



Liberty Utilities (EnergyNorth Natural Gas) Corp.

DG 23-067 Prehearing Conference

September 21, 2023



Introductions



Liberty EnergyNorth

Introductions

Tyler Culbertson

- Director, Rates & Regulatory Affairs, New Hampshire

Jill Schwartz

- Senior Director, Regulatory Policy & Strategy

Mike Sheehan

- Legal Counsel – New Hampshire

Jessica Ralston

- Outside Legal Counsel – Keegan Werlin LLP



Overview of Rate Case Filing



Rate Case Overview

- Filed July 27, 2023
 - Historical Test Year, 2022
 - 3 proposed, non-growth capital step adjustments 2023 – 2025
- Last rate case completed in July 2021, based on 2019 test year
- Liberty EnergyNorth's revenue deficiency that needs to be recovered in this case is \$27.5M
- Filing included testimony on a broad range of topics, including, but not limited to:
 - Company Overview
 - Revenue Requirement Testimony
 - Operations and Capital Investments
 - Customer-focused programs
 - Cybersecurity
 - Conversion of Keene to CNG/LNG
 - Special studies:
 - Lead Lag
 - Cost of Service Study / Rate Design
 - Cost of Capital



Rate Case Overview

Safety & Reliability

- Strategic investments which continue to provide customers with safe, reliable and affordable service

Customer Focus

- Continue to provide value-added services and meet the needs of our customers
- Stakeholders view us as innovative and open to new ideas, pioneers they can work with

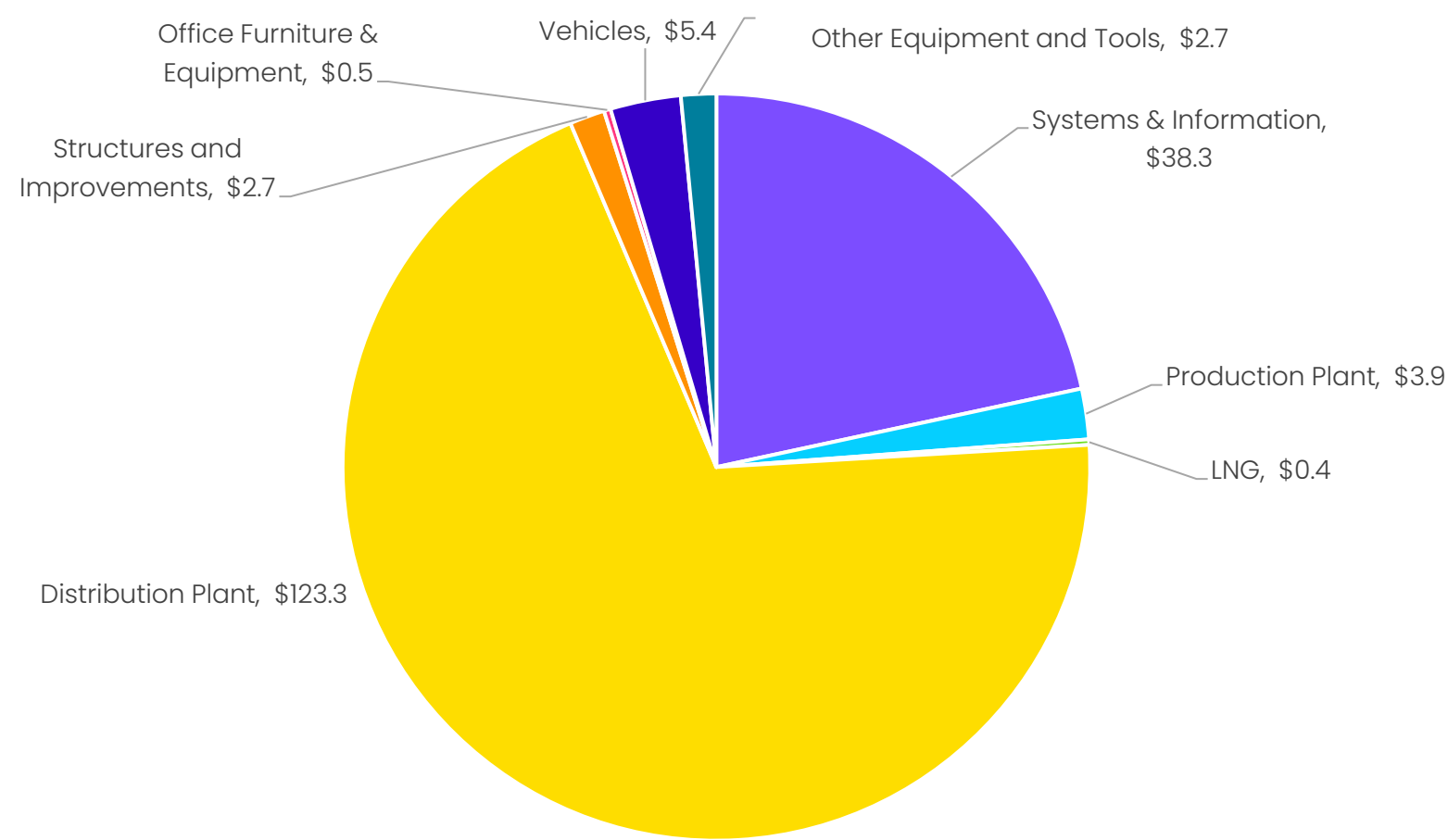
Workforce

- Committed to attracting, training and retaining highly skilled and competent employees



Capital Expenditures

Liberty EnergyNorth
has invested over
\$177 million from
2020 - 2022



Customer First



- Increased flexibility in services provided to customers
- Improved design of customers' bills
- Digital connection allows customers to track the status of work orders
- Expanded payment options and ability to monitor usage, view bills and receive alerts
- Standardized, streamlined and integrated business processes across departments
- Advanced survey and feedback system to gather information and insight from customers



Rates Affordability and Providing Value

Low-Income Assistance for Qualifying Customers

- Proposed Arrearage Management Program (“AMP”) will provide arrearage forgiveness of up to \$1,200 to eligible low-income customers

Transaction Fee Free Program

- Proposed fee free card/electronic check payment program to eliminate convenience fees incurred by customers



Ratemaking



2023 Liberty EnergyNorth Rate Case

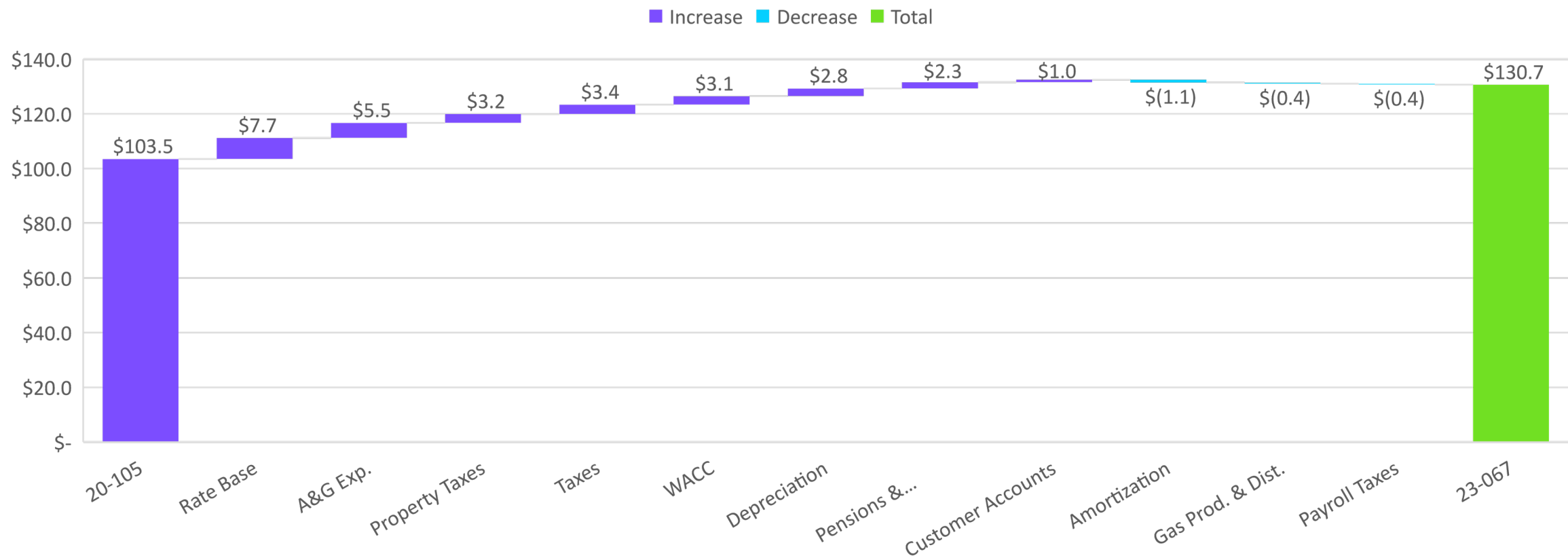
Revenue Requirement

Key Elements	
Historical Test Year	1/1/2022 – 12/31/2022
Revenue Requirement	\$130.7M
Rate Base	\$527.9M
Operating Expenses	\$90.1M
Property Taxes	\$15.4M
Depreciation & Amortization	\$24.5M
Requested ROR <ul style="list-style-type: none">• 55.00% equity / 45.00% debt• 10.35% ROE	7.68%
Base Revenue Deficiency (\$)	\$27.5M
Base Revenue Deficiency (%)	26.71%



2023 Liberty EnergyNorth Rate Case

Base Rate Revenue Increase Drivers (\$ millions)



Proposed Residential Rates

Residential Non-Heating (R1)	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$15.39	\$15.39	\$17.67	\$17.67
Usage Charge:	\$0.4614	\$0.4614	\$0.6834	\$0.6834

Residential Heating (R3)	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$15.39	\$15.39	\$17.37	\$17.37
Usage Charge:	\$0.6167	\$0.6167	\$0.7964	\$0.7964

Low Income Residential Heating (R4)	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$8.47	\$15.39	\$9.55	\$17.37
Usage Charge:	\$0.3392	\$0.6167	\$0.4380	\$0.7964

Estimated monthly bill impact:

Residential non-heating (R1) customers using 21 therms per month: \$7.33

Residential heating (R3) customers using 64 therms per month: \$15.18

Low Income residential heating (R4) customers using 59 therms per month: \$9.74



Proposed Commercial/Industrial Rates

G-41 – Low Annual, High Winter	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$60.81	\$60.81	\$67.38	\$67.38
Usage Charge:				
Block 1	100	20	100	20
	\$0.4928	\$0.4928	\$0.6529	\$0.6529
Block 2	\$0.3390	\$0.3390	\$0.4491	\$0.4491

G-51 – Low Annual, Low Winter	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$60.87	\$60.87	\$67.45	\$67.45
Usage Charge:				
Block 1	100	100	100	100
	\$0.2970	\$0.2970	\$0.4033	\$0.4033
Block 2	\$0.1983	\$0.1983	\$0.2693	\$0.2693

G-42 – Medium Annual, High Winter	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$182.42	\$182.42	\$202.13	\$202.13
Usage Charge:				
Block 1	1,000	400	1,000	400
	\$0.4485	\$0.4485	\$0.5667	\$0.5667
Block 2	\$0.3063	\$0.3063	\$0.3870	\$0.3870

G-52 – Medium Annual, Low Winter	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$182.26	\$182.26	\$201.95	\$201.95
Usage Charge:				
Block 1	1,000	1,000	1,000	1,000
	\$0.2560	\$0.1891	\$0.3321	\$0.2453
Block 2	\$0.1743	\$0.1132	\$0.2269	\$0.1468



Proposed Commercial/Industrial Rates

G-43 – High Annual, High Winter	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$781.17	\$781.17	\$865.55	\$865.55
Usage Charge:	\$0.2766	\$0.1344	\$0.3471	\$0.1687

G-53 – High Annual, Load Factor <90%	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$805.75	\$805.75	\$892.79	\$892.79
Usage Charge:	\$0.1790	\$0.0907	\$0.2255	\$0.1143

G-54 – High Annual, Load Factor >90%	Current		Proposed	
	Winter	Summer	Winter	Summer
Monthly Meter Charge:	\$806.42	\$806.42	\$893.53	\$893.53
Usage Charge:	\$0.0682	\$0.0386	\$0.0866	\$0.0490



Other Rate Case Requests



Temporary Rate Request

- Distribution revenue increase, \$15.3M
- Effective October 1, 2023
- Primarily driven by capital investments made since the Company's last rate case not included in distribution rates

Estimated monthly bill impact:

Residential non-heating (R1) customers using 21 therms per month: \$3.94

Residential heating (R3) customers using 64 therms per month: \$8.66

Low Income residential heating (R4) customers using 59 therms per month: \$5.48



Capital Step Adjustments

Proposed 3 capital step adjustments to recover non-growth-related investments from 2023 – 2025

Category	2023	2024	2025
Systems & Information	\$4.4	\$11.3	\$5.0
LNG	0.1	2.6	15.0
Distribution Plant	38.9	44.0	29.4
Structures & Improvements	0.9	2.6	0.4
Office Furniture & Equipment	0.2	0.1	0.2
Vehicles	1.6	1.7	1.4
Other Equipment & Tools	0.4	0.5	1.1
Total	\$46.4	\$62.9	\$52.4



Enterprise-wide Cybersecurity Program

To provide knowledge, tools and structure for cybersecurity

- Standardize processes and improved ways of working
- Avoid and mitigate major cyber incidents
- Effectively manage enterprise cyber risks
- Requested rate base treatment for planned investments and deferral of investments exceeding estimated investments for Liberty EnergyNorth



Conversion of Keene

- Keene gas distribution system is a stand-alone propane-air system serving approximately 1,250 customers
- New facility will provide safe and reliable natural gas supply using LNG and CNG
- Provides an opportunity to serve more customers in the future who may want to convert from oil/propane to cleaner natural gas
- Pathway towards renewable energy sources



Tariff Updates

- **Modify the LDAC to separate the Rate Case Expense and Temporary Rate Recoupment**
- **Additional cost recovery components to be included in the LDAC:**
 - Regulatory Reconciliation Adjustment (“RRA”) – recovers changes in Commission assessments, DOE and OCA consultant expenses and other Commission-approved consultant expenses incurred to respond to Commission dockets
 - Residential Assistance Factor (“RAF”) – recovers costs associated with the AMP
 - Fee Free Adjustment (“FFA”) – reconciles the estimated Fee Free Payment Program costs with actual costs incurred
- **Updates non-recurring, miscellaneous charges to reflect actual costs incurred by the Company for Connections/Reconnections and Meter Tests**



Thank you

