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DEPARTMENT OF ENERGY
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September 26, 2023

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

Re: DG 22-045 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, Winter 2022-23 and Summer 2023 Cost of Gas, *DOE's Position on Liberty's "October 2023 COG Adjustment [proposed to be] effective 2023-10-01" (filed September 22, 2023)*

Dear Chairman Goldner:

The New Hampshire Department of Energy ("DOE" or "the Department") files this letter to comment on Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty ("Liberty" or "the Company")'s "October 2023 COG Adjustment [proposed to be] effective 2023-10-01 (filed September 22, 2023). This position is based upon the analysis of Gas Director Faisal Deen Arif, Ph.D.

The Department notes that Liberty proposes a 71.3 percent increase in rates, moving the cost per therm effective September 1, 2023, i.e., \$0.7493 per therm, to a revised rate of \$1.2836 per therm for Residential customers to be effective October 1, 2023. Liberty also appears to have exceeded the maximum rates permitted for Commercial High Winter Use and Commercial Low Winter use in its September 22, 2023 filing. *See* Order No. 26,737 (November 30, 2022) at 4. These issues are discussed below.

The 71.3 percent rate increase

The New Hampshire Department of Energy ("DOE" or "the Department") is concerned with a 71.3 percent rate increase. Upon inquiry, the Company's Regulatory Team has explained that it made an error and did not realize that the actual therms sold during the 2023 Summer period were fewer in number than the forecasted therm sales. When the error was identified, the Company felt an increase in rates was merited to avoid a resulting projected under-collection of approximately \$4,519,276. *See* Liberty's September 22, 2023 filing. The DOE will investigate this error further in the pending docket, Docket No. DG 23-076, Liberty's Winter 2023-2024 and Summer 2024 Cost of Gas and LDAC filing. For the purposes of rates proposed to be effective October 1, 2023, because the proposed Residential Customer rate falls within the maximum rate allowed, and is reconcilable prospectively within this period, the DOE does not object to the proposed rate.

The rate Liberty proposes to be effective October 1, 2023 is a rate the Company describes as “the maximum allowed [Summer] cost of gas rate” for Residential Customers. *See* Liberty October 2023 COG (filed September 22, 2023) *but see* Order No. 26,737 at 4 (maximum rate for Residential Customers is \$ 1.28363). The rate Liberty has identified in not the “maximum rate.” It is \$ 0.00003 lower than the actual maximum approved rate. *See* Order No. 26,737 at 4. This discrepancy is of no concern to the DOE however, since Liberty has discretion to impose any rate up to the maximum amount.

C&I proposed rates seem higher than permitted

The Company has identified C&I rate proposed to be effective for High Winter Use as \$1.2839 per therm. *See* Liberty September 22, 2023 filing. The Commission, however, approved a maximum rate of \$1.28388 per therm. *See* Order No. 26,737. While Liberty’s filing may have inadvertently rounded to the nearest “fourth place” and Liberty may intend to use the approved rate, DOE respectfully asks the Company to confirm, in writing, that it will use the maximum rate as identified in the Commission’s Order No. 26,737.

Similarly, the Company has identified the C&I rate proposed to be effective for Low Winter Use as \$1.2833. That rate seems to be rounded off from the maximum approved rate of \$1.28325. *See id.* The DOE respectfully asks the Company to confirm, in writing, that it will use the maximum rate as identified in the Commission’s Order No. 26,737.

Summary

With the above caveats, so long as the Company imposes rates no higher than those permitted by the Commission in Order No. 26,737, without any rounding, the DOE does not object to the rates Liberty proposes to be effective October 1, 2023. As stated, DOE will continue to investigate the error, including but not limited to its impact upon pending Docket No. DG 23-076.

Consistent with the Commission’s current policy, this letter is being filed solely in electronic format. Thank you for your attention to this matter.

Respectfully Submitted,

/s/ Mary E. Schwarzer

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Cc: Docket (electronic service)
Enclosures

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