

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 2-7

Date of Response: 9/15/22
Respondent: Heather Tebbetts

REQUEST:

Reference: COG filing (September 2, 2022), Testimony of Heather Tebbetts, Bates Page 010-11, Testimony of Debra Gilbertson

Please provide a copy of all fixed-price-offer (FPO) letters (for both the EnergyNorth and for the Liberty-Keene division) sent to customers to alert them to Liberty’s FPO offer. If the Company’s letters do not identify a “start” and “end” date within which time a customer may elect FPO rates, please identify those periods.

- A) What percentage of customers accepted the FPO offer in the 2021-2022 (Winter) season?
- B) How many customers have already accepted the Company’s FPO offer for the Winter 2022-23, to date, for EnergyNorth and Liberty-Keene respectively?
- C) With reference to the chart on Bates page 011 that compares the anticipated FPO Bill impact for Winter 2022/23, please explain why there is an impact, and why the impact differs between FPO and Non-FPO customers. For example, is the impact based on the loss of revenue the Company experiences if FPO customers pay less, distributed between both categories of customers? In the alternative, if the FPO customers pay more than Non-FPO customers, would that reduce the customer’s bill impact for Non-FPO customers? Please identify all the reasons the Company is aware of for the different bill impacts.

Please create a similar chart for low-income Residential customers (Residential R-4) for 2022/23.
- D) Please create a similar chart for Residential R3 and R4 customers using Winter 2021-2022 data.
- E) Does FPO actual revenue offset RDAF allowed revenue?

RESPONSE:

See Attachment DOE 2-7 for draft copies of the FPO letters. The Company plans to mail them on September 20, 2022.

- A) For ENNG, 10.2% of the Company's customers took the FPO option for the 2021/2022 winter season. For Keene, 1.5% of customers took the FPO option for the same period.
- B) As of the date of this response, the letters have not been mailed so no customers have enrolled yet.
- C) The impact for FPO and non-FPO rates compare Winter 2021/2022 to Winter 2022/2023. The requested FPO and non-FPO rates for Winter 2022/2023 are higher than the requested rate from Winter 2021/2022. The impact is not related to any loss of revenue. The FPO rate is \$0.020 more per therm per Order No. 24,515 and provides that the revenues from the premium are credited to the COG, which reduces the risk of the non-FPO participants subsidizing the FPO customers and replace the margins which were previously credited to the COG and not to the FPO.

Please see Bates 093 for a detailed comparison of Winter 2022/2023 to Winter 2021/2022 for rate R-4. The cost of gas for Winter 2021/2022 was \$287.16 versus \$591.82 for the cost of gas for Winter 2022/2023. The impact is \$304.66 more for Winter 2022/2023 than Winter 2021/2022.

- D) Please see Bates 091 for non-FPO R-3, Bates 092 for FPO for R-3 and R-4, and Bates 093 for non-FPO for R-4.
- E) The RDAF is not associated with the COG, only distribution, and the FPO only offsets COG revenues.

[DATE]

[Name]
[Mailing_Address]
[City], [State] [Zip_Code]

Fixed Price Option (FPO)

Service Address:
[Full_Service_Address]
Account:
[Location_ID]-[CUSTNMBR]

Dear [Name]:

Each fall, Liberty offers you the opportunity to "lock in" the price per therm for the Gas Supply Charge portion of your bills, from November 1 through April 30. With the Fixed Price Option, you will pay one fixed price per therm for the Gas Supply Charge portion of your bill during this period, even if the price of natural gas changes during the heating season.

Applications for the program must be returned on or before October 24, 2022. Energy prices – including natural gas – remain volatile as in years past. If you have multiple accounts, please return one form for each service address and account number. This program is available to customers who are billed on Budget Billing as well as those who are billed on a regular billing schedule.

Does the FPO represent the entire amount on my monthly gas bill?

No. Your monthly natural gas bill has two main components: (1) a Gas Delivery Charge and (2) a Gas Supply Charge. The FPO is for the Gas Supply Charge. (The largest portion of your bill)

What is the "Fixed Price" for the 2022–2023 heating season?

The 2022–2023 FPO Gas Supply Charge that was submitted to the New Hampshire Public Utility Commission is **\$1.7535** per therm (**\$0.9644** per therm for customers on Fuel Assistance). These rates are not guaranteed until we receive a decision from the NHPUC. A decision is expected prior to November 1. Visit www.libertyenergyandwater.com after November 1st to see the final approved rate.

What will my Gas Supply Charge price be this winter if I don't enroll in the FPO?

As of today's date, we estimate that the Gas Supply Charge price for the winter will be approximately **\$1.7335** per therm (**\$0.9534** per therm for customers on Fuel Assistance). This non-guaranteed price may increase if the market price of natural gas increases during the winter or decrease if the market price of natural gas decreases. Price fluctuations are market-driven, and it is difficult for Liberty to predict what those market conditions or prices will be. This rate is not guaranteed until we receive a decision from the NHPUC.

Are there any fees to sign up or minimum or maximum usage requirements?

No. There are no sign-up fees or minimum or maximum usage levels. However, the program is non-transferable, and customers must remain in the program through April 30, 2023. If you move to a new location, the FPO rate will apply at your new location through April 30, 2023.

How do I sign up?

Fill out the attached coupon and return it in the enclosed envelope on or before October 24, 2022. You will be notified whether or not you are enrolled in the FPO. Enrollment acceptance is based on a timely response.

Sincerely,
Liberty

Please cut on the dotted line and return this coupon in the envelope provided.

[Name]
[Service_Address]

YES, please sign me up to participate in the Fixed Price Option (FPO). This program locks in the Gas Supply Charge price listed above for the heating season beginning November 1, 2022 and ending April 30, 2023.

If you would like to receive confirmation that you have been successfully enrolled in the FPO, please provide us with your email address: _____

Signature: _____ Date: _____

[DATE]

[Name]
[Mailing_Address]
[City], [State] [Zip_Code]

Fixed Price Option (FPO)
Service Address:
[Full_Service_Address]
Account:
[Location_ID]-[CUSTNMBR]

Dear [Name]:

Each fall, Liberty offers you the opportunity to "lock in" the price per therm for the Gas Supply Charge portion of your bills, from November 1 through April 30. With the Fixed Price Option, you will pay one fixed price per therm for the Gas Supply Charge portion of your bill during this period, even if the price of gas changes during the heating season.

Applications for the program must be returned on or before October 26, 2022. Energy prices – including gas prices– remain volatile as in years past. If you have multiple accounts, please return one form for each service address and account number. This program is available to customers who are billed on Budget Billing as well as those who are billed on a regular billing schedule.

Does the FPO represent the entire amount on my monthly gas bill?

No. Your monthly gas bill has two main components: (1) a Gas Delivery Charge and (2) a Gas Supply Charge. The FPO is for the Gas Supply Charge. (The largest portion of your bill)

What is the "Fixed Price" for the 2022–2023 heating season?

The 2022–2023 FPO Gas Supply Charge that was submitted to the New Hampshire Public Utility Commission is **\$2.2394** per therm (**\$1.2317** per therm for customers on Fuel Assistance). These rates are not guaranteed until we receive a decision from the NHPUC. A decision is expected prior to November 1. Visit www.libertyenergyandwater.com after November 1st to see the final approved rate.

What will my Gas Supply Charge price be this winter if I don't enroll in the FPO?

As of today's date, we estimate that the Gas Supply Charge price for the winter will be approximately **\$0.9056** per therm (**\$0.4981** per therm for customers on Fuel Assistance). This non-guaranteed price may increase if the market price of gas increases during the winter or decrease if the market price of gas decreases. Price fluctuations are market-driven, and it is difficult for Liberty to predict what those market conditions or prices will be. This rate is not guaranteed until we receive a decision from the NHPUC.

Are there any fees to sign up or minimum or maximum usage requirements?

No. There are no sign-up fees or minimum or maximum usage levels. However, the program is non-transferable, and customers must remain in the program through April 30, 2023. If you move to a new location, the FPO rate will apply at your new location through April 30, 2023.

How do I sign up?

Fill out the attached coupon and return it in the enclosed envelope on or before October 26, 2022. You will be notified whether or not you are enrolled in the FPO. Enrollment acceptance is based on a timely response.

Sincerely,
Liberty

Please cut on the dotted line and return this coupon in the envelope provided.

[Name]
[Service_Address]

KEENE

YES, please sign me up to participate in the Fixed Price Option (FPO). This program locks in the Gas Supply Charge price listed above for the heating season beginning November 1, 2022 and ending April 30, 2023.

If you would like to receive confirmation that you have been successfully enrolled in the FPO, please provide us with your email address: _____

Signature: _____ Date: _____