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October 10, 2022

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301Re: DG 22-045 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Winter
2022-23 and Summer 2023 Cost of Gas, Notice of DOE's recommended treatment of
energy efficiency component of the LDAC re: HB 549- Final Version

Dear Chairman Goldner:

The New Hampshire Department of Energy (DOE) writes to notify the Commission of the DOE's recommended treatment of the energy efficiency charge in this docket, consistent with 2022 N.H. Laws Chapter 5 (HB 549-Final Version) (codified as RSA 374-F:3, VI-a) (hereinafter "HB 549").

The energy efficiency charge (EEC) is a component of each gas utilities' local distribution adjustment charge. This cost of gas (COG) docket is the first COG docket for Liberty Utilities (EnergyNorth Natural Gas Corp.) d/b/a Liberty ("Liberty" or "the Company") in which the EEC is to be updated and established pursuant to HB 549. That statute provides in relevant part:

The energy efficiency portion of the . . . local distribution adjustment charges [LDACs] shall adjust annually beginning January 1, 2023, and shall be calculated using the most recently available 3-year average of the consumer price index (CPI-W) . . . plus 0.25 percent all as calculated by the department of energy. Utilities subject to commission rate regulation shall submit tariff amendments altering solely the . . . [LDAC] as described, reconciled for over and under collections already occurred, as soon after the effective date of this subparagraph as possible, and every December 1, for the upcoming year thereafter.

HB 549 (RSA 374-F:3, VI-a (d) (2)).

Accordingly, in the view of the DOE, the current EEC of \$0.0640 per therm for residential customers and \$0.0426 per therm for C&I customers established in HB 549

and in Commission Docket No. DE 20-092¹ should be approved for November and December, 2022 and should be used as a monthly placeholder for the months of January 2023 through October 2023 for the purposes of calculating the Company’s 2022-2023 LDAC, to be effective November 1, 2022.

The DOE anticipates that the EEC adjustment and any reconciliation required by HB 549 to be effective January 1, 2023, would be reviewed in a different docket (potentially involving all other gas and electric utilities). The DOE anticipates that Liberty would make a tariff amendment filing on December 1, 2022 for Commission review and approval consistent with HB 549, and that the approved charge would be incorporated into the Company’s LDAC at that time, effective for the period January 1, 2023 through October 31, 2023.

This approach will keep an issue that impacts all gas and electric utilities – application of HB 549—out of this expedited COG docket. This approach is consistent with the approach Liberty takes in its updated COG filing. *See* Liberty’s updated Schedule 2 REVISED Bates Page 148 (October 7, 2022) Bates Page 148; Liberty Proposed Seventh Revised [Tariff No. 11] Page 101, Bates Page 019, (October 7, 2022) (maintaining EEC, unchanged for the LDAC period).² In the past, COG/LDAC dockets have routinely been completed before the energy efficiency dockets and EEC became final. *See, e.g.,* Order No. 26,207 at 10-11 (December 31, 2018) (“*Each Gas Utility proposed a Local Delivery Adjustment Charge (LDAC) component for EE in its cost of gas proceeding. Those rates were approved for Northern in Order No. 26,186 (October 31, 2018) and for EnergyNorth in Order 26,188 (November 1, 2018)*”).

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

Sincerely,

s/ *Mary E. Schwarzer*

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cc: Docket Service List

¹ *See* HB 549-Final (codified as RSA 374-F:3, VI (d)(2)) (“The energy efficiency portion of the local distribution adjustment charge shall be set at the level for 2020 authorized in Order No. 26,306 dated October 31, 2019 for Liberty Utilities (EnergyNorth Natural Gas) Corp...”) Order No. 26,306 (October 31, 2019) (Dkt. No. 19-145); Liberty November 15, 2019 filing in Dkt. No. 19-145, Second Revised Tariff Page 97 (proposing EEC for Residential Class as \$0.0640 and EEC for C&I as \$0.0426); Dkt. No. DE 20-092 (Compliance Tariff filed November 15, 2019) (approved NHPUC December 30, 2019); Docket No. DE 20-092 (Liberty compliance tariff filing on March 24, 2022 Fifth Revised Tariff Page 101); Docket No. DE 20-092 NH PUC Provisional Letter of Compliance dated March 25, 2022).

² Liberty’s October 7, 2022 Schedule 2 REVISED does not include an estimated under or over collection related to the EEC. DOE recommends that that issue be addressed in a separate energy efficiency docket.