

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 23-076**

**LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY**

**Winter 2023-2024 and Summer 2024 Cost of Gas and LDAC Filing**

**Order Approving LDAC Rates on Partially-Provisional Basis**

**O R D E R N O. 26,940**

**January 31, 2024**

In this order, the Commission approves adjustments to the Local Delivery Adjustment Clause (LDAC) for Liberty's customers effective for services rendered on and after February 1, 2024. The LDAC rate component associated with Liberty's Revenue Decoupling Adjustment Factor (RDAF) is being approved on a provisional basis in this Order, pending developments in other proceedings involving Liberty.

**I. BACKGROUND AND PROCEDURAL HISTORY**

The Commission has historically set the LDAC within the context of Cost of Gas (COG) proceedings, which govern the pass-through of gas commodity costs assessed to Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty or the Company) customers, including Keene Division customers. The LDAC set in this proceeding is also applied to all Liberty customers taking gas service, including customers in the Keene Division. Through Order No. 26,663 (August 4, 2022), Liberty was requested to propose two tracks for the adjudication of COG/LDAC charges beginning in 2023. Accordingly, the COG components of the Company's petition were adjudicated in an earlier phase of this proceeding and dispositioned by the Commission in Order No. 26,898 (October 31, 2023). (Bill impact information regarding the COG and LDAC rates petitioned for by the Company may be reviewed by interested persons in Order No. 26,898).

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-076.html>.

The LDAC allows for recovery of expenses and costs the Commission has approved in prior dockets through a per-therm charge. Liberty's LDAC expenses and costs include the energy efficiency charge (EEC), set by the General Court in a statute (RSA 374-F:3, VI-a (d)(2)); environmental surcharges (ES), including both manufactured gas plant and Concord gas holder costs and expenses; the RDAF; the property tax adjustment mechanism (PTAM); rate case expenses (RCE); and residential low-income gas assistance program costs (GAP). During 2022-2023, the Company made a transition to a February 1 effective date for its LDAC rates, which, for this proceeding, incorporated an LDAC proposal for rates effective on February 1, 2024. On August 21, 2023, Liberty submitted its initial LDAC filing for this proceeding, regarding which the Company indicated that it had not yet calculated the final reconciliations for the LDAC components. On August 28, 2023, the Office of the Consumer Advocate (OCA) filed a letter indicating the OCA's participation in this proceeding. During the fall of 2023, the New Hampshire Department of Energy (DOE) made a series of filings indicating the DOE's evolving position regarding the Company's LDAC proposals, which culminated in the DOE's filing of a Technical Statement of Dr. Faisal Deen Arif (Gas Director, Division of Regulatory Support) and Mr. Ashraful Alam (Utility Analyst, Division of Regulatory Support). *See* Hearing Exhibit 18.

The Company made a series of filings updating and modifying its LDAC rate proposals through the fall-winter period of 2023-2024, incorporating the input of the

DOE and Liberty's updated LDAC reconciliation calculations, with the final proposal being made by Liberty in its proposed LDAC Tariff pages filed on January 12, 2024 as part of the Technical Statement of Messrs. Tyler Culbertson and Adam Yusuf (see Hearing Exhibit 14, Bates Pages 5 and 52), and on January 29, 2024, as available here: [https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-076/LETTERS-MEMOS-TARIFFS/23-076\\_2024-01-29\\_ENGI\\_PROPOSED-TARIFF-PAGES.PDF](https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-076/LETTERS-MEMOS-TARIFFS/23-076_2024-01-29_ENGI_PROPOSED-TARIFF-PAGES.PDF)

In its updated Tariff filings, Liberty proposes the following LDAC rates for its Residential and Commercial & Industrial customer classes, for the LDAC rate period of February 1, 2024 through January 31, 2025<sup>1</sup> (each figure is presented in Dollars per therm of gas used, with credits to customers in parentheses):

LDAC	Residential			C&I		
	Current	Proposed	Difference	Current	Proposed	Difference
GAP	0.0203	<b>0.0147</b>	-0.0056	0.0203	<b>0.0147</b>	-0.0056
EEC	0.0667	<b>0.0700</b>	0.0033	0.0443	<b>0.0466</b>	0.0023
ES	0.0076	<b>0.0005</b>	-0.0071	0.0076	<b>0.0005</b>	-0.0071
RCE	0.0111	<b>(0.0037)</b>	-0.0148	0.0111	<b>(0.0037)</b>	-0.0148
PTAM	0.0124	<b>0.0119</b>	-0.0005	0.0124	<b>0.0119</b>	-0.0005
<b>RDAF</b>	<b>0.0000</b>	<b>0.1052</b>	<b>0.1052</b>	<b>0.0000</b>	<b>0.0174</b>	<b>0.0174</b>
<b>Total</b>	0.1181	<b>0.1986</b>	0.0805	0.0957	<b>0.0874</b>	-0.0083

## II. POSITIONS OF THE PARTIES

### A. Liberty

At the January 17, 2024 hearing held as scheduled in this matter, Liberty's personnel Messrs. Tyler Culbertson, Luke Sanborn, and Adam Yusuf provided

<sup>1</sup> For reconciliation purposes, due to the transition by the Company to an annual February 1 LDAC effective date during 2022-2023, the most recent LDAC reconciliation period is November 1, 2022 through January 31, 2024. Reconciliation balances for this 15-month period are to be recovered for this upcoming 12-month LDAC rate period, February 1, 2024 to January 31, 2025. Subsequently, the next LDAC reconciliation period will be February 1, 2024 through January 31, 2025, with recovery on balances to be made within the LDAC rate period of February 1, 2025 through January 31, 2026, subject to Commission approval. See Proposed Third Revised Tariff Page 34, Liberty Tariff Proposal filed January 29, 2024.

supplemental oral testimony in support of the Company's LDAC petition, and recommended that the Commission approve it, as presented in Hearing Exhibit 14 (Liberty January 12 Tariff filing and Technical Statement), and the forthcoming January 29 LDAC Tariff filing referenced above.

### **B. DOE**

In a statement made at hearing, the DOE recommended, as outlined in the Technical Statement of Dr. Arif and Mr. Alam (Hearing Exhibit 18), that the Commission approve the Company's LDAC rate proposals presented in Hearing Exhibit 14, with the proviso that the approval of the RDAF component be provisional, in light of ongoing uncertainties surrounding the RDAF rate, as adjudicated in the Commission's ongoing Docket No. DG 22-045 and related dockets. The DOE further recommended that the RDAF component be subject to further hearings in this instant docket and be contingent on any findings made by the DOE's Audit Division. The DOE did anticipate that the upcoming (January 29) Tariff filing to be made by the Company, with the input and cooperation of the DOE, would resolve any outstanding non-RDAF technical issues with the Company's LDAC proposal.

### **C. OCA**

The Office of the Consumer Advocate stated at the January 17 hearing that it did not object to the Commission's approving the Company's LDAC rate proposal along the lines recommended by the DOE.

## **III. COMMISSION ANALYSIS**

RSA 378:7 authorizes the Commission to determine the just, reasonable, and lawful rate to be charged by public utilities. In circumstances where a utility seeks to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. The Commission oversees the Company's calculation of the

LDAC components, and accuracy thereof, to ensure just and reasonable rates. *See, e.g., Northern Utilities, Inc.*, Order No. 26,897 (October 31, 2023), at 8 (citations omitted).


Based on our review of the record in this docket, including the supporting review provided by the DOE in its Technical Statement (Hearing Exhibit 18), we find the LDAC rates presented in the Liberty January 12, 2024 (Hearing Exhibit 14) and January 29, 2024 Tariff filings, with the exception of the RDAF component, just and reasonable, and we therefore approve them, subject to reconciliation. We concur, however, with the DOE and OCA that it would be prudent to grant approval to the proposed RDAF component on a provisional basis, pending further Commission review in Docket No. DG 22-045 and any related dockets, with the expectation that the DOE (and OCA) may recommend further adjustments to the RDAF for the LDAC year based on these proceedings.

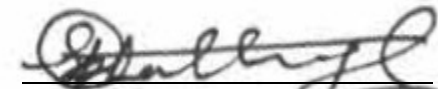
**Based upon the foregoing, it is hereby**

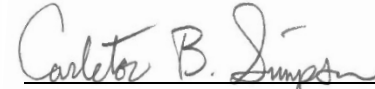
**ORDERED**, that Liberty's LDAC rates, for effect on a service-rendered basis for the twelve-month period beginning February 1, 2024, as presented in the Company's petition in their final form in the proposed LDAC filings made in this instant Docket No. DG 23-076 on January 12, 2024 (Hearing Exhibit 14), and January 29, 2024, and as delineated in the table presented above in this Order, are hereby APPROVED, subject to reconciliation, with the proviso that the costs and rate elements under the RDAF are APPROVED on a PROVISIONAL basis, pending further review in Docket No. DG 22-045 and related dockets, and further recommendations of the New Hampshire Department of Energy and other interested parties, and Commission rulings specifying any adjustments arising therefrom; and it is

**FURTHER ORDERED**, that Liberty shall file annotated tariff pages as required by N.H. Code Admin. R., Puc 1603 conforming to this Order within fifteen (15) days of the date of this Order, or February 15, 2024.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of January, 2024.

  
\_\_\_\_\_  
Daniel C. Goldner  
Chairman

  
\_\_\_\_\_  
Pradip K. Chattopadhyay  
Commissioner

  
\_\_\_\_\_  
Carleton B. Simpson  
Commissioner

## Service List - Docket Related

Docket#: 23-076

Printed: 1/31/2024

Email Addresses

---

ClerksOffice@puc.nh.gov  
Ashraful.Alam@energy.nh.gov  
Faisal.DeenArif@energy.nh.gov  
Tyler.Culbertson@libertyutilities.com  
Energy-Litigation@energy.nh.gov  
thomas.c.frantz@energy.nh.gov  
Robert.Garcia@libertyutilities.com  
deborah.gilbertson@libertyutilities.com  
maureen.karpf@libertyutilities.com  
James.King@libertyutilities.com  
donald.m.kreis@oca.nh.gov  
Molly.M.Lynch@energy.nh.gov  
Alyssa.Maston@libertyutilities.com  
Erica.Menard@libertyutilities.com  
amanda.o.noonan@energy.nh.gov  
ocalitigation@oca.nh.gov  
Luke.Sanborn@libertyutilities.com  
mary.e.schwarzer@energy.nh.gov  
michael.sheehan@libertyutilities.com  
karen.sinville@libertyutilities.com  
Joshua.Tilbury@libertyutilities.com  
Adam.Yusuf@Libertyutilities.com  
Rstebbins1974@gmail.com