

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

NHPUC Record Requests – May 3, 2023

Date Request Received: 5/3/23
Request No. RR 1

Date of Response: 5/15/23
Respondent: James King

REQUEST:

Please explain the reasons for the summer rate increase in the context of the declining NYMEX prices.

RESPONSE:

Cost of gas rates are tracked and calculated separately for the Summer (May-Oct) and Winter (Nov-Apr) periods. Each period has its own set of accounts to record expenses and revenues. When rates are established for each period, as well as in the monthly trigger filings, the rates are calculated intended to provide for an adequate amount of revenue to cover the expected costs of gas over the six-month period or remaining portion thereof and are also intended to properly address any prior over/under collection balance.

Thus, to answer this request for the Summer period, one must look at May rates (the first month of the summer period) in the context of each period having its own running over/under collection balances, in addition to the market cost of gas.

The Summer 2023 accounts are starting with an under-collection from the 2022 Summer period. The calculation of the rate set for May 1, 2023, takes into account the under-collection as well as the projected expenses and revenues for the remainder of the period. Although NYMEX prices have been declining, the prior Summer period under collection balance is outweighing the declining NYMEX pricing.