

REDACTED

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DG 23-xxx [23-076]

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
2023–2024 Local Distribution Adjustment Charge (LDAC)

DIRECT TESTIMONY

OF

TYLER J CULBERTSON

AND

ADAM R.M. YUSUF

August 21, 2023



1 the proposed MGP rate of \$0.0018 per therm and the Relief Holder and pond at Gas
2 Street rate of \$0.0002 per therm.

3 As described in more detail in Mr. Sanborn’s testimony, the first stage of the work
4 associated with the stabilization of the holder house was completed in July 2022. Liberty
5 EnergyNorth’s continuing contribution portion of the costs of the stabilization work to
6 the Relief Holder and pond at Gas Street in Concord, NH, is \$245,080.

7 **Q. Please explain why there is a considerable decrease in in the Environmental**
8 **Surcharge (“ES”) compared to previous years?**

9 A. The decrease in the ES rates is due to the full amortization of 2015–2016 costs which
10 were a significant portion of the annual costs. Additionally, a miscalculation of the
11 amortization of remediation cost pools in the 2022/2023 filing was found during the
12 preparation of the current filing. Corrections were made in Schedule 3.3 (lines 37–44) of
13 the current filing to correct the amortization in the prior year and reverse any over
14 amortization.

15 **Q. Please explain the Revenue Decoupling Adjustment Factor (“RDAF”).**

16 A. The purpose of the RDAF is to recover or refund, on an annual basis, the difference
17 between the Actual Base Revenue per Customer and the Benchmark Base Revenue per
18 Customer. In 2022, the Company proposed to recover \$3,733,697 in under recoveries for
19 the 2021–2022 RDAF year. In Order No. 26,692 the Commission ordered the Company
20 to remove the RDAF and gas holder costs from the October 2022 hearing in DG 22-045,

1 to be addressed in a later hearing³. As such, the Company has not begun collection of the
2 under-collection for the 2021–2022 period. At this time, the Company is requesting to
3 recover the 2021–2022 under-collection in addition to the under-collection for the 2022–
4 2023 period. The total request for recovery is \$9,175,597 (includes residential,
5 commercial and industrial). The summary of the under-collections is shown on Schedule
6 4, Page 1. The calculation of the 2021–2022 under-collection is shown on Schedule 4,
7 Page 2. The calculation of the 2022–2023 under-collection is shown on Schedule 4, Page
8 3. As shown on Schedule 4, the proposed RDAF charge is \$0.1041 per therm for
9 residential customers and \$0.0177 per therm for commercial and industrial customers.

10 **Q. Has the Company included the \$4,024,830 related to improperly refunded revenue**
11 **decoupling reconciliation revenues that is the subject of Docket No. DG 22-041 in**
12 **this RDAF calculation?**

13 A. No. The Company has excluded the \$4,024,830, which arises from the first two years of
14 the decoupling mechanism (2018–2019 and 2019–2020) as this is the subject of a
15 separate proceeding, Docket No. DG 22-041. The parties addressed the dispute over these
16 revenues at the June 22, 2023, hearing in that docket. Post hearing briefs have been filed,
17 and the matter is before the Commission for resolution. Once the issue is resolved, the
18 Company will make the appropriate filing to implement the Commission’s order.

³ The Commission scheduled an August 30, 2023, hearing in Docket No. DG 22-045, to rule on the 2021–2022 RDAF reconciliation and the Concord gas holder costs that were removed from the hearing in the fall of 2022.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
November 2023 – October 2024 LDAC
Factor Summary (EnergyNorth & Keene Service Area)
Table of Schedules

Summary of LDAC Rate Components	Schedule 1
Energy Efficiency Charge	Schedule 2
Environmental Surcharge	Schedule 3
Revenue Decoupling Adjustment Factor	Schedule 4
Property Tax Adjustment Mechanism	Schedule 5
Rate Case Expense Factor	Schedule 6
Gas Assistance Program	Schedule 7
Bill Impact	Schedule 8
Tariff Page 99	Tariff Page 99
Tariff Page 100	Tariff Page 100
Tariff Page 101	Tariff Page 101

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
 For Recovery Period November 1, 2023 - October 31, 2024
 Revenue Decoupling Adjustment Factor (RDAF)**

Residential

1	Outstanding Residential Uncollected Revenue Decoupling For Decoupling Year 2021-2022*	\$3,050,498
2	Residential Revenue Decoupling Deficiency / (Excess) For Decoupling Year 2022-2023*	\$4,054,537
3	Total Residential Revenue Deficiency / (Excess) for Decoupling Still To Be Collected as of October 31, 2023*	<hr/> \$7,105,035
4	Estimated Residential November 2023 - October 2024 Sales (therms)	68,225,945
5	Residential Revenue Decoupling Adjustment Factor rate per therm November 2023 - October 2024	\$0.1041

Commercial

6	Outstanding Commercial Uncollected Revenue Decoupling For Decoupling Year 2021-2022*	\$683,199
7	Commercial Revenue Decoupling Deficiency / (Excess) For Decoupling Year 2022-2023*	\$1,387,364
8	Total Commercial Revenue Deficiency / (Excess) for Decoupling Still To Be Collected as of October 31, 2023*	<hr/> \$2,070,562
9	Estimated Commercial November 2023 - October 2024 Sales (therms)	116,700,287
10	Commercial Revenue Decoupling Adjustment Factor rate per therm November 2023 - October 2024	\$0.0177

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Revenue Decoupling Reconciliation
Reconciliation of Previous Period November 2022 – October 2023

Residential**																	
Month	Recoupment Beginning Balance	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Collections	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Days per Month	Interest	Cumulative Interest	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)		
DY 21/22 Deficiency/(Surplus)	\$2,551,253																
Nov-22	\$2,857,121	\$0.000	924,985	\$0.0152	2,234,947	(\$0.0623)	0	(\$0.0562)	0	(\$33,971)	\$2,823,150	\$2,840,136	6.25%	30	\$14,590	\$14,590	
Dec-22	\$2,837,740	\$0.000	6,750,145	\$0.0152	112,821	(\$0.0623)	0	(\$0.0562)	0	(\$1,715)	\$2,836,025	\$2,836,883	7.00%	31	\$16,866	\$31,456	
Jan-23	\$2,852,891	\$0.000	9,235,355	\$0.0152	25,123	(\$0.0623)	0	(\$0.0562)	36	(\$380)	\$2,852,511	\$2,852,701	7.50%	31	\$18,171	\$49,627	
Feb-23	\$2,870,682	\$0.000	9,079,880	\$0.0152	30,264	(\$0.0623)	0	(\$0.0562)	644	(\$424)	\$2,870,259	\$2,870,471	7.75%	28	\$17,066	\$66,692	
Mar-23	\$2,887,324	\$0.000	9,375,593	\$0.0152	(2,944)	(\$0.0623)	0	(\$0.0562)	125	\$52	\$2,887,376	\$2,887,350	7.75%	31	\$19,005	\$85,698	
Apr-23	\$2,906,381	\$0.000	6,668,399	\$0.0152	1,087	(\$0.0623)	0	(\$0.0562)	0	(\$17)	\$2,906,364	\$2,906,373	8.00%	30	\$19,110	\$104,808	
May-23	\$2,925,475	\$0.000	3,101,195	\$0.0152	1,196	(\$0.0623)	0	(\$0.0562)	0	(\$18)	\$2,925,457	\$2,925,466	8.00%	31	\$19,877	\$124,685	
Jun-23	\$2,945,334	\$0.000	2,000,813	\$0.0152	1,044	(\$0.0623)	0	(\$0.0562)	0	(\$16)	\$2,945,318	\$2,945,326	8.25%	30	\$19,972	\$144,657	
Jul-23	\$2,965,290	\$0.000	1,324,728	\$0.0152	149	(\$0.0623)	0	(\$0.0562)	0	(\$2)	\$2,965,287	\$2,965,289	8.25%	31	\$20,777	\$165,434	
Aug-23	\$2,986,065	\$0.000	1,267,441	\$0.0152	0	(\$0.0623)	0	(\$0.0562)	0	\$0	\$2,986,065	\$2,986,065	8.50%	31	\$21,557	\$186,991	
Sep-23	\$3,007,622	\$0.000	2,090,550	\$0.0152	0	(\$0.0623)	0	(\$0.0562)	0	\$0	\$3,007,622	\$3,007,622	8.50%	30	\$21,012	\$208,003	
Oct-23	\$3,028,634	\$0.000	4,940,474	\$0.0152	0	(\$0.0623)	0	(\$0.0562)	0	\$0	\$3,028,634	\$3,028,634	8.50%	31	\$21,864	\$229,867	
Total			56,759,558		2,403,689		0		804	(\$36,491)					\$229,867		
Projected Cumulative Collection										(\$36,491)							
Total Approved Collection										\$2,857,121							
(Over)/Under Collection, excluding interest										\$2,820,631							
Cumulative Interest										\$229,867							
Total (Over)/Under Collection, including interest										\$3,050,498							

Commercial**																	
Month	Recoupment Beginning Balance	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Recovery Rate	Therm Sales	Collections	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Days per Month	Interest	Cumulative Interest	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)		
DY 21/22 Deficiency/(Surplus)	\$232,515																
Nov-22	\$664,854	\$0.000	1,113,840	\$0.0039	3,957,319	(\$0.0241)	0	(\$0.0206)	0	(\$15,434)	\$649,420	\$657,137	6.25%	30	\$3,376	\$3,376	
Dec-22	\$652,796	\$0.000	4,521,433	\$0.0039	3,520,580	(\$0.0241)	0	(\$0.0206)	0	(\$13,730)	\$639,066	\$645,931	7.00%	31	\$3,840	\$7,216	
Jan-23	\$642,906	\$0.000	19,398,737	\$0.0039	1,235,232	(\$0.0241)	0	(\$0.0206)	0	(\$4,817)	\$638,089	\$640,497	7.50%	31	\$4,080	\$11,296	
Feb-23	\$642,168	\$0.000	13,854,965	\$0.0039	25,570	(\$0.0241)	0	(\$0.0206)	0	(\$100)	\$642,069	\$642,119	7.75%	28	\$3,818	\$15,113	
Mar-23	\$645,886	\$0.000	14,993,404	\$0.0039	125,380	(\$0.0241)	0	(\$0.0206)	0	(\$489)	\$645,397	\$645,642	7.75%	31	\$4,250	\$19,363	
Apr-23	\$649,647	\$0.000	11,281,561	\$0.0039	33,924	(\$0.0241)	0	(\$0.0206)	0	(\$132)	\$649,515	\$649,581	8.00%	30	\$4,271	\$23,634	
May-23	\$653,786	\$0.000	7,096,169	\$0.0039	279,882	(\$0.0241)	0	(\$0.0206)	0	(\$1,092)	\$652,694	\$653,240	8.00%	31	\$4,438	\$28,073	
Jun-23	\$657,133	\$0.000	6,098,760	\$0.0039	(501,999)	(\$0.0241)	0	(\$0.0206)	0	\$1,958	\$659,091	\$658,112	8.25%	30	\$4,463	\$32,535	
Jul-23	\$663,553	\$0.000	3,978,088	\$0.0039	(144,432)	(\$0.0241)	0	(\$0.0206)	0	\$563	\$664,116	\$663,835	8.25%	31	\$4,651	\$37,187	
Aug-23	\$668,768	\$0.000	5,028,596	\$0.0039	0	(\$0.0241)	0	(\$0.0206)	0	\$0	\$668,768	\$668,768	8.50%	31	\$4,828	\$42,015	
Sep-23	\$673,596	\$0.000	5,881,383	\$0.0039	0	(\$0.0241)	0	(\$0.0206)	0	\$0	\$673,596	\$673,596	8.50%	30	\$4,706	\$46,721	
Oct-23	\$678,302	\$0.000	8,664,105	\$0.0039	0	(\$0.0241)	0	(\$0.0206)	0	\$0	\$678,302	\$678,302	8.50%	31	\$4,897	\$51,617	
Total			101,911,040		8,531,457		0		0	(\$33,273)					\$51,617		
Projected Cumulative Collection										(\$33,273)							
Total Approved Collection										\$664,854							
(Over)/Under Collection, excluding interest										\$631,581							
Cumulative Interest										\$51,617							
Total (Over)/Under Collection, including interest										\$683,199							

50 Reference:
 51 Column (a) - Line 4 (Res) and Line 29 (Com): Company Records, revised with actuals through August 2023
 52 Column (b) - Approved in Docket No. DG 22-045, Order No. 26,692
 53 Column (c) - Company records
 54 Column (d) - Approved in Docket No. DG 21-130, Order No. 26,541
 55 Column (e) - Company records
 56 Column (f) - Approved in Docket No. DG 19-145, Order No. 26,306
 57 Column (g) - Company records
 58 Column (h) - Approved in Docket No. DG 20-141, Order No. 26,419
 59 Column (i) - Company records
 60 Column (j) - (Column (b) x Column (c)) + (Column (d) x Column (e)) + (Column (f) x Column (g)) + (Column (h) + Column (i))
 61 Column (k) - Column (a) + Column (j)
 62 Column (l) - [Column (a) + Column (k)] + 2
 63 Column (m) - Interest rate - Monthly Prime Rate- http://www.fedprimerate.com/wall_street_journal_prime_rate_history.htm
 64 Column (n) - Days per month
 65 Column (o) - [Column (l) x ((Column (m) / 365) * Column (n))]

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
September 2022 through August 2023
Revenue Decoupling Activity by Sector

RESIDENTIAL*													
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)	
1 2	Sep-22 30	Oct-22 31	Nov-22 30	Dec-22 31	Jan-23 31	Feb-23 28	Mar-23 31	Apr-23 30	May-23 31	Jun-23 30	Jul-23 31	Aug-23 31	
3	Over Under Beginning Balance	\$ -	\$ 308,154	\$ 486,332	\$ 1,792,437	\$ 3,198,724	\$ 4,699,829	\$ 3,632,655	\$ 3,703,064	\$ 3,882,816	\$ 3,986,603	\$ 3,957,889	\$ 3,900,245
4	Monthly revenue difference Inc/(Dec) revenue	\$ 211,789	\$ 222,302	\$ 1,371,160	\$ 1,448,918	\$ 1,435,977	\$ (1,094,075)	\$ 116,559	\$ 11,196	\$ 121,997	\$ 450	\$ (85,079)	\$ 125,682
5	True up	\$ 95,671	\$ (46,227)	\$ (70,893)	\$ (57,424)	\$ 40,052	\$ 2,204	\$ (70,212)	\$ 143,698	\$ (44,855)	\$ (56,008)	\$ -	\$ -
6	Ending Balance Pre-Interest	\$ 307,460	\$ 484,229	\$ 1,786,599	\$ 3,183,931	\$ 4,674,753	\$ 3,607,959	\$ 3,679,001	\$ 3,857,958	\$ 3,959,959	\$ 3,931,045	\$ 3,872,810	\$ 4,025,927
7	Month's Average Balance	\$ 153,730	\$ 396,192	\$ 1,136,466	\$ 2,488,184	\$ 3,936,738	\$ 4,153,894	\$ 3,655,828	\$ 3,780,511	\$ 3,921,388	\$ 3,958,824	\$ 3,915,350	\$ 3,963,086
8	Interest Rate	5.50%	6.25%	6.25%	7.00%	7.50%	7.75%	7.75%	8.00%	8.00%	8.25%	8.25%	8.50%
9	Interest Applied	\$ 695	\$ 2,103	\$ 5,838	\$ 14,793	\$ 25,076	\$ 24,696	\$ 24,063	\$ 24,858	\$ 26,644	\$ 26,844	\$ 27,434	\$ 28,610
10	Ending Balance	\$ 308,154	\$ 486,332	\$ 1,792,437	\$ 3,198,724	\$ 4,699,829	\$ 3,632,655	\$ 3,703,064	\$ 3,882,816	\$ 3,986,603	\$ 3,957,889	\$ 3,900,245	\$ 4,054,537
COMMERCIAL & INDUSTRIAL*													
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)	
11 12	Sep-22 30	Oct-22 31	Nov-22 30	Dec-22 31	Jan-23 31	Feb-23 28	Mar-23 31	Apr-23 30	May-23 31	Jun-23 30	Jul-23 31	Aug-23 31	
13	Over Under Beginning Balance	\$ -	\$ 9,048	\$ 164,338	\$ 312,212	\$ 3,928,632	\$ 50,717	\$ 765	\$ 508,967	\$ 1,710,084	\$ 1,368,522	\$ 1,414,385	\$ 1,420,598
14	Monthly revenue difference Inc/(Dec) revenue	\$ (87,225)	\$ 122,364	\$ (46,269)	\$ 3,456,112	\$ (4,270,060)	\$ (466,473)	\$ 253,570	\$ 860,819	\$ (462,148)	\$ 190	\$ (3,685)	\$ (43,333)
15	True up	\$ 96,252	\$ 32,468	\$ 192,922	\$ 147,738	\$ 379,511	\$ 416,369	\$ 252,959	\$ 333,027	\$ 110,163	\$ 36,271	\$ -	\$ -
16	Ending Balance Pre-Interest	\$ 9,027	\$ 163,879	\$ 310,992	\$ 3,916,063	\$ 38,083	\$ 612	\$ 507,295	\$ 1,702,812	\$ 1,358,098	\$ 1,404,982	\$ 1,410,700	\$ 1,377,264
17	Month's Average Balance	\$ 4,514	\$ 86,464	\$ 237,665	\$ 2,114,138	\$ 1,983,357	\$ 25,665	\$ 254,030	\$ 1,105,890	\$ 1,534,091	\$ 1,386,752	\$ 1,412,543	\$ 1,398,931
18	Interest Rate	5.50%	6.25%	6.25%	7.00%	7.50%	7.75%	7.75%	8.00%	8.00%	8.25%	8.25%	8.50%
19	Interest Applied	\$ 20	\$ 459	\$ 1,221	\$ 12,569	\$ 12,634	\$ 153	\$ 1,672	\$ 7,272	\$ 10,423	\$ 9,403	\$ 9,897	\$ 10,099
20	Ending Balance	\$ 9,048	\$ 164,338	\$ 312,212	\$ 3,928,632	\$ 50,717	\$ 765	\$ 508,967	\$ 1,710,084	\$ 1,368,522	\$ 1,414,385	\$ 1,420,598	\$ 1,387,364
21	Total Ending Balance	\$ 317,202	\$ 650,671	\$ 2,104,649	\$ 7,127,355	\$ 4,750,546	\$ 3,633,420	\$ 4,212,031	\$ 5,592,900	\$ 5,355,125	\$ 5,372,274	\$ 5,320,842	\$ 5,441,901

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
For Recovery Period November 1, 2023 - October 31, 2024
Property Tax Adjustment Mechanism Summary**

<u>Line No.</u>	<u>Property Tax Reconciliation</u> (a)	<u>Amount</u> (b)
1	Projected (Over)/Under Recovery Balance November 1, 2023	\$358,839
2	2022 Property Tax Year Variance	<u>\$2,545,330</u>
3	Total PTAM to be Recovered	\$2,904,168
4	Forecasted Distribution therm Sales (therms)	184,926,232
5	LDAC - PTAM Portion (\$/therm)	\$0.01570

Reference:

Line No. 1 - Schedule 5 page 2, Line 20

Line No. 2 - Schedule 5 page 3, Line 73

Line No. 3 - Line 1 + Line 2

Line No. 4 - Company Forecast

Line No. 5 - Line 3 divided by Line 4