 "good" by about 18 percent.

15 Q Okay. Thank you, Ms. Gilbertson. Ms. McNamara,
16 please introduce yourself and describe your
17 position with Liberty?

18 A (McNamara) I'm Catherine McNamara. My position
19 at Liberty is a Rates Analyst II for the Rates &
20 Regulatory Affairs Department.

21 Q Did you prepare -- participate in the preparation
22 of the testimony with Ms. Gilbertson that's been
23 marked as "Exhibit 1" and "Exhibit 2"?

24 A (McNamara) Yes, I did.

[WITNESS PANEL: Gilbertson|McNamara]

1 Q Do you have any changes or corrections to the
2 testimony for which you were responsible?

3 A (McNamara) No, I don't.

4 Q And is it fair to say your role is to take some
5 of the information from Ms. Gilbertson and some
6 information from other folks and calculate rates?

7 A (McNamara) Correct.

8 Q And this cost of gas filing was a little
9 different for some of the reasons referenced in
10 the Commissioner's opening, is that fair?

11 A (McNamara) That's fair.

12 Q So, the Commission approved a rate in May that
13 was a continuation of the April rate, is that
14 right?

15 A (McNamara) Correct. And that was 2.4835 --
16 2.4835.

17 Q And how did the Company incorporate that rate in
18 May into the filing that's in front of the
19 Commission today?

20 A (McNamara) The Company incorporated that in
21 Schedule B, on Line 27 --

22 CMSR. CHATTOPADHYAY: If I may, it
23 would be helpful if you give us the Bates Page.

24 WITNESS McNAMARA: Oh, sure. Bates

[WITNESS PANEL: Gilbertson|McNamara]

1 029, on Line 27, in Column (1).

2 BY MR. SHEEHAN:

3 Q And, at a high level --

4 WITNESS McNAMARA: In Column (2).

5 BY MR. SHEEHAN:

6 Q Sorry. And, at a high level, Ms. McNamara, what
7 the Company did was estimate how much revenue it
8 would receive in May based on that higher rate,
9 is that correct?

10 A (McNamara) Correct.

11 Q And then, you've estimated, as you always do, how
12 much gas you'll be selling over the rest of the
13 summer, and take the rates from Ms. -- the costs
14 from Ms. Gilbertson and calculate a rate?

15 A (McNamara) We took the cost for the entire
16 summer, and we subtracted out the revenue for
17 May, the estimated revenue for May, and then
18 calculated the price on the remaining costs,
19 divided by the remaining therms.

20 Q Okay. And it did also -- that calculation
21 included the over-collection, if you will, for
22 the month of May for that, because we are
23 charging the higher price?

24 A (McNamara) Correct.

[WITNESS PANEL: Gilbertson|McNamara]

1 Q So, that is embedded into the rate we're
2 proposing for June 1?

3 A (McNamara) Correct.

4 Q Okay.

5 A (McNamara) It's included in Schedule B,
6 Bates 029, on Line 28, in Column (2).

7 Q And can you turn us to -- turn us to the bill
8 impacts customers will see as a result of the
9 proposed June 1 rates? What did you compare the
10 June 1 rates against to do a bill impact
11 analysis?

12 A (McNamara) The bill impact schedule is
13 "Schedule I-1", for residential, that's on Bates
14 Page 036. And we compared our proposed rates,
15 including the \$2.48 in May, for 2022, to the
16 actual rate from the Summer of '21.

17 Q And what is the difference between those two?

18 A (McNamara) The cost of gas difference will equate
19 to about \$39 on a customer's bill, or 47 percent.
20 And, for the total bill impact, it was \$43.50, or
21 20 percent.

22 Q And that's over the course of the summer period?

23 A (McNamara) Correct.

24 Q Not by month?

[WITNESS PANEL: Gilbertson|McNamara]

1 A (McNamara) Correct.

2 Q So, it's a \$40, roughly, difference from last
3 summer?

4 A (McNamara) Correct.

5 MR. SHEEHAN: Thank you. That's all I
6 have.

7 CMSR. CHATTOPADHYAY: DOE.

8 MS. SCHWARZER: Thank you. I'll just
9 address these questions to both of you together.

10 **CROSS-EXAMINATION**

11 BY MS. SCHWARZER:

12 Q And I just wanted to start with what I believe is
13 probably a typing error, on Page 7 of the
14 testimony. Though, perhaps not. Line 16 says
15 that "The Non-Fixed Price Option cost of gas rate
16 of \$1.7865 per therm was calculated", and goes on
17 to give a formula. I believe that that's
18 referring to the April 25th number that was
19 filed, and perhaps that's a typing error?

20 A (McNamara) So, it's not a typing error. The
21 starting point for the May 10th filing was the
22 April 24th filing, and that rate was \$1.7865, and
23 was calculated by the anticipated cost of gas
24 referenced for 573,000, divided by approximately

[WITNESS PANEL: Gilbertson|McNamara]

1 321,000 therms.

2 Q This may go to sort of an overarching theory
3 question. And, for comparison purposes from
4 summer to summer, the Department wants to know
5 what the proposed rate is. So, your answer leads
6 me to believe that the Company looked at the
7 over-collection in May, and somehow, in relation
8 to the over-collection and the overall rate of
9 1.7865, came up with the 1.622 rate you proposed
10 here?

11 A (McNamara) Simply stated, yes. I can explain it
12 a little bit more than that.

13 Q Sure.

14 A (McNamara) The April filing that calculated the
15 \$1.7865 was updated with updated pricing, and
16 updated the May rate to 2.4835, and calculated
17 the rate of 1.6220.

18 Q I think I understand what you're saying. And I'm
19 comparing this process to a process that was used
20 in Docket 20-152, when the Commission assigned an
21 interim November rate to the winter period for
22 Liberty-Keene. And then, in the order
23 establishing the rate for the remaining shorter
24 five-month period, proposed both an adjusted

[WITNESS PANEL: Gilbertson|McNamara]

1 rate, to take into account the over-collection,
2 but also assigned what the -- what the rate would
3 have been but for those discrepancies.

4 So, I'm trying to understand, for
5 comparison purposes, going into the next year,
6 the next summer period, I think 1.622 would be
7 too low as a comparison, given that that rate has
8 taken into account an over-collection in May.
9 Would it be more accurate to somehow propose, for
10 the period from May of 2022 through October 31st
11 of 2022, an overall rate of something closer to
12 1.7865, with the proviso that the May rate would
13 have been the 2.4835 rate, and that there be an
14 adjusted initial June rate of 1.6220?

15 A (McNamara) So, in 20-152, --

16 Q I'm sorry. So, the docket that I cited was
17 "20-152", the winter. It was a winter
18 Liberty-Keene. Is that what you're referring to?

19 A (McNamara) Yes. Sorry.

20 Q Okay.

21 A (McNamara) I thought I said "20-152". In that
22 docket, when it was the PUC Staff and the
23 Commission that calculated that overall rate, I
24 wasn't party to how they came up with that

[WITNESS PANEL: Gilbertson|McNamara]

1 provision.

2 Going forward, and in this rate case --
3 or, in this cost of gas rate case, we do our bill
4 impacts and our cost comparisons against the
5 prior year actuals. And I would propose that we
6 continue to do that.

7 Q So, in this case, if it's more accurate to
8 suggest that an average of those -- of the May
9 rate and the June rate is closer to what you
10 proposed in April, on April 25th, the 1.7865,
11 would that make the bill impacts lower as
12 projected in Schedule I-1 and I-2?

13 A (McNamara) The Schedule I-1 and I-2 both take
14 into account the May rate, at 2.48, and the
15 one -- June through October rate, the 1.6220.

16 Q Okay. So, that would remain unchanged?

17 A (McNamara) That would remain unchanged for what
18 the actuals are, given that there would be no
19 trigger filings. But, of course, we file
20 monthly, and that 1.6220, and that even the 2.48
21 rate could change. Well, the 2.48 won't, sorry.
22 The 1.6220 will change.

23 Q So, as filed today, does Liberty expect the 25
24 percent cap to apply to the 1.6220 figure, or --

[WITNESS PANEL: Gilbertson|McNamara]

1 I mean, I guess you do?

2 A (McNamara) We did, yes. That's how we calculated
3 it.

4 Q Given Ms. McNamara's [Ms. Gilbertson's?]
5 testimony that the rates are anticipated to be
6 "flat and high", do you have any concern that, as
7 compared to the April 25th Petition, with the
8 1.7865 rate, that the proposed cap may not be
9 sufficient, if it's taken from the 1.6220 figure?

10 A (McNamara) I do not have any immediate concerns
11 about that, because we have incorporated the most
12 recent pricing. And, since that's proposed to be
13 remaining flat, as far as we can tell at this
14 point, I would imagine that 25 percent cap would
15 be sufficient.

16 A (Gilbertson) There's no guarantees on that.

17 Q Ms. McNamara, obviously, there's no guarantee on
18 that. Why is it better to use the 1.6220 figure,
19 as opposed to the April figure of 1.7865?

20 A (Gilbertson) It's not better. I mean, I think
21 you could do either way. It's a decision, I
22 guess you could say that.

23 Q Okay.

24 A (Gilbertson) But nobody can guarantee what the

[WITNESS PANEL: Gilbertson|McNamara]

1 price is going to be at the end of the summer. I
2 don't think anybody in this room can do that.

3 Q So, can you help me understand why Liberty chose
4 to request a rate on May 10th that was
5 significantly lower than the April 25th rate, and
6 closer, in fact, to the March 15th filing?

7 A (McNamara) We were required to do so in Order
8 26,618 by the Commission, to file a filing due
9 May 10th, using -- incorporating the rate of
10 2.4835 for May, and calculating what the
11 remaining rate should be. And that's why it's
12 less, is because 2.4835, that rate included a
13 potential over-collection, based on the market.

14 Q I guess I have to say that I did not anticipate
15 the Commission's order directing a particular
16 outcome. I do believe the Commission ordered you
17 to file an updated petition, inclusive of the
18 over-collection anticipated, as we all did, from
19 the May rate. And, certainly, the Commission is
20 in the best position to decide if it meant to
21 circumscribe Liberty's calculation in the manner
22 the Company has described. But that was not my
23 understanding of the Company's obligation.

24 Might you, for example, turning to

[WITNESS PANEL: Gilbertson|McNamara]

1 Schedule B, on Bates Page 029, and please tell me
2 if I'm understanding this correctly. I see on
3 Bates Page 029, Line 38, "Column (1) Prior", that
4 there's an under-collection of \$18,000. And
5 then, immediately adjacent, in Column (2), for
6 "May of '22", there's an over-collection of
7 \$58,000, is that correct?

8 A (McNamara) A projected over-collection, correct.

9 Q Projected over-collection. Consistent with the
10 way in which the Company filed Schedule B, might
11 you have somehow carried the over-collection
12 forward or calculate it in some way, other than
13 ending up in zero in Row (8)?

14 A (McNamara) No. The purpose of calculating the
15 cost of gas rate, in theory, is to collect from
16 the customers what the cost of gas is for the
17 Company as the passthrough cost. So, we would
18 always calculate the rate to end up at zero at
19 the end of the season.

20 Q Thank you. Turning to Bates Page 024 and 025, I
21 had a question on the heading for both pages.
22 The Winter Period is headed "Rates effective
23 March 1 through April 30th, 2022", which are, of
24 course, the last two months of winter. And then,

[WITNESS PANEL: Gilbertson|McNamara]

1 there's a column on the right, for the Summer
2 Period, that says "June 1 through October 31st,
3 2022."

4 A (McNamara) Correct.

5 Q It seems to me that May has somehow been left out
6 of that calculation, or at least the definition
7 of the "Summer Period"?

8 A (McNamara) It was not left out. The May rates
9 for Tariff Page 88 is listed on the Eleventh
10 Revised Page 88.

11 Q Okay. And, so, then, the date at the bottom that
12 says -- or, would presumably say "Effective June
13 1, 2022", you're not trying to suggest that the
14 Summer Period in any way excludes May,
15 irrespective of the Winter rate being continued
16 in that period?

17 A (McNamara) No, not at all.

18 Q Thank you. Has the LDAC rate changed since it
19 was established, with the understanding that this
20 docket does not establish LDAC rates, but, to be
21 clear about the appropriate LDAC rate used as a
22 component of the bill impact statement, is it
23 fair to say that the LDAC rate has changed
24 significantly since it was determined in the

[WITNESS PANEL: Gilbertson|McNamara]

1 EnergyNorth cost of gas case this fall?

2 A (McNamara) There have been -- there have been
3 updates to the LDAC rate since this fall. We had
4 a PTAM adjustment that came in I believe it was
5 in January. And there were -- I can't remember
6 if it was two or three adjustments for energy
7 efficiency, two were per order of the Commission
8 and one was based on House Bill 549.

9 Q And is the current LDAC rate shown on Schedule
10 I-1, for residential, "0.1318"?

11 A (McNamara) Yes.

12 Q And is the current and updated LDAC rate for
13 Commercial/Industrial Group, as shown in
14 Schedule I-2, "0.0991"?

15 A (McNamara) Correct.

16 Q Does Liberty's response to Data Request 13 -- in
17 Exhibit 13, Liberty did a data request explaining
18 the changes to the LDAC in this docket. Did you
19 author that?

20 A (McNamara) Yes, I did. Sorry. Yes, I did.

21 Q And, so, if we were to go through it, it would go
22 through in detail those changes?

23 A (McNamara) It would go through the changes? Yes.

24 MS. SCHWARZER: I think, if I could

[WITNESS PANEL: Gilbertson|McNamara]

1 just have a moment in the filing?

2 *[Short pause.]*

3 MS. SCHWARZER: There's an attachment
4 to Exhibit 13, that was a schedule that was not
5 included in the Department's exhibit, which I
6 would like permission to supplement that record.
7 It would show a calculation through April 2022.
8 Liberty did not object.

9 CMSR. CHATTOPADHYAY: Do you have any
10 objection?

11 MR. SHEEHAN: Not to it being
12 introduced. I'm not sure the impact on the
13 proposal, but we'll see where that goes.

14 MS. SCHWARZER: Well, I don't believe
15 there's an impact. I'm just trying to document
16 and erect the record for the Commission, and for
17 clarity going forward.

18 CMSR. CHATTOPADHYAY: Just give us a
19 few seconds. Hold on.

20 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
21 *conferring.]*

22 CMSR. CHATTOPADHYAY: So, we are okay
23 with that. You can provide it as a supplement
24 there.

[WITNESS PANEL: Gilbertson|McNamara]

1 ***[Reserved - Supplement to be filed]***

2 MS. SCHWARZER: Thank you.

3 BY MS. SCHWARZER:

4 Q Exhibit 13 also mentioned that RDAF -- some
5 elements of the RDAF rates had been removed.
6 Could you speak to that please?

7 A (McNamara) Sure. Just give me one second.

8 Can you repeat that question for me
9 please?

10 Q Yes. And I can direct you to Bates Page 002 of
11 Exhibit 13, at the beginning of the response,
12 which says "the question above did not include
13 another reference in the ordering clause that is
14 important here, that the approved rates included
15 adjustments to remove rate case expenses and RDAF
16 as discussed in this order."

17 A (McNamara) That's correct.

18 Q So, can you just explain what part of the R --
19 let me strike that. Do the LDAC rates reflected
20 in this explanation exclude some aspect of RDAF?

21 A (McNamara) The RDAF proposal excludes the \$4
22 million reconciling issues that I believe being
23 filed under another docket that was broken out of
24 the LDAC in the winter filing from last winter.

[WITNESS PANEL: Gilbertson|McNamara]

1 Q And does that continue to be true for the May
2 10th Petition, as filed?

3 A (McNamara) Yes.

4 Q Have the RDAF values changed following Order
5 26,611, which was dated April 15th, 2022, in
6 Docket 20-130, which was the EnergyNorth fall
7 docket? And just to remind us all, the Order
8 26,611 had to do with Tariff Number 11.

9 MR. SHEEHAN: I'm sorry, could you
10 restate that?

11 MS. SCHWARZER: Yes.

12 MR. SHEEHAN: "Have the RDAF what
13 changed?"

14 MS. SCHWARZER: Have any of the RDAF
15 values in the LDAC reflected in the May 10th
16 Petition changed as a result of Order 26,611,
17 which was the order having to do with Tariff 11,
18 and whether or not a particular RDAF formula
19 would be recalculated?

20 MR. SHEEHAN: I think what the answer
21 just was, in the exhibit we have, shows RDAF of
22 zero. So, there's no RDAF in the LDAC that's in
23 front of the Commission today.

24 MS. SCHWARZER: Right. And my question

[WITNESS PANEL: Gilbertson|McNamara]

1 was whether the May 10th Petition, whether that
2 continues to be true?

3 MR. SHEEHAN: Okay.

4 MS. SCHWARZER: Or, if there was a
5 change resulting from that April 15th order?

6 MR. SHEEHAN: Gotcha. Thank you.

7 **BY THE WITNESS:**

8 A (McNamara) I'd have to revisit that order. But I
9 don't believe so.

10 MR. SHEEHAN: If I may?

11 MS. SCHWARZER: Sure.

12 MR. SHEEHAN: Did the May 10th filing
13 include a different RDAF number than had been in
14 the earlier versions of the Keene filing?

15 WITNESS McNAMARA: No, it has not.

16 MS. SCHWARZER: Great. Thank you.

17 BY MS. SCHWARZER:

18 Q So, if I could direct your attention to
19 Exhibit 15. Exhibit 15 was the Company's
20 response to data requests propounded by DOE,
21 having to do with agreement and a stipulation
22 that nothing that is adjudicated in this
23 Liberty-Keene cost of gas docket includes
24 anything that was carved out of Dockets 21-130 or

[WITNESS PANEL: Gilbertson|McNamara]

1 21-132 with regard to the -- what the Company has
2 described as the "\$4 million RDAF error". And
3 that no approval -- that, were the Company's
4 Petition approved, it would not impact or change
5 any aspect of that issue, neither would it pay
6 any money towards the \$4 million at issue. Does
7 that continue to be true?

8 A (McNamara) That continues to be true.

9 Q Thank you. Can you tell me whether or not
10 Liberty-Keene expects to provide alternative
11 fuels, such as LNG or RNG, in the summer period?

12 A (McNamara) Not in the summer period, no.

13 Q And, if I can direct you to Exhibit 16, there's a
14 discussion that RNG might be available in Q3, but
15 that would not be during the summer period,
16 correct?

17 A (Gilbertson) That's correct.

18 Q Just again to confirm, not because the LDAC is an
19 issue in this docket, but because the LDAC is
20 included in the calculation of the impact to the
21 cost of gas rate --

22 *[Court reporter interruption.]*

23 BY MS. SCHWARZER:

24 Q To remind us all, that the LDAC is not calculated

[WITNESS PANEL: Gilbertson|McNamara]

1 in this docket, but simply to follow through with
2 regard to components of the LDAC and their impact
3 on the customer, as illustrated in Schedule I-1
4 and I-2, can you confirm that no gas holder
5 expenses have been included in the cost of gas or
6 the LDAC rates proposed in this docket?

7 A (McNamara) That is correct.

8 Q And that's consistent with the answer you gave in
9 Exhibit 14, is that correct?

10 A (McNamara) That is correct.

11 Q Can you speak briefly to unaccounted for gas data
12 for Liberty-Keene?

13 A (McNamara) I can tell you the calculation of the
14 unaccounted for gas in last winter's cost of gas
15 filing came out to be 0.19 percent.

16 Q Could I direct your attention to Exhibit 11? I
17 believe you've calculated the Summer of 2022 Cost
18 of Gas unaccounted for gas rate as 0.19 percent,
19 is that correct?

20 A (McNamara) The Summer 2022 amount percentage used
21 for the filing is based off of the winter cost of
22 gas filing calculation.

23 Q And Liberty has made significant improvements in
24 that estimate of percentage of unaccounted for

[WITNESS PANEL: Gilbertson|McNamara]

1 gas, is that fair to say?

2 A (McNamara) Correct.

3 Q Would Liberty be willing to include a line on the
4 Schedule B that shows the demand charges and the
5 supply charges for CNG on a per therm basis?

6 A (McNamara) I'm not sure that we've discussed that
7 as a company that we would include it. We are
8 always open to making judgments that make sense
9 for people to better understand our schedules.

10 Q If I could --

11 MR. SHEEHAN: And I'm sorry. I could
12 echo that. You know, this is the first we heard
13 of it. We don't necessarily have a problem with
14 it. We'd like to think it through. And we'll
15 certainly work with DOE to provide extra
16 information, if that's what's requested. And
17 we'll certainly take our lead from the Commission
18 as well.

19 BY MS. SCHWARZER:

20 Q Well, if I could direct your attention to
21 Exhibit 8 and Exhibit 12. I'm also looking for
22 Schedule B, I think it might be 29.

23 Exhibit 8 shows the Company's response
24 to Data Request 1-4. And, if you look at the

[WITNESS PANEL: Gilbertson|McNamara]

1 response to Section (a), it asks if the demand
2 charges are included in the CNG cost per therm
3 calculation, and asks why they're not included in
4 the per therm costs? And Liberty's answer was
5 "Yes. Schedule B, Line 11 has a breakout of
6 demand charges." And, as it does, those charges
7 are listed in a lump-sum of _____, broken down
8 equally month by month.

9 And then, goes on to state "It's
10 standard practice to break out demand charges
11 from the commodity cost. This is especially true
12 for CNG demand charges, as Liberty has been
13 instructed to allocate and apply certain
14 percentages of the [CNG] demand charges to each
15 season, either peak or off-peak."

16 And, in terms of instruction, was it
17 the Company's understanding that the Commission
18 had instructed it to include a separate demand
19 charge?

20 A (Gilbertson) No. No. It's the breakout. It's
21 the 25 percent versus the 20 percent, I think
22 we -- sorry, the 25 percent versus 75 percent,
23 which is how we were asked to break it out.

24 Q Okay.

[WITNESS PANEL: Gilbertson|McNamara]

1 A (Gilbertson) That's what that means.

2 Q But, certainly, listing the CNG demand charges in
3 Line 11, as you've done, could remain in
4 Schedule B. It wouldn't preclude including a
5 calculation as is done on Schedule K, Line 28, to
6 show both the supply costs, the demand fixed
7 costs, and the cost per therm. And, on
8 Schedule K, that's done at Line 26 -- sorry,
9 Schedule K is Bates 041, is done on Line 26, 27,
10 and 28.

11 A (Gilbertson) So, I'm sorry, what was the
12 question?

13 Q Including a line on Schedule B to show the
14 lump-sum demand charges of _____, broken down
15 by month, would not preclude the Company from
16 including in Schedule B for a more accurate point
17 of comparison to propane costs, the same
18 information you've included in Schedule K, at
19 Line 26, 27, and 28, where Schedule K is at Bates
20 Page 041, showing the cost of CNG supply per
21 therm, the demand fixed costs, and 28, combining
22 them for the cost per therm?

23 A (Gilbertson) That's true. It would not.

24 Q And, for comparison purposes, on Schedule K, for

[WITNESS PANEL: Gilbertson|McNamara]

1 example, for May of '22, that combined cost per
2 therm is "_____". Yet, in Schedule B, the cost
3 per therm for CNG appears as only "_____", on
4 Line 9?

5 A (McNamara) Line 9 is -- we were asked at one
6 point to break out demand charges separately.
7 And Line 9, on Schedule B, is to be the pure
8 commodity cost per therm, not the commodity cost
9 per therm plus demand charges.

10 Q And the Department is not suggesting you remove
11 Line 9 or that you remove Line 11, but only that
12 Schedule B might more accurately show the per
13 therm CNG charge for purposes of comparison to
14 the propane per therm charge at Line 4 on
15 Schedule B, were Schedule B to also include a
16 line as is done on line -- on Schedule K, to show
17 the cost per therm, including demand and supply.
18 That would be possible, correct, on Schedule B?

19 A (Gilbertson) Yes.

20 MS. SCHWARZER: Thank you. Can I have
21 a moment? Thank you.

22 *[Short pause.]*

23 MS. SCHWARZER: I have no further
24 questions. Thank you, Commissioners. Thank you.

[WITNESS PANEL: Gilbertson|McNamara]

1 CMSR. CHATTOPADHYAY: Thank you. So,
2 we're going to move to the Commissioners'
3 questions. Commissioner Simpson.

4 CMSR. SIMPSON: Thank you, Commissioner
5 Chattopadhyay. And thank you, Ms. Gilbertson and
6 Ms. McNamara, for being here today.

7 So, following Ms. Schwarzer's
8 questioning, I just have a few follow-ups for
9 both of you. Mainly with respect to the
10 Settlement Agreement on Permanent Rates, which is
11 marked as "Exhibit 7".

12 BY CMSR. SIMPSON:

13 Q And I'm just looking for a general update from
14 both of you. I'm looking at Section 7, which is
15 Bates Page 013 of the Settlement Agreement, with
16 respect to Keene's conversion to compressed
17 natural gas.

18 Do either of you have the ability to
19 speak to this process and where the Company
20 stands with respect to its conversion efforts?

21 A (Gilbertson) Yes. Just give me one second.

22 Q Take your time.

23 A (Gilbertson) So, the Company has added about 700
24 feet of main to the Key Road area, and they have

[WITNESS PANEL: Gilbertson|McNamara]

1 converted two customers from propane to CNG. And
2 they have also added two new customers in that
3 area to CNG. There's no plan before the end of
4 the summer to add anybody else at this point.

5 Q Okay. That was my next question, with respect to
6 the Company's strategy for adding new customers.
7 It sounds like your vision is to stay at where
8 you're at currently?

9 A (Gilbertson) I think there's a plan to increase
10 the customer load. But there's not -- but
11 there's nothing in place before the end of the
12 summer.

13 Q Okay. Thank you. And then, continuing on, the
14 same section in your direct testimony, Bates
15 Page 019, you mention "The Company is considering
16 a path forward to transition to partial renewable
17 natural gas and has a contractor" -- "and has
18 retained a contractor to help determine what is
19 possible and at what cost."

20 So, I'm curious about that, the
21 Company's efforts with respect to renewable
22 natural gas. With regards to how and from whom
23 you would procure that gas? How you would
24 deliver that gas to the Keene system? Whether

[WITNESS PANEL: Gilbertson|McNamara]

1 provision of that gas at this time you would
2 foresee as voluntary or blended within your
3 supply portfolio for customers?

4 So, help -- you know, can you explain
5 what the Company is thinking with respect to RNG
6 in Keene?

7 A (Gilbertson) At this point, I don't know all the
8 details of that. That's really with our Business
9 Development team. I do know that a little bit of
10 testimony was provided by them.

11 Q Uh-huh.

12 A (Gilbertson) I'm not sure if I'm giving up any --
13 is it "Rudebaker" or -- I'm not even sure who
14 the -- maybe Mike can help a little here?

15 MR. SHEEHAN: RUDARPA is the entity
16 we've reached an agreement with. I can speak to
17 it.

18 CMSR. SIMPSON: You can?

19 MR. SHEEHAN: Yes. I can provide a
20 high-level. You want me to do it now or I can do
21 it in closing?

22 MS. SCHWARZER: I believe there's a
23 docket open at this time on that matter. And,
24 certainly, I don't -- no objection to general

[WITNESS PANEL: Gilbertson|McNamara]

1 information being provided.

2 CMSR. SIMPSON: Uh-huh. If you'd like
3 to address that in closing, that's fine.

4 MR. SHEEHAN: Okay.

5 CMSR. SIMPSON: I'm really just
6 curious, given the unique nature of the system,
7 and interested in the Company's strategy, some of
8 the driving forces for Keene specifically, and
9 information on how you might actually procure
10 that type of gas.

11 MR. SHEEHAN: Okay.

12 BY CMSR. SIMPSON:

13 Q And then, I just want to follow up with respect
14 to Attorney Schwarzer's request pertaining to
15 Schedules B and K. Would either of you envision
16 that breakdown being burdensome in order to
17 calculate, or could it be a straightforward
18 breakdown with respect to demand charges for both
19 propane and CNG?

20 A (Gilbertson) I think it would be fine. It's just
21 a line item. And I think it's very easy to do.

22 Q Okay.

23 A (McNamara) And I would agree, on Schedule B.

24 CMSR. SIMPSON: Okay. Then, I guess

[WITNESS PANEL: Gilbertson|McNamara]

1 I'd like to make a record request for the Company
2 to provide -- just a moment, so I can articulate
3 this appropriately.

4 *[Short pause.]*

5 CMSR. SIMPSON: So, I would ask the
6 Company to provide a cost per therm with demand
7 charges separately broken out for both propane
8 and compressed natural gas in line with Lines 4
9 and 9 of Schedule B.

10 And I would ask Attorney Schwarzer,
11 would that record request provide the information
12 that the Department is interested in?

13 MS. SCHWARZER: Commissioner Simpson, I
14 believe the propane costs already include the
15 equivalent of the demand charges. We are
16 grateful for the Commission's support of that
17 request. It's more of a concern going forward
18 that the CNG cost, in Line 9, not appear
19 artificially lower than it truly is, and that it
20 not just be broken out separately per therm
21 demand charge, but that there be a -- as is the
22 case in K, a total CNG per therm cost inclusive
23 of Line 9 and Line 11. And that Line 12, 13, 14,
24 15, and 16 become a separate line of incremental

[WITNESS PANEL: Gilbertson|McNamara]

1 supply costs that would be included in 20, but
2 broken out and not part of the CNG charge.

3 CMSR. CHATTOPADHYAY: So, we are
4 talking about "Exhibit 17", right? This is a
5 record request?

6 CMSR. SIMPSON: I think it's Exhibit 1,
7 right?

8 MS. SCHWARZER: Exhibit 1, the
9 confidential May 10th Petition, correct. Yes,
10 sir.

11 CMSR. CHATTOPADHYAY: I know. But I'm
12 saying, when you submit the --

13 CMSR. SIMPSON: Oh.

14 MS. SCHWARZER: Oh, yes.

15 CMSR. CHATTOPADHYAY: -- the updated
16 one, it's going to be "Exhibit 17"?

17 CMSR. SIMPSON: Yes, it would be.

18 MS. SCHWARZER: Oh, I see what you're
19 saying. I'm sorry. I misunderstood,
20 Commissioner Chattopadhyay.

21 CMSR. CHATTOPADHYAY: So, what I would
22 suggest, so that it's pretty clear what we are
23 asking for, and if I may?

24 CMSR. SIMPSON: Please.

[WITNESS PANEL: Gilbertson|McNamara]

1 CMSR. CHATTOPADHYAY: Really, what's,
2 at this point, if you look at Exhibit B, which is
3 Bates Page 029 of Exhibit 2, I believe, I said
4 "Exhibit B", I should have said "Schedule B",
5 okay. It's Line 9, that doesn't include the
6 demand charges for CNG, correct?

7 MS. SCHWARZER: That is right.

8 CMSR. CHATTOPADHYAY: So, what needs to
9 happen is you need to add "Line 9a" with the
10 demand charges. And then, after 10, "Line 10a"
11 would include inclusive of the demand charges
12 what the costs would be. And, similarly, I'm
13 just trying to figure out, where would the
14 "incremental cost" line be most appropriate?

15 MS. SCHWARZER: I believe any place
16 above Line 20, but just not below -- and below
17 Line 17, because the incremental costs are, you
18 know, if CNG is higher, propane is lower. If
19 propane is higher, CNG is lower. So, the
20 incremental costs are not a CNG element, they're
21 a gas element. And, so, we would ask that there
22 be a separate line for incremental costs of gas,
23 either a "19a" or an "18a", or you need to invent
24 a number.

[WITNESS PANEL: Gilbertson|McNamara]

1 CMSR. SIMPSON: For the purposes of
2 this filing, if we just had it in a record
3 request response, would that be sufficient?

4 MS. SCHWARZER: Absolutely. We'd just
5 like to see that clarity going forward.

6 CMSR. SIMPSON: Okay.

7 CMSR. CHATTOPADHYAY: And choose
8 whatever line you want to put that in, as long as
9 it makes sense.

10 MR. SHEEHAN: We can have a
11 conversation to find a place that makes sense,
12 between the folks who prepare it and the folks
13 who read it.

14 CMSR. SIMPSON: So, I may have
15 inarticulately worded the record request. Do you
16 have -- Commissioner Chattopadhyay, do you have
17 something drafted?

18 CMSR. CHATTOPADHYAY: I don't. But I'm
19 going to repeat what I think it is.

20 So, I would say update Schedule B --
21 just a moment. To be more precise, it's
22 Exhibit 1 and Exhibit 2, really, that need to be
23 updated, for Schedule B, because it appears in
24 both, you know, Exhibit 1 and Exhibit 2. So,

[WITNESS PANEL: Gilbertson|McNamara]

1 let's just go with Exhibit 1, because that's the
2 confidential one, without talking about the
3 numbers. So, it's Bates Page 029. So, let me
4 now try to rephrase what I said previously.

5 So, add "Line 9a" in that page, Bates
6 Page 029, to include the demand charges
7 associated with CNG.

8 MS. SCHWARZER: Commissioner, that's on
9 a per therm basis, correct? The demand
10 charges --

11 CMSR. CHATTOPADHYAY: Yes. That's per
12 therm, yes, basis. Thank you. And I'm assuming
13 Line 10 doesn't include demand charges right now?
14 It's only the commodity cost?

15 WITNESS GILBERTSON: Yes. You're
16 right.

17 CMSR. CHATTOPADHYAY: And, so, include
18 Line 11, that would add the demand charges as
19 well, and provide a line that will include the
20 total cost, the demand charge plus commodity
21 cost. Okay?

22 And then, the Company should think
23 through it. We haven't decided where that line
24 would go in. But I'd like to get a sense of the

[WITNESS PANEL: Gilbertson|McNamara]

1 incremental cost appearing somewhere between
2 Line 17 and 20, maybe, and just give us a sense
3 what the difference would be between propane and
4 CNG, after you calculated the CNG cost, including
5 the demand charge.

6 WITNESS GILBERTSON: That's fine. I
7 believe it's there in Schedule K, though. It's
8 Line 28 that we want to have represented on
9 Schedule B.

10 CMSR. CHATTOPADHYAY: Yes.

11 WITNESS GILBERTSON: That's the line.

12 CMSR. CHATTOPADHYAY: Yes.

13 WITNESS GILBERTSON: Okay.

14 (*Exhibit 17 reserved for record*
15 *request.*)

16 CMSR. SIMPSON: And might as well ask
17 now, since we're on the topic. Do you think, if
18 you had until the end of the week, would that be
19 enough time to do that, given the nature of the
20 proceeding?

21 WITNESS McNAMARA: Yes, I do.

22 CMSR. SIMPSON: Close of business
23 Friday?

24 WITNESS McNAMARA: Yes.

[WITNESS PANEL: Gilbertson|McNamara]

1 CMSR. SIMPSON: Okay. Go ahead.

2 CMSR. CHATTOPADHYAY: Since we are
3 talking deadlines, I am trying to recall, you
4 mentioned something about a supplemental, you
5 know, response or supplement to --

6 MS. SCHWARZER: It's an attachment.

7 CMSR. CHATTOPADHYAY: -- Exhibit -- was
8 it 13?

9 MS. SCHWARZER: I believe it was 15 --
10 it was the LDAC spreadsheet attachment. Yes, I
11 believe it's 13, Commissioner.

12 CMSR. CHATTOPADHYAY: Okay. So, that,
13 too, please provide that.

14 MS. SCHWARZER: Yes.

15 CMSR. CHATTOPADHYAY: By the end of
16 this week, would be helpful.

17 CMSR. SIMPSON: Thank you. I don't
18 have any further questions.

19 MR. SHEEHAN: Just a couple follow-up.

20 **REDIRECT EXAMINATION**

21 BY MR. SHEEHAN:

22 Q Ms. McNamara, the discussion we just had about
23 presenting the CNG information, that would not
24 change the proposed rates in this proceeding,

[WITNESS PANEL: Gilbertson|McNamara]

1 correct?

2 A (McNamara) Not at all.

3 Q It's simply depicting it in a different way that
4 the folks think would be helpful, is that fair?

5 A (McNamara) Correct.

6 MR. SHEEHAN: Okay. That's all I have.
7 Thank you.

8 CMSR. CHATTOPADHYAY: Thank you,
9 Commissioner Simpson.

10 BY CMSR. CHATTOPADHYAY:

11 Q You, I think, had mentioned you had looked at the
12 recent prices, CNG and propane?

13 A (Gilbertson) Yes.

14 Q And you said they're "more or less flat". Can
15 you give me a sense of how, as far as the
16 relative movement of concern for CNG and propane,
17 have they remained the same as well, or do you
18 have some thoughts on it, of late, like, you
19 know, compared to where they were even a month
20 ago?

21 A (Gilbertson) It's going up every month. I looked
22 at -- I looked at March.

23 Q And can I just -- sorry. Can I just clarify?
24 What I mean is, the difference between propane

[WITNESS PANEL: Gilbertson|McNamara]

1 and CNG?

2 A (Gilbertson) Oh, the difference between CNG and
3 propane?

4 Q Yes.

5 A (Gilbertson) Okay. Yes. So, when we first
6 filed, I believe it was April 25th, I think was
7 the date or something, it was a much larger
8 discrepancy between the CNG and propane. CNG was
9 cheaper to the magnitude of about 50 cents, which
10 is good, I mean, which is a lot. And, as we
11 updated pricing, what we're seeing is that the
12 natural gas is going up faster than the propane
13 is. So, that gap is now, I think it's like 7
14 cents. It went from -- or, actually, I'm
15 sorry --

16 *[Court reporter interruption to repeat*
17 *the number.]*

18 **BY THE WITNESS:**

19 A (Gilbertson) I said it wrong anyway. It's
20 16 cents now. It was about 15 cents. Now, it's
21 about 16 cents. And each time I updated it, it
22 seems to be closing that gap a little bit. So,
23 we'll see what happens.

24 BY CMSR. CHATTOPADHYAY:

[WITNESS PANEL: Gilbertson|McNamara]

1 Q Okay. So, if I heard you correctly, it went from
2 50, 5-0, to 17 cents or 16 cents?

3 A (Gilbertson) Something like -- yes.

4 Q Okay.

5 A (Gilbertson) In that magnitude, yes.

6 Q Can you just walk through your -- in the
7 testimony, you had talked about how there was an
8 error that led to the changes in the prices.
9 There was a \$19,592 issue. And, so, can you walk
10 us through that a little bit, just to make sure
11 we understand what you were mentioning in the
12 testimony? And I think this would be the May
13 10th testimony that you --

14 A (Gilbertson) So, I'm going to have Cathy address
15 that one.

16 Q And I'm trying to go to the right Bates page.

17 A (McNamara) Okay.

18 Q So, it's Bates Page 021, Exhibit 1. Is that
19 correct? No, it's not. Sorry. It's Bates
20 Page 020, beginning Line 12 through 21. So, just
21 give me a sense of how -- or, what's going on?

22 A (McNamara) So, for the incremental savings for --
23 the way we depicted it in the original March 15th
24 filing was as a decrease to the cost of gas.

[WITNESS PANEL: Gilbertson|McNamara]

1 Q A negative number?

2 A (McNamara) As a negative number. And, because
3 the calculations include 100 percent of the
4 savings already, when Debbie updates the pricing,
5 we should have been adding back 50 percent to
6 share that savings with the customers. So, it
7 was just a flip of the sign on that line of the
8 transaction in the calculation. We should have
9 added to customers' costs, instead of
10 subtracting.

11 Q So, really, what you did was you adjusted roughly
12 \$38,000?

13 A (McNamara) Correct.

14 Q That's what got reflected in the prices, other
15 than the changes in the commodity prices and all
16 of that. Right?

17 A (McNamara) Correct.

18 CMSR. CHATTOPADHYAY: Okay. I think
19 that's all I have. I just want to thank you for
20 the answers.

21 So, do we have any redirect?

22 MR. SHEEHAN: I'm sorry. The question
23 I asked before I thought was the redirect, and I
24 cut you off. So, I have no further questions.

1 CMSR. CHATTOPADHYAY: Okay. That was
2 not the first time. Happens to me all the time.

3 So, let's go to the closing arguments.

4 MS. SCHWARZER: Commissioner? Excuse
5 me. Commissioner Chattopadhyay, I would ask that
6 all the exhibits be moved into evidence, if they
7 haven't already been?

8 CMSR. CHATTOPADHYAY: Sure. I was
9 going to do that.

10 MS. SCHWARZER: I'm sorry.

11 CMSR. CHATTOPADHYAY: Okay. But, okay,
12 if you want me to do it first, it's Line 13 here
13 in my notes, and then Line 11 was where I was
14 going first.

15 But, anyway, so, without objection, we
16 will strike ID on sort of Exhibits 1 through 16.
17 And we'll hold the record open for Exhibit 17.

18 And I'm a little confused about the
19 Exhibit 13 being updated with the supplemental.
20 Should we just keep it at "Exhibit 13"?

21 MS. SCHWARZER: I think it would be
22 most simple if I just filed a supplemental
23 attachment to Exhibit 13 and identified it as
24 maybe "13a".

1 CMSR. CHATTOPADHYAY: Okay, that's
2 helpful.

3 MS. SCHWARZER: Thank you.

4 (**Exhibit 13a** reserved for filing a
5 supplemental attachment.)

6 MR. SHEEHAN: And we will have 17 and
7 18, because there will be a confidential and a
8 redacted.

9 CMSR. CHATTOPADHYAY: That is true.
10 Thank you. Yes.

11 (**Exhibit 17** and **Exhibit 18** reserved for
12 the Record Request to be filed,
13 consisting of a confidential version
14 and a redacted version.)

15 CMSR. CHATTOPADHYAY: So, now, let's go
16 to closing arguments.

17 MR. SHEEHAN: You're looking to me? I
18 could go first.

19 CMSR. CHATTOPADHYAY: I am.

20 MR. SHEEHAN: So, first, I want to
21 express my apologies for the screw-up that caused
22 this hearing to be bounced. It happened. You
23 know, we were in a busy time, and we lost track
24 of the date, and we apologize for that. We

1 appreciate the Commission's forbearance in
2 getting this hearing promptly.

3 To some high-level Keene questions, the
4 high, overarching plan in Keene is we have a
5 propane-air system that has a termination date.
6 It's an antiquated system. We don't own it. We
7 don't own the land. We have a lease that expires
8 in a few years.

9 Plus, propane-air system exposes us to
10 unnecessary liability. We actually have to go
11 into customers' homes and change their furnaces
12 to accept the propane-air. When they buy a new
13 furnace, it's natural gas or propane. And, of
14 course, that's not something we should be doing.
15 We've been doing it for decades, our
16 predecessors. But it's a reason to get out of
17 the propane-air business.

18 The pipes in the ground can, obviously,
19 can serve natural gas. So, the plan has always
20 been to convert Keene from propane-air to natural
21 gas. In the last couple rate cases, the
22 Commission has set out a whole bunch of
23 procedures that we have to follow in order to do
24 that. And, so, you will get lots of notice

1 before we take a step on the next phase.

2 The 700 feet of pipe that Ms.
3 Gilbertson referenced was specifically called out
4 in the rate case. We knew that was coming. And
5 the parties agreed that that was okay, that was
6 not a new phase. It was a relatively minor
7 extension. Picked up a couple good customers, so
8 it made sense. And, as Ms. Gilbertson mentioned,
9 there might be one or two that could be added to
10 that same line. But, then, we're done with
11 growth in Keene, until we come back to you with
12 the next phase.

13 We are looking at the options in Keene,
14 and they range from building a new propane-air
15 system, which seems counterintuitive, but we've
16 looked at it, just to make sure we've looked at
17 everything; we're looking at LNG facilities, and
18 we have the location where our existing CNG is,
19 and we've looked at literally 20 other locations
20 around town that could host an LNG facility, and
21 it could be LNG combined with continued CNG.

22 And that process, frankly, has taken a
23 couple years. It's a lot of engineering, a lot
24 of searching. And I've said, I think at a couple

1 of these hearings, "we're close to the end", and
2 then another six months go by. And the bottom
3 line is, it's expensive. And, if we're going to
4 do that, it's going to be a substantial filing,
5 with a lot of work here.

6 So, that's the "big picture" for Keene.
7 Now, once we have that system, as Commissioner
8 Simpson mentioned, Keene is a perfect laboratory
9 for RNG or hydrogen or something else. And we
10 are actively looking at all of that. We've been
11 talking to the City itself. They're totally
12 behind it. There's a "Green Keene Initiative"
13 that we are hoping to help them with.

14 So, again, these are relatively early
15 stages. The Administration has a lot of money
16 available for hydrogen projects, for RNG
17 projects. We're knocking on all those doors
18 trying to get all that done.

19 But I have nothing concrete to offer
20 you now, other than it's being seriously looked
21 at. And, for all the right reasons, Keene would
22 be a great place to be a pilot, for lack of a
23 better word, of new technologies.

24 New paragraph. The existing RNG

1 contract, there's an outfit called "RUDARPA",
2 R-U-D-A-R-P-A, and Commissioner Chattopadhyay is
3 very familiar with it. They are building a
4 facility at the Bethlehem Landfill to take the
5 landfill gas and clean it up, compress it, and
6 deliver it the same as CNG. We filed the
7 contract initially, I think it was in '18, that
8 included an option that we buy the facility, if
9 they met certain production targets. That did
10 not go over particularly well, frankly, with OCA
11 and Staff. We reconsidered, and we filed a new
12 contract in 2020 or 2021 that had removed that
13 automatic option, and turned it into, basically,
14 an agreement that we would buy all the RNG coming
15 out of that facility.

16 That docket was poised for a hearing
17 this winter, and we paused it, with the
18 Commission's blessing, because of legislation
19 that would change the landscape for utilities and
20 RNG projects. That legislation has passed, I
21 think last week, it's awaiting the Governor's
22 signature. My Government Affairs person said
23 "there's no reason the Governor won't sign it."
24 Obviously, we never know until it happens.

1 That, and the expectation is that, with
2 the new legislation, then we -- there's a few
3 requirements there that we would have to go
4 through and come back with the RUDARPA -- revive
5 the RUDARPA docket. That's kind of what we
6 envisioned.

7 As an aside, they're building, and
8 expect to have gas this fall. So, again, who
9 knows? They are having their own supply chain
10 issues, it might go into next winter, but they
11 are under construction and working hard. So,
12 stay tuned on that.

13 Keene would be a possible outlet for
14 that. There's another option, that we take the
15 RNG to Tilton, which is the very end of our
16 system, that could use both the gas and the
17 pressure that would come from the CNG facility
18 way at the end of our system. Those are things
19 we're looking at.

20 So, that's Keene and RNG in a
21 nutshell. If you have any other questions, I'd
22 be happy to --

23 CMSR. SIMPSON: Just one follow-up.

24 MR. SHEEHAN: Sure.

1 CMSR. SIMPSON: Do you have any sense
2 of the scale of possible output from the
3 facility, the production facility that you
4 mentioned, with respect to the demand on the
5 Keene system?

6 MR. SHEEHAN: The output of the
7 Landfill is in the four to 500,000 dekatherms a
8 year, I can't remember if it's four or five.
9 That is more than Keene could handle. We would
10 need other places to take it, if Keene were one
11 customer.

12 Let me back up. That, right now,
13 there's a limited amount of Keene that could take
14 it, because it's only the CNG customers who could
15 take the RNG. So, Keene, as a whole, I don't
16 have a handle on what that throughput is, and
17 that would be, you know, 10 years off anyway.
18 The contract with the Landfill is 15 years, I
19 believe. And it's got a declining production as
20 the landfill is exhausted. So, if we're going
21 turn Keene into RNG, it would have to be that,
22 plus something else, if that's the way we go.

23 So, what you'll see from us in the
24 coming months is something to do with that

1 RUDARPA contract. We have a few options of how
2 to bring it back to you. We need to change our
3 tariff to say that we can accept RNG. That was
4 part of the filing that received favorable
5 testimony from the Safety Division, that it
6 basically copied the pipeline specs of what are
7 the thresholds, and the RNG folks have to meet
8 those thresholds or we don't take the gas. So,
9 those are some things you'll see over the next
10 few months.

11 Now, back to this case, we have what is
12 otherwise, other than the hiccup caused by the
13 delay of the hearing, we have a fairly simple,
14 straightforward Keene cost of gas filing. The
15 prices have gone up. But, other than that, it's
16 the usual calculations of the price, of the
17 CNG/propane delta incremental cost calculation,
18 which is embedded in it. And we ask that the
19 Commission approve the \$1.62, whatever the
20 precise number is, effective June 1, with the
21 usual ability to go up 25 percent or down an
22 unlimited amount.

23 To counsel's questions about "should we
24 use the \$1.70 number as the basis for the cap?"

1 The reason we didn't is because that's not what
2 we've done before. It's always been, you
3 calculate the rate, and you work off that. The
4 \$1.70 is the rate that would have been
5 calculated. So, yes, there's a reason to adopt
6 it, but it would be out of the norm, which is why
7 we didn't do it.

8 As you heard from the witnesses,
9 there's an expectation that the prices will be
10 flat. But, again, who knows? So, but our ask is
11 that you approve the \$1.62, and the 25 percent
12 cap off of that.

13 Thank you.

14 CMSR. CHATTOPADHYAY: DOE.

15 MS. SCHWARZER: Thank you,
16 Commissioners.

17 The Department is not prepared to
18 address propane-air at this time. I will say
19 that it was the Department's understanding that
20 there would not be additional CNG customers added
21 to Keene in the summer period. And, if memory
22 serves, the possibility of adding RNG to Tilton
23 was not an issue that required additional
24 pressure, as the changes have been made to that

1 system, at least in the opinion of DOE when the
2 docket was suspended, subject to further
3 conversation.

4 Turning back to this docket, just want
5 to reiterate that there's no retroactive rate
6 issue in this docket, for reasons described in my
7 opening. The Department is certainly grateful to
8 Liberty for working with us in this docket, and
9 particularly for working with Staff counsel
10 without a gas analyst in two technical sessions.
11 Very much appreciate their willingness to
12 describe and explain when questions are asked.

13 In this particular instance, it's clear
14 that the May -- month of May remains part of the
15 summer docket, and that's for the summer period,
16 which is important to the Department, and to
17 later our Audit Group.

18 DOE does not object to the rates
19 proposed in the Company's May 10th filing,
20 subject to further review and reconciliation of
21 Liberty-Keene Summer 2022 cost of gas at the end
22 of the summer period.

23 Thank you.

24 CMSR. CHATTOPADHYAY: Thank you.

1 Sorry. Thank you.

2 I just want to make sure, we talked
3 about it briefly, but the Exhibit 17, Exhibit 18,
4 and then the supplemental exhibit would be
5 provided by end of this week?

6 MR. SHEEHAN: Correct.

7 CMSR. CHATTOPADHYAY: Okay. Thank you.

8 MS. SCHWARZER: Yes, Commissioner
9 Chattopadhyay.

10 CMSR. CHATTOPADHYAY: Yes. We will
11 take the matter under advisement and issue an
12 order as soon as possible. The hearing is
13 adjourned. Thank you.

14 ***(Whereupon the hearing was adjourned***
15 ***at 2:57 p.m.)***

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