

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 23-076

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

Winter 2023-2024 and Summer 2024 Cost of Gas

and

Docket No. DG 23-084

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
d/b/a LIBERTY, KEENE DIVISION

Winter 2023-2024 Cost of Gas

**Partial Objection to Motions for Rehearing of Order No. 26,898 and
of Order No. 26,900**

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, respectfully objects to that portion of the Office of the Consumer Advocate's *Motion for Rehearing of Order No. 26,898* filed in Docket No. DG 23-076 and of the *Motion for Rehearing of Order No. 26,900* in Docket No. DG 23-084, which propose that Liberty bear the costs of notifying customers of the Commission's termination of the Fixed Price Option ("FPO") programs, if the Commission so orders. The Company should be able to recover any costs incurred to implement a decision by the Commission to terminate a program that it has previously approved. Such costs should be included in the administrative costs that Liberty collects through the cost of gas rates.

Otherwise, the Company takes no position on the merits of the OCA's rehearing motions and offers comments the Commission may find helpful in its review of those motions as follows.

1. First, Liberty currently has billing options that are available to accomplish the purpose of the FPO.
2. The FPO program is a legacy of the late 1990s and early 2000s, when natural gas prices were stable and when Liberty's predecessors were able to lock in the price of a certain amount of their commodity requirements for the upcoming winter season. The FPO program, first approved as a full program in 2001, was a modified version of an existing price protection program that offered customers a fixed COG price, the purpose of which was "to offer customers an option that would provide protection against price fluctuations in the winter season." Order No. 23,272 at 1 (Aug. 2, 1999).
3. The 2001 order approving the EnergyNorth FPO echoed that purpose statement: "The purpose of the FPO Program is to offer customers an option that would provide protection against price fluctuations in the winter period." Order No. 23,774 at 1 (Sept. 7, 2001) (first approving the FPO for EnergyNorth customers as an improvement of the then existing "Guaranteed Price Protection Program"). The Commission gave the same reason to support its approval of the Keene FPO program: "The purpose of the FPO is to offer customers an option that would provide protection against price fluctuations in the winter period." Order No. 23,764 at 1-2 (Aug. 24, 2001) (approving FPO for Keene as a full program after a one year trial as a pilot program).
4. Should the Commission terminate the FPO for the reasons stated in the OCA's motions, Liberty's customers have other options to "provide protection against price fluctuations in the winter period."

5. Liberty currently offers a budget billing program. This program calculates a customer's monthly bill based on the rolling average of their preceding 12 months. By adjusting bills each month based on actual consumption, this program provides substantial stability and does not give rise to an over or under balance.
6. Liberty also offers a budget billing program that simply calculates a 12 month average at a point in time and bills customers that average for the next 12 months. At the end of the year, Liberty reconciles the billed amount, which was based on the prior year average, to the actual usage and refunds or charges the customer the difference. This program offers precisely payments over the course of the year, although the year-end reconciliation could result in large adjustments.
7. Both budget billing options offer customers "protection against price fluctuations."
8. Second, the Company's tariff requires the Company to implement the FPO programs. Any order affecting the programs should thus consider its effects on the tariff.
9. Third, should the Commission decide to terminate the FPO programs, Liberty suggests the termination should be on a going forward basis, not effective as of November 1, 2023, for the following reasons.
 - Implementing a retroactive termination of the FPO program would require the Company to cancel and rebill the customers for each month that they were on the FPO rate. There are approximately 10,000 customers on the FPO rate and the cancel/rebill process for that many customers for the several months that it was in effect would be a massive undertaking.
 - Retroactive termination would also likely cause issues with customers who opted in to the FPO, who re-affirmed their decision to opt in to the FPO in

the case of EnergyNorth, and then had the program removed and their bills changed after-the-fact. Customers may understandably be upset.

- The Company could more efficiently implement a decision to terminate the FPO going forward, but such a mid-stream cancellation would still likely cause substantial customer impact.

10. Finally, if the Commission decides to cancel the FPO program, the above issues could be avoided by making the cancellation effective as of the end of the 2023-2024 winter period. A decision cancelling FPO beginning with the 2024-2025 winter period would avoid the administrative and customer issues discussed above.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Deny the OCA's requests that Liberty bear the costs of notifying customers of any further change or termination of the FPO programs; and
- B. Grant such further relief as is just and equitable.

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

By its Attorney,



Date: December 5, 2023

By: _____
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Certificate of Service

I hereby certify that on December 5, 2023, a copy of this Motion has been electronically forwarded to the service lists in Docket No. DG 23-076 and Docket No. DG 23-084.

A handwritten signature in black ink, appearing to read "M. Sheehan", is positioned above a horizontal line.

Michael J. Sheehan