

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DG 23-076

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

DIRECT TESTIMONY

OF

DEBORAH M. GILBERTSON

September 1, 2023



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1 **Q. Please state your name, position, and business address.**

2 A. My name is Deborah M. Gilbertson. I am Senior Manager, Energy Procurement for
3 Liberty Utilities Service Corp. (“LUSC”), which provides services to Liberty Utilities
4 (EnergyNorth Natural Gas) Corp. (“Liberty” or “the Company”). My business address is
5 15 Buttrick Road, Londonderry, New Hampshire.

6 **Q. Please summarize your educational background and your business and professional
7 experience.**

8 A. I graduated from Bentley College in Waltham, Massachusetts, in 1996 with a Bachelor of
9 Science in Management. In 1997, I was hired by Texas Ohio Gas where I was employed
10 as a Transportation Analyst. In 1999, I joined Reliant Energy, located in Burlington,
11 Massachusetts, as an Operations Analyst. From 2000 to 2003, I was employed by Smart
12 Energy as a Sr. Energy Analyst. In 2004, I joined Keyspan Energy Trading as a Sr.
13 Resource Management Analyst, and from 2008 to 2011, I was employed by National
14 Grid as a Lead Analyst in the Project Management Office. In 2011, I was hired by LUSC
15 as a Natural Gas Scheduler and was promoted to Manager of Retail Choice in 2012. In
16 2016, I was promoted to Sr. Manager of Energy Procurement. In this capacity, I provide
17 gas procurement services to Liberty.

18 **Q. Have you previously testified in regulatory proceedings?**

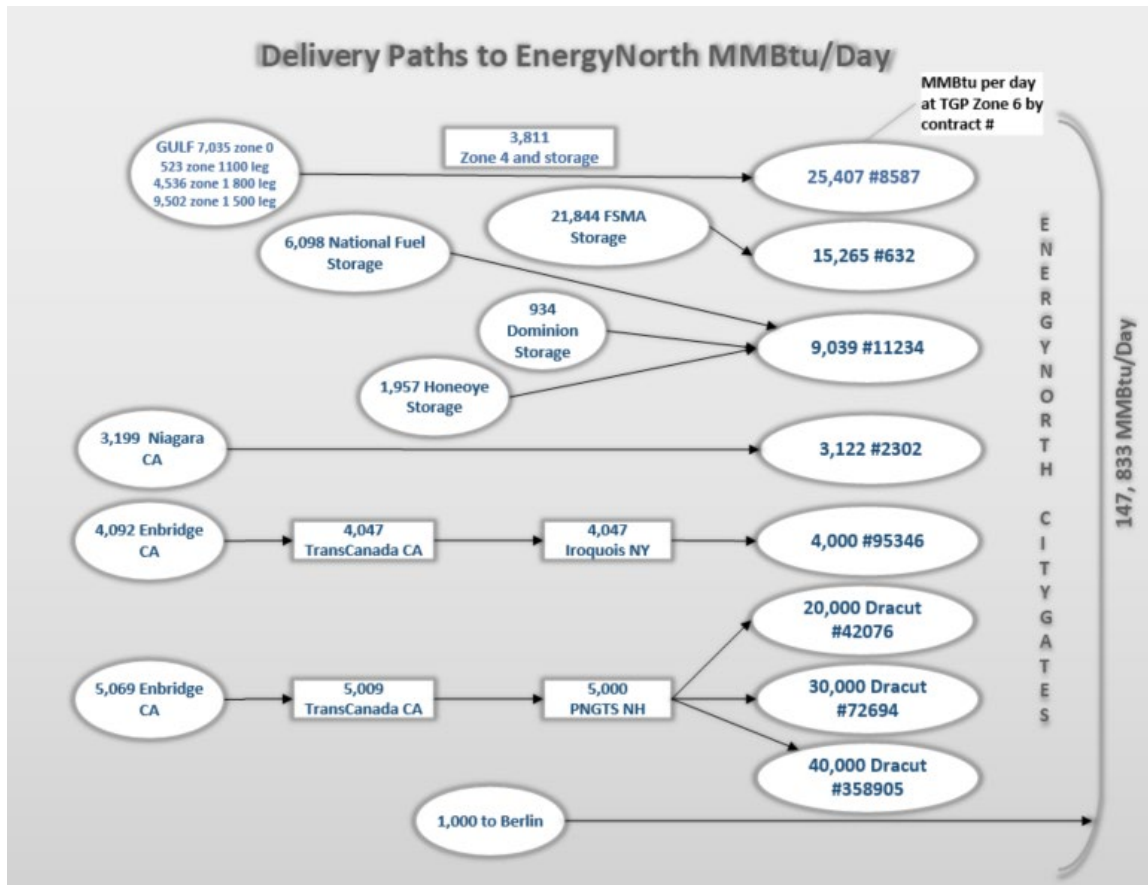
19 A. Yes, I have testified before the New Hampshire Public Utilities Commission
20 (“Commission”) on prior occasions.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of this testimony is to summarize the gas supply and firm transportation
3 portfolio and the forecasted sendout requirements for Liberty for the 2023/2024 peak and
4 off-peak seasons. This information is provided in significantly more detail in the
5 schedules that the Company is including with this filing.

6 **Q. Please describe the firm transportation contract portfolio that the Company now**
7 **holds.**

8 A. The Company currently holds firm transportation contracts on Tennessee Gas Pipeline
9 (“Tennessee”) (146,833 MMBtu/day) and Portland Natural Gas Transmission System
10 (“PNGTS”) (1,000 MMBtu/day) to provide a daily deliverability of 147,833 MMBtu/day
11 to its citygate stations. In addition to these citygate delivery contracts, the Company also
12 holds other transportation contracts further upstream on other pipelines that feed into the
13 citygate delivery transportation contracts. Schedule 12, page 1, in the Company's filing,
14 is a schematic diagram of the transportation contracts, (example below), and Schedule 12,
15 page 2, is a table listing these contracts. These transportation contracts provide delivery
16 of natural gas from three sources.



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First, the Company holds firm transportation contracts to allow for delivery of up to 13,122 MMBtu/day of Canadian supply. These consist of the following:

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- The Company can receive up to 4,000 MMBtu/day of firm Canadian supply from Dawn, Ontario. This supply is delivered to the Company on Company-held firm transportation contracts on Enbridge Inc. (formally Union Gas Limited), (“Enbridge”), TC Energy Corporation (formally TransCanada Pipelines Limited) (“TC Energy”), Iroquois Gas Transmission System (“Iroquois”), and Tennessee.

- 1 • The Company can receive up to 5,000 MMBtu/day of firm Canadian supply from
2 Dawn, Ontario. This supply is delivered to the Company on Company-held firm
3 transportation contracts on Enbridge, TC Energy, PNGTS, and Tennessee.
- 4 • The Company can receive up to 3,122 MMBtu/day of firm Canadian supply from
5 the Canadian/New York border at Niagara Falls, NY. This supply is delivered to
6 the Company on Company-held firm transportation contracts on Tennessee.
- 7 • The Company can receive up to 1,000 MMBtu/day of firm Canadian supply from
8 a Company-held firm transportation contract PNGTS for delivery to its Berlin
9 service territory.

10 Second, the Company holds the following firm transportation contracts to allow for
11 delivery of up to 106,596 MMBtu/day of domestic supply from the producing and market
12 areas within the United States.

- 13 • The Company can receive up to 21,596 MMBtu/day of firm domestic supplies
14 from Texas and Louisiana production areas. These supplies are delivered to the
15 Company on firm transportation contracts on Tennessee.
- 16 • The Company can receive up to 85,000¹ MMBtu/day of firm supply from
17 Tennessee's Dracut receipt point located in Dracut, Massachusetts. This supply is
18 delivered to the Company on three firm transportation contracts on Tennessee.

¹ An additional 5,000 MMBtu/day of Dracut capacity is used to transport the previously described 5,000 MMBtu/day of firm Canadian supply from Dawn, Ontario via Enbridge, TC Energy, and PNGTS.

1 Third, the Company holds the following firm transportation contracts to allow for
2 delivery of up to 28,115 MMBtu/day of domestic supply from underground storage fields
3 in the New York/Pennsylvania area or the purchase of flowing supply in or downstream
4 of Tennessee Zones 4 and 5.

- 5 • The Company can receive up to 19,076 MMBtu/day of firm domestic supplies
6 from its Tennessee FS-MA storage contract. This contract allows for a storage
7 inventory capacity of 1,560,391 MMBtu. These supplies are delivered to the
8 Company on firm transportation contracts on Tennessee.
- 9 • The Company can receive up to 9,039 MMBtu/day of firm domestic supplies
10 from its storage contracts with National Fuel Gas Supply Corporation, Honeoye
11 Storage Corporation, and Dominion Transmission, Inc. In aggregate, these
12 contracts allow for a storage inventory capacity of 1,019,740 MMBtu. These
13 supplies are delivered to the Company on a firm transportation contract on
14 Tennessee.

15 **Q. Please describe the source of gas supplies used with the firm transportation**
16 **contracts described previously.**

17 A. The firm transportation contracts that interconnect at the Canadian border allow the
18 Company to purchase firm gas supplies from both Eastern and Western Canada. The
19 Company's domestic long-haul firm transportation contracts provide the Company with
20 ability to buy firm gas supplies primarily from the U.S. Gulf Coast during the winter
21 period and also provide access to natural gas supplies in the Marcellus Shale region.

1 Supplies purchased at the Dracut receipt point, on the other hand, may originate from any
2 number of locations

3 **Q. Will there be any changes in the portfolio of supply contracts held by the Company**
4 **as compared to the portfolio of contracts that existed when the Company submitted**
5 **its Winter 2022/2023 Cost of Gas (“COG”) Filing?**

6 A. Yes. The Company negotiates a number of different supply contracts for delivery during
7 the peak period. Since its 2022/2023 COG filing, the Company has issued several
8 requests for proposals (“RFP”) for supply for the upcoming winter period. These include
9 a baseload Tennessee Zone 6 citygate or Dracut supply; a Canadian firm transportation
10 capacity interconnecting with Iroquois supply; a Tennessee long-haul capacity from the
11 Gulf Coast and the Zone 4 market areas supply; two requests for proposals for a
12 Tennessee Zone 6 citygate or Dracut swing supply with a call option; and a Canadian
13 firm transportation capacity interconnecting with Tennessee at Dracut supply. Each of
14 these RFPs for the 2023/2024 peak period supply is consistent with the RFPs issued for
15 the 2022/2023 peak period.

16 **Q. Please describe the status of these RFPs and when the Company expects the related**
17 **contracts to be in place.**

18 A. The Company has completed the process of obtaining and analyzing bids and expects all
19 contracts to be in place by November 1st.

1 **Q. Please provide the status of the Company's storage refill plan.**

2 A. During the 2023 off-peak period, the Company has been injecting supplies into its
3 underground storage fields. The Company plans to have all storage fields, except for its
4 Tennessee FS-MA storage, full by November 1, 2023. The Tennessee FS-MA field is
5 targeted to be approximately 95 percent full by November 1, 2023. The approximate five
6 percent unfilled portion of FS-MA storage provides a buffer that allows the Company
7 operational flexibility to inject some of its supply into storage if needed due to weather
8 fluctuations during the month of November.

9 **Q. Please describe the additional sources of gas supply available to the Company that
10 do not require pipeline transportation capacity?**

11 A. The Company has two additional sources of gas supply available. First, the Company has
12 contracted for dedicated LNG with trucking to refill its LNG storage inventory. Since the
13 Company's LNG storage capacity is limited, having dedicated LNG trucks allows the
14 Company to replenish inventory as it is used, provides supply security for its customers,
15 and enables the Company to adhere to its seven-day storage inventory requirement
16 established by Puc 506.03.

17 Second, the Company has contracted for dedicated deliveries to the Company's three
18 propane facilities including the refill of its propane storage facility located in Amherst,
19 New Hampshire.

1 **Q. Please describe these supplemental gas supply facilities available to the Company.**

2 A. The Company owns three LNG vaporization facilities in Concord, Manchester, and
3 Tilton that have a combined design vaporization rate of approximately 22,800
4 MMBtu/day, but they are limited operationally by the combined workable storage
5 capacity of approximately 12,600 MMBtu. As described previously, the Company
6 solicited bids for LNG refill and associated trucking to utilize more vaporization capacity
7 from its LNG facilities.

8 Additionally, the Company owns four propane facilities in Amherst, Manchester, Nashua,
9 and Tilton that have a combined design vaporization capacity of approximately 28,200
10 MMBtu/day and a combined workable storage capacity of approximately 122,590
11 MMBtu. The Company has allocated approximately 12,000 MMBtu of the Amherst
12 propane storage capacity to its Keene Division,² leaving approximately 110,600 MMBtu
13 of combined workable storage capacity for EnergyNorth. The Company's propane
14 facilities were refilled during the summer of 2023, and they are ready for the 2023/2024
15 peak period.

16 Together, these LNG and propane facilities provide the Company and its customers with
17 necessary system pressure support during peak days as well as a critical gas supply
18 source to meet design day requirements. These facilities contribute to the Company's
19 reliable, flexible, and least-cost resource portfolio.

² The Company will make the Keene Division Cost of Gas filing by September 15, 2023.

1 **Q. What was the source of the projected sendout requirements and costs used in this**
2 **filing?**

3 A. As in prior cost of gas filings, the Company used projected sendout requirements and
4 costs from its forecasts and portfolio of resources.

5 **Q. Please describe the forecasted sendout requirements for the peak period of**
6 **2023/2024.**

7 A. Schedule 11A of the Company's filing shows the Company's forecasted sendout
8 requirements for sales customers at 94,459,064 therms over the period November 1,
9 2023, to April 30, 2024, under normal weather conditions, which is a slight increase from
10 last year's forecasted volume of 92,395,519 therms for the period November 1, 2022, to
11 April 30, 2023. In comparison, the normalized actual sendout for firm sales customers
12 for the November 1, 2022, to April 30, 2023, period was 90,721,566 therms.

13 Schedule 11B shows the Company's forecasted sendout requirements for sales customers
14 of 105,567,453 therms over the period November 1, 2023, to April 30, 2024, under
15 design weather conditions, which is up from last year's design day forecasted volume of
16 103,384,244 therms. For the current peak period forecast, design weather requirements
17 are approximately 10 percent greater than normal sendout requirements for weather that
18 is 10 percent colder than normal.

19 In Schedule 11C, the Company summarizes the normal and design year sendout
20 requirements, the seasonally available contract quantities (inclusive of assigned and

1 Company Managed capacity), and the utilization rates of its pipeline firm transportation
2 and storage contracts.

3 Schedule 11D shows the Company's forecasted design day sendout for sales customers
4 for the upcoming 2023/2024 winter period of 1,256,152 therms, which is up from last
5 year's figure of 1,237,481 therms.

6 **Q. Please describe the forecasted sendout requirements for the off-peak period of 2024.**

7 A. Schedule 11A of the Company's filing shows the Company's forecasted sendout
8 requirements of 26,848,752 therms over the period May 1 to October 31, 2024, under
9 normal weather conditions, which is higher than last year's forecasted volume of
10 26,067,561 therms over the period May 1 to October 31, 2023.

11 Schedule 11B shows the Company's forecasted sendout requirements of 26,721,201
12 therms over the period May 1 to October 31, 2024, under design weather conditions,
13 which is higher than last year's forecasted volume of 25,137,055 therms over the period
14 May 1 to October 31, 2023.

15 In Schedule 11C, the Company summarizes the normal and design off-peak sendout
16 requirements, the seasonally available contract quantities (inclusive of assigned and
17 Company Managed capacity), and the calculated utilization rates of its pipeline
18 transportation and storage contracts based on the normal and design off-peak forecasts
19 contained in Schedules 11A and 11B.

1 **Q. What strategies did the Company employ to stabilize and mitigate costs for winter**
2 **2023/2024?**

3 A. The Company engaged in several strategies to reduce and stabilize costs for customers.
4 First, as described above, over the summer period the Company injected gas into the
5 storage facilities using off-peak summer pricing from the least cost supply points as
6 determined by transportation and storage capacity assets. Next, the Company initiated
7 requests for proposals, or RFPs, from suppliers to obtain the lowest price for supply
8 services. The Company also issued RFPs from suppliers to enter into asset management
9 agreements where the Company allows the winning bidder to use capacity that Liberty
10 holds on various pipelines in exchange for a baseload supply or natural gas call options.
11 This technique results in monthly payments to Liberty, all to the benefit of customers.

12 **Q. How much does the Company expect to recover through asset management credits**
13 **in 2023–2024?**

14 A. For 2023–2024, the Company expects to recover approximately ██████ in asset
15 management credits. These credits will contribute to reducing customer costs.

16 **Q. Has the Company hedged the Tennessee Zone 6 basis for winter 2023/2024?**

17 A. Yes. The Company conducted an RFP to solicit physical supply fixed basis bids for the
18 months of January and February as provided for in Docket No. DG 14 133 and approved
19 in Order No. 25,691. The Company reviewed the bids and selected the supplier who
20 offered the least cost.

1 **Q. Does this conclude your pre-filed direct testimony in this proceeding?**

2 **A.** Yes, it does.