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July 14, 2023

Daniel C. Goldner, Chairman  
Public Utilities Commission  
21 S. Fruit Street  
Concord, NH 03301-2429

Re: Docket No. DW 23-027 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty,  
Petition to Modify Cost of Gas Procedures, the NH Dept. of Energy's Status Report on  
Proposed Tariff Changes

Dear Chairman Goldner:

The Commission has directed the parties to this docket, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, ("Liberty Gas" or "the Company"); the New Hampshire Department of Energy ("the Department") and the Office of the Consumer Advocate ("OCA") to file a status report on July 14, 2023. Commission's Procedural Order (June 8, 2023).

The status report is "to inform the Commission as to whether there is agreement on schedule and tariff changes necessary to implement a new procedure." If there is agreement, the parties are to "ask the Commission to approve the new tariff language without a hearing. If the parties cannot agree, the parties will ask the Commission to schedule a hearing." Id.

The Department has issued two sets of data requests and met with Liberty for an informal technical session on July 10, 2023 and July 14, 2023. After discussion and review, the Department has not reached agreement with Liberty regarding proposed tariff changes. The Department submits this *Dept. of Energy Status Report on Tariff Pages* to memorialize its concerns. (The Department and Liberty have filed a separate Status Report agreeing on Default Schedules and Guidelines.)

The Department has three main concerns. First, tariff language should clearly identify an initial fifteen-month reconciliation period for LDAC elements, and a subsequent return to a twelve-month reconciliation period. Second, only those changes essential to mechanically separating the COG and LDAC should be made at this time. Third, in the Department's opinion, the currently effective LDAC will expire by its own terms October 31, 2023. See Dkt. No. DG 22-045 Order 26,715 at 10 (October 31, 2022) (establishing an LDAC rate for the Winter 2022-23 and Summer 2023 period) updated by Order No. 26,737 (November 30, 2022).

**Liberty's proposed tariff language does not clearly identify an initial fifteen-month period or return to a twelve-month period**

In Data Request DOE 2-1(c) the Department has asked Liberty to "*please provide tariff language to address the initial 15-month reconciliation period that will be necessary if the LDAC rate is separated*

*from the COG-Supply rate as is currently contemplated.” See, e.g., description of the RDAF initial year and then subsequent years.” Instead, Liberty asserted changes to indicate that LDAC components” (except EE) “billing years” begin February 1 are sufficient. However, the entire tariff phrase would then read “Billing Year is the **12-months commencing** February 1,” (emphasis added), see Tariff 11 Page 35, which would leave out part of the relevant fifteen-month LDAC reconciliation period running from November 1, 2022 through January 31, 2024 for the transitional period.*

**Liberty proposes broad changes to tariff language not necessary to separate the COG and LDAC mechanisms**

Second, tariff changes in this expedited docket ought to be limited to those changes necessary to mechanically separate the COG and LDAC proceedings. More sweeping changes - including but not limited to Liberty’s proposed removal of illustrative calculations for COG, LDAC, and other calculations found in tariff pages 91-100 - need not be implemented at this time. Such changes are better suited to more comprehensive evaluation in Liberty’s pending rate case. See, e.g., Docket No. DG 23-067 Liberty’s Notice of Intent to File Request for Change in Rates (June 26, 2023).

**Conclusion**

Since the parties have not reached agreement, pursuant to the Commission’s June 8, 2023 Procedural Order, we believe the Commission should schedule a hearing. However, the Department will continue to work with the other parties to resolve these issues prior to that hearing.

Consistent with the Commission’s current practice, this letter is being filed solely in electronic form.

Sincerely,

/s/ *Mary E. Schwarzer*

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Staff Attorney/Hearings Examiner

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