

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas
(COG and LDAC)

Department of Energy Data Requests - Set 2

Date Request Received: 9/9/22
Request No. DOE 2-5

Date of Response: 9/15/22
Respondent: Deborah Gilbertson

REQUEST:

Reference: COG filing (September 2) Gilbertson Testimony Bates Page 027- 28, 033-4, Schedule 11A, C, Bates Page 103, 105

Testimony states that “In 2022/2023, propane is project to be the next least cost, followed by LNG,” yet Liberty EnergyNorth forecasts the use of approximately 1.3 million therms of propane and 4.5 million therms of LNG.

- A) Has EnergyNorth attempted to contract for additional Propane sources? If 5.8 million therms of propane were available, what would the supply costs savings be?
- B) Is Liberty currently limited to approximately 1.3 million therms of propane at this time due to the reduction in nameplate capacity of its propane facilities?

RESPONSE:

- A) Liberty has contracted for additional propane to be utilized next winter. The reason the Company has 4.5 million therms of LNG being dispatched over the winter is that LNG can be utilized as a baseload solution to avoid the higher cost of pipeline gas at Zone 6. That is not the same for propane. Propane requires proper mixing with natural gas which can only be achieved with maximum flow rates on cold days and thus there is a limit to how much propane the Company can use. LNG can be dispatched every day in the winter.

The Company was able to secure baseload LNG using two vendors. One will deliver two trucks per day, seven days per week. The other will deliver three trucks per day, five days per week. The Company must take this supply, which is lower cost than Zone 6 pipeline gas as can be seen on the chart on Bates 033. For the months of December, January, and February, LNG has an average price of \$24 per MMBtu while Zone 6 baseload for those same months is \$38 per MMBtu (propane is approximately \$19 per MMBtu). The Company has also contracted with a third LNG vendor to provide four additional trucks as needed (call option) during peak days. On a cold day, propane would be used before the LNG call gas because it costs less than LNG.

Docket No. DG 22-045 Request No. DOE 2-5

- B) The Company is not limited to 1.3 million therms of propane and will use propane as needed to supplement the system on cold days as follows. LNG base-loaded supply replaces Zone 6 gas base-loaded supply. On cold days when additional supplies are needed over and above the base-loaded LNG, the Company would use propane before calling on the supplemental four trucks of LNG. Propane will be utilized before calling upon gas at Zone 6 and before calling upon additional LNG above the baseload volumes.