

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-045

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY

Winter 2022/2023 Cost of Gas and Summer 2023 Cost of Gas

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING
AND NOTICE OF HEARING**

On August 3, 2022, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty or the Company) submitted its winter 2022/2023 and summer 2023 Local Distribution Adjustment Charge (LDAC) filing requesting approval of its proposed LDACs for the period from November 1, 2022, through October 31, 2023. In support of its LDAC filing, Liberty pre-filed the direct testimony, and related schedules, of: Catherine A. McNamara, a Rates and Regulatory Affairs analyst with Liberty Utilities Service Corp. (LUSC); and Mary E. Casey, LUSC Senior Manager, Environment; and proposed tariff pages. The LDAC filing and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at www.puc.nh.gov/regulatory/Docketbk/2022/22-045.html.

I. BACKGROUND AND PROCEDURAL HISTORY

In Order No. 26,541, issued on October 29, 2021, in Docket No. DG 21-130, the Commission noted that the LDAC, which allows for the recovery through a per therm charge of certain expenses approved in prior dockets, has historically been determined within the context of Cost of Gas (COG) proceedings. *Id.* at 3. The Commission directed the parties to explore a different filing schedule and process for the review and approval of LDAC charges, as well as a modified schedule for filing updates to

proposed COG rates prior to hearings, and to report their recommendations within 60 days. *Id.* at 12.

The New Hampshire Department of Energy (DOE) and Liberty filed a “Joint Report on LDAC and COG Proceedings” (Joint Report) on December 27, 2021, in which they recommended that the LDAC filing be submitted first, with a subsequent COG filing in the same docket. Joint Report at 1-2. The DOE and Liberty proposed that Liberty submit the LDAC portion of its Winter 2022-2023 and Summer 2023 filing by August 2, 2022, with the COG filing to be made by September 1, 2022. *Id.* at 2. Further, they proposed that Liberty submit, if necessary, one updated filing by October 1, 2022, to reflect changes in natural gas pricing. *Id.* at 3.

In Order No. 26,663 (August 4, 2022), the Commission indicated its intent for Liberty’s 2022-2023 LDAC and COG filings to be submitted on a staggered basis in the same docket, as proposed in the Joint Report. *Id.* at 5. It reserved October 25, 2022 for a single hearing to address Liberty’s requested 2022-2023 LDAC and COG adjustments. *Id.*

Ms. McNamara testified in support of Liberty’s 2022-2023 LDAC filing in the above-captioned docket that Liberty requested a LDAC of \$0.1398 per therm for residential customers and a LDAC of \$0.0797 per therm for commercial and industrial (CI) customers. Direct Testimony of Catherine A. McNamara, August 2, 2022 (McNamara Testimony), at Bates page 004. She explained that the LDAC is used to recover Conservation Charges, including: the Energy Efficiency Charge; the Revenue Decoupling Adjustment Factor; the Property Tax Adjustment Mechanism; environmental surcharges, including the Relief Holder Surcharge and the Manufactured Gas Program Surcharge; rate case expenses and recoupment; and Gas Assistance Program costs. *Id.* Ms. Casey testified regarding the environmental costs

incurred by Liberty for investigations and remediation efforts that it seeks to recover through the LDAC. See Direct Testimony of Mary E. Casey, August 2, 2022.

Ms. McNamara described the purposes of the charges recovered by the LDAC and how they are calculated. McNamara Testimony at Bates pages 005-0012. She noted that the revenue decoupling reconciliation revenues at issue in this proceeding do not include the \$4,024,830 that Liberty claims it improperly refunded to customers and which is the subject of the proceeding in Docket No. DG 22-041. *Id.* at Bates page 009. Ms. McNamara summarized the total LDAC bill impact for residential and CI customers as follows:

| LDAC Bill Impacts | Winter 2022-2023 | Summer 2023 | Total |
|--------------------------|-------------------------|-----------------------|-----------------------|
| Residential R-3 | \$4.98 or 6.1% | \$1.13 or 6.1% | \$6.11 or 6.1% |
| CI--G-41 | (\$37.56) or (19.5%) | (\$6.01) or (19.5%) | (\$43.57) or (19.5%) |
| CI--G-42 | (\$345.60) or (19.5%) | (\$48.62) or (19.5%) | (\$394.22) or (19.5%) |
| CI--G-52 | (\$209.10) or (19.5%) | (\$282.69) or (19.5%) | (\$491.79) or (19.5%) |

Id. at 12.

Liberty also requested the Commission to approve the following proposed, revised procedural schedule filed on August 10, 2022:

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| LDAC filing, covering all components of the LDAC | August 2, 2022 |
| Initial LDAC discovery due to Company | August 9, 2022 |
| Company responses to discovery due | August 15, 2022 |
| Technical session on the LDAC filing | August 23, 2022 |

(Thereafter discovery may proceed consistent with Puc rules and/or an approved procedural schedule arising from the COG filing)

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|------------------------------------|-------------------------------|
| COG filing | September 1, 2022 |
| Initial COG discovery | September 9, 2022 |
| Company responses to discovery due | September 15, 2022 |
| Technical session | September 19, 2022, at 1 p.m. |

(Hereafter discovery may proceed consistent with Puc rules and/or an approved procedural schedule)

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| Liberty to update its filing to reflect current pricing and other necessary changes | October 1, 2022 |
| Hearing | Week of October 24, 2022 |
| Commission order requested | November 1, 2022 |

No objection to this procedural schedule was filed. On August 23, 2022, the Office of the Consumer Advocate filed a letter of participation in this matter.

II. ISSUES PRESENTED

Liberty's LDAC filing and upcoming COG filing will present, *inter alia*, the following issues: issues related to RSA 374:2 and RSA chapter 378, including: the justness and reasonableness of rates, fares, and charges; the forecasting of sales, supplier prices, and transportation prices; weather normalization; operational issues; the retroactive adjustment of certain reconciling rates; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity and revenue projections related to transportation service and released capacity; the reconciliation of prior period costs and revenues; the revenue and rate impacts resulting from the proposed rate change; and the prudence and recovery of environmental remediation. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the hearing date. If the Commission determines that one or more individuals will be permitted to appear

remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of investigating and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374:2, RSA chapter 378, and the Commission's procedural rules; and it is

FURTHER ORDERED, that Liberty's proposed procedural schedule is APPROVED; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on October 25, 2022, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Liberty and any other parties on the service list, on or before September 23, 2022. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before October 3, 2022; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this


proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests for relief from the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice no later than September 9, 2022, in a newspaper with general circulation in those portions of the state in which operations are conducted, such publication to be documented by affidavit filed with the Commission on or before September 23, 2022. In addition, the Clerk's Office shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this twenty-fourth day of August, 2022.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket#: 22-045

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