

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty

DG 23-076

Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

Department of Energy Data Requests - Set 2 (Supplemental)

Date Request Received: 9/29/23
Request No: DOE 2-13 (COG)

Date of Response: 10/10/23
Respondent: James King

REQUEST:

Reference: Dkt. No. DG 22-045, Liberty's October 2023 Cost of Gas Adjustment (filed September 22, 2023); DOE Position Statement (filed September 26, 2023)

The Department is filing this supplemental data request in DOE Set 2 (filed September 25, 2023) based upon information that was unknown to the Department until Liberty filed its October 2023 Cost of Gas Adjustment at 1 p.m. on Friday September 22, 2023. The Department was not able to review the filing and discuss it with the Company until after DOE Set 2 DRs were filed on September 25, 2023. Accordingly, the Department is filing this supplemental data request, DOE 2-13. Company is asked to reply no later than October 10, 2023. See Puc 203.09 (f).

EnergyNorth proposes a 71.3 percent increase in gas rates, moving the cost per therm effective September 1, 2023, i.e., \$0.7493 per therm, to a revised rate of \$1.2836 per therm for Residential customers to be effective October 1, 2023. Liberty proposes a similar change for Commercial and Industrial (C&I) customers See Department's Position Statement (filed Sept. 26, 2023). It is the Department's understanding that the Company recently concluded that volumetric sales were lower than projected sales for the Summer 2023 period, and the 71.3 percent increase is required to avoid a significant under collection.

- a. Please identify and explain the reason(s) for EnergyNorth's proposed rate change to be effective October 1, 2023 and impact on the Summer 2023 period calculations, including forecasted calculations. Please provide supporting documentation, data, and updated schedules if applicable. Data should include but not be limited to the initial and corrected therms per month. Please also update the Company's response to DOE 1-3, including DOE 1-3.xls (customer bill impacts).
- b. Please indicate whether the same issue(s) identified in (a) above impacted the Winter period calculations, including forecasted calculations, and if so, please provide concomitant information.
- c. Please describe any impact(s) the reasons identified above have on any (over)/under-collection Liberty has identified in this docket as a basis for the forecasted COG Supply rates proposed to be effective May 1, 2024. Changes should include but not be limited to corrected (over)/under figures, sales and corrected rates, updated schedules, and corrected

(annotated) testimony for this docket. Please also update the Company's response to DOE 1-3, including DOE 1-3.xls (customer bill impacts).

- d. Please indicate whether the same issue(s) impacted the Winter period (over)/under-collection Liberty has identified in this docket as a basis for the forecasted COG Supply rates proposed to be effective November 1, 2023, and if so, please provide concomitant information.
- e. Do the reason identified in (a) above, and impacts identified in (c) above:
 - i. Alter what Liberty has provided to the DOE Audit Division for Winter 2022-2023 EnergyNorth COG Reconciliation? Please be specific.
 - ii. Has Liberty notified the DOE Audit Division of the error it identified that resulted in Liberty's request for an 81.3 percent rate increase during the Summer 2023 period? If not, why not?
 - iii. Has Liberty provided the Audit Division and/or the Commission with updated information, if any, relevant to the EnergyNorth 2022-23 Winter Reconciliation report for COG? If yes, please identify dates and provide a copy of the information provided to Audit or the Commission. If no, please indicate whether relevant updated information exists and if so, when Liberty will provide updated information to Audit and the Commission.
- f. Please provide a copy of the EnergyNorth 2022-2023 Reconciliation report and highlight numbers and schedules that have been impacted by the reason(s) identified above. Please provide updated figures for the highlighted numbers.

RESPONSE:

- a. During a review of the Company's annual Cost of Gas filing, an error was discovered within the trigger filing. Specifically, the actual collections included in the deferred cost account were not accurately reflected. Each month the trigger filing takes into account several inputs of actuals from the three deferral accounts (cost of gas, working capital, and bad debt accounts), to arrive at the ending balance for the given month from which the coming months rates are based. The error that the Company discovered was that the model continued to use estimates based on sales and rates instead of actuals from deferral accounts. Please see Confidential Attachment 23-076 DOE 2-13 (COG).zip. This attachment includes the September Trigger filing submitted August 24, 2023, and the October Trigger filing submitted September 22. The corrected information can be found on tab "OP Under Over Collection" line 29. From this tab the "Ending balance" on line 30 flows through to the "OP Adjustment" tab, Cell E8, for which the proposed trigger rates are calculated.

The Company's' response to DOE 1-3 does not need to be updated. The error in the trigger calculation is isolated to the trigger filings and was corrected with the October 1, 2023, trigger rates. The Company's filing in the instant proceeding was not affected as it used the actuals from the deferral accounts. In fact, it was during the preparation of this filing that the Company realized that the figures from the trigger filing were off from what they should have been.

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- b. The issues identified do not impact the Winter period calculations.
- c. The impacts of the errors discussed in response to subpart (a) will not affect the filing the Company made on September 1, 2023, in Docket DG 23-076. The filing was based on actuals that the Company had at the time of filing. With the goal of every trigger filing being to keep the deferral accounts as close to zero as possible, the Company raised the rate to the maximum amount allowed by PUC Order No. 26,737 to ensure that the Company was doing all it could to lower its under collection amount.
- d. As discussed in (c), this correction does not affect the rates proposed for effect November 1, 2023.
- e. Liberty responds as follows:
 - i. No, this issue was not present in the Winter 2022-2023 trigger filings.
 - ii. Liberty has not notified the DOE Audit Division of the error identified that resulted in the Company's request for a 71.3 percent increase. PUC Order No. 26,737 authorizes a maximum rate the Company can charge during a given season and the rate proposed for October 1, 2023, is within that limit. Any monthly variances or ending balances will be reconciled in the Summer 2023 reconciliation filing.
 - iii. As discussed in parts (a-d), these corrections are isolated to the Summer 2023 trigger filings.
- f. The EnergyNorth 2022-2023 Reconciliation Report has yet to be completed.

Confidential Attachment 23-076 DOE 2-13 (COG).zip contains third party pricing and other information that is "confidential, commercial, or financial information" and is thus protected from disclosure by RSA 91-A:5, IV, and presumed to be confidential in cost of gas proceedings pursuant to Puc 201.06(a)(11). Therefore, pursuant to that statute and Puc 203.08(d) and Puc 201.01.06(a)(11)(g) (protecting "responses to data requests related to a. through f. above"), the Company has a good faith basis to seek confidential treatment of this information and asserts confidentiality pursuant to those rules. And since the confidential information is embedded throughout the live Excel file, it is not feasible to provide a redacted version.