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I N D E X

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 JAMES M. KING
 ROBERT GARCIA

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1	CONFIDENTIAL Testimony of Deborah M. Gilbertson, Robert Garcia and James M. King with Attachments (09-15-23)	<i>premarked</i>
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5	CONFIDENTIAL DG 22-057 2022-2023 Winter Cost of Gas Adjustment Reconciliation Final Audit Report	<i>premarked</i>
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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Welcome back. I'm Commissioner Goldner. I'm joined today by Commissioner Simpson and Commissioner Chattopadhyay. We're here in Docket DG 23-084, Liberty-Keene's Cost Of Gas Rates for the 2023 to 2024 Winter Period.

Let's begin by taking appearances, beginning with Liberty.

MR. SHEEHAN: Good morning -- good afternoon. Mike Sheehan, for the Keene Division of Liberty Utilities (EnergyNorth Natural Gas) Corp.

CHAIRMAN GOLDNER: Thank you. The New Hampshire Department of Energy?

MS. LYNCH: Good afternoon. My name is Molly Lynch. I'm an attorney for the Department of Energy. I am joined with Legal Director, Paul Dexter; our Gas Director, Dr. Deen Arif; and our new analyst, Ashraful Alam.

CHAIRMAN GOLDNER: Thank you. And the Office of the Consumer Advocate?

MR. CROUSE: Good afternoon, Commissioners. My name is Michael Crouse. I'm

1 the Staff Attorney to the Office of the Consumer
2 Advocate.

3 I apologize if I look a little
4 disheveled, as I had a computer emergency walking
5 in the hearing room. But the amazing Lesley
6 LaPerle fixed it with IT, and I'm pretty much up
7 to speed now.

8 CHAIRMAN GOLDNER: Excellent,
9 Mr. Crouse. Thank you.

10 All right. Sorry. We'll note that
11 Liberty-Keene and the DOE filed prefiled and
12 premarked for identification Exhibits 1
13 through 5, we are, however, missing Exhibit 6.

14 Is that -- is that something that we
15 can remedy shortly?

16 MR. SHEEHAN: Six --

17 MS. LYNCH: I believe, Commissioner,
18 you're referring to the audit report that needed
19 to be redacted. Our understanding was that
20 Liberty was going to, since they had the
21 information about what needed to be redacted,
22 that they were going to provide that.

23 MR. SHEEHAN: And that wasn't on my
24 radar. So, I will get to that.

1 CHAIRMAN GOLDNER: No, and I don't
2 think it stops us from having the hearing today,
3 but we just noticed we didn't have an Exhibit 6.

4 So, is there -- does anyone have any
5 concerns with proceeding without Exhibit 6?
6 Attorney Crouse?

7 *[Atty. Crouse indicating in the*
8 *negative.]*

9 CHAIRMAN GOLDNER: Okay. All right.
10 So, we can proceed with Exhibits 1 through 5.
11 And, then, Attorney Sheehan, you'll file
12 Exhibit 6 in a timely fashion?

13 MR. SHEEHAN: Correct.

14 CHAIRMAN GOLDNER: Okay. Thank you.
15 Are there any other preliminary matters that we
16 need to address, before we hear from the
17 witnesses?

18 MR. SHEEHAN: Only that our comment at
19 the end of the last hearing, that "we would have
20 the same issue here", is not true. We do not
21 have the same issue as we discussed this morning.
22 So, --

23 CHAIRMAN GOLDNER: You could have had a
24 much longer lunch, Attorney Sheehan. You've paid

[WITNESS PANEL: Gilbertson|King|Garcia]

1 a heavy price for that miss.

2 MR. SHEEHAN: I'll eat robustly this
3 afternoon.

4 *[Laughter.]*

5 CHAIRMAN GOLDNER: All right. Thank
6 you. Okay. Well, that's good news.

7 And anything else, before we get
8 started?

9 *[No verbal response.]*

10 CHAIRMAN GOLDNER: Okay. Seeing none.
11 Let's swear in the witness panel,
12 Mr. Patnaude.

13 *(Whereupon **DEBORAH M. GILBERTSON,***
14 ***JAMES M. KING,** and **ROBERT GARCIA** were*
15 *duly sworn by the Court Reporter.)*

16 CHAIRMAN GOLDNER: Thank you. And
17 let's begin with Attorney Sheehan, and Liberty.

18 MR. SHEEHAN: Thank you. Exhibits 1
19 and 2 are titled "Joint Testimony of Ms.
20 Gilbertson, Mr. Garcia, and Mr. King". So, let's
21 start with Ms. Gilbertson.

22 **DEBORAH M. GILBERTSON, SWORN**

23 **JAMES M. KING, SWORN**

24 **ROBERT GARCIA, SWORN**

[WITNESS PANEL: Gilbertson|King|Garcia]

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DIRECT EXAMINATION

BY MR. SHEEHAN:

Q Please introduce yourself?

A (Gilbertson) My name is Deborah Gilbertson. I'm the Senior Manager of Energy Procurement for Liberty Utilities.

Q And did you participate in drafting the testimony, joint testimony, that has been marked as "Exhibits 1" and "2"?

A (Gilbertson) Yes.

Q And do you have any changes or corrections to those portions of the exhibit that you were responsible for?

A (Gilbertson) No.

Q And do you adopt that testimony as your sworn testimony this afternoon?

A (Gilbertson) Yes.

Q Mr. King, same questions. Please introduce yourself?

A (King) Good afternoon. My name is James King. I'm an Analyst with Liberty Utilities" Rates and Regulatory Affairs Division.

Q And, Mr. King, did you participate in the preparation of the testimony that's been marked

[WITNESS PANEL: Gilbertson|King|Garcia]

1 as "Exhibits 1" and "2"?

2 A (King) I did, yes.

3 Q And do you have any changes or corrections to be
4 made?

5 A (King) No, not at this time.

6 Q And do you adopt the written testimony as your
7 sworn testimony today?

8 A (King) Yes.

9 Q And, last, Mr. Garcia, your second time
10 testifying, would you please introduce yourself?

11 A (Garcia) Good afternoon, everyone. Robert
12 Garcia. I'm the Manager of Rates and Regulatory
13 Affairs for Liberty.

14 Q And, with Mr. King and Ms. Gilbertson, did you
15 participate in the drafting of the testimony?

16 A (Garcia) I did.

17 Q And do you have any corrections or changes you'd
18 like to bring to the Commission's attention?

19 A (Garcia) No, I do not.

20 Q And do you adopt it as your sworn testimony
21 today?

22 A (Garcia) I do.

23 Q Turning to either Mr. Garcia or Mr. King, if you
24 could give us the highlight of the rates

[WITNESS PANEL: Gilbertson|King|Garcia]

1 proposed, and where we could find them in the
2 filing?

3 A (King) Yes. Actually, let me pull up the correct
4 Bates pages. The bill impacts can be found on
5 Bates Pages 032 through 036 -- 035, excuse me.
6 And the rate we are proposing is 1.42 -- \$1.4207.

7 Q And I think you just said it. Where were the
8 bill impacts pages?

9 A (King) Where are they?

10 Q What pages were the bill impacts on?

11 A (King) The bill impacts are on Bates Page 032
12 through 035.

13 Q And picking up on the conversation we had this
14 morning, the bill impacts compare what to what?

15 A (King) They --

16 Q With regard to the LDAC?

17 A (King) In the Keene filing, we filed with the
18 currently effective LDAC rates, opposed to how we
19 filed the EnergyNorth with the proposed LDAC
20 rates. We had, you know, two weeks between the
21 filing dates. This became an issue as part of
22 the discovery process. So, we went ahead and
23 filed the Keene with just the currently effective
24 LDAC rates to, you know, appease the DOE.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q And, of course, when the Commission changes the
2 LDAC in February, this will change the Keene
3 bills as well?

4 A (King) That's correct.

5 Q The other thing for you, Mr. King, we had a lot
6 of discussion this morning in EnergyNorth related
7 to a misallocation between winter and summer that
8 you discovered last night. Did that problem
9 occur for the Keene filing?

10 A (King) Yes and no. So, the correction -- the
11 adjustments did occur. There was a March -- a
12 similar March -- similar timing of the March
13 adjustment that we made in EnergyNorth. But, in
14 May, I had caught it and brought it to the
15 attention of the Accounting team, and we made
16 that correction in May.

17 So, what we filed today does not have
18 the same issue as EnergyNorth.

19 Q Which, of course, begs the question, why not then
20 in EnergyNorth?

21 I have to ask you, because someone else
22 will.

23 A (King) At the time, I was solely involved with
24 Keene, in the preparation of the filings at that

[WITNESS PANEL: Gilbertson|King|Garcia]

1 time.

2 Q Okay.

3 A (King) So, up until the filing for the instant
4 docket and EnergyNorth, I wasn't -- wasn't as
5 involved. I was involved on the periphery, doing
6 tariff pages and a few other smaller things on
7 the docket. But, picking up the bulk of the
8 work, that didn't start until late this summer on
9 EnergyNorth.

10 Q Otherwise, it didn't occur to you to think the
11 same error happened on the other side?

12 A (King) Yes.

13 Q Okay. Thank you. And, Ms. Gilbertson, similar
14 to the questions I asked you this morning, was
15 there anything different in the way the Company
16 has planned for providing Keene customers both
17 CNG and propane-air this winter from prior years?

18 A (Gilbertson) No.

19 Q And anything unusual happen, any anomalies?

20 A (Gilbertson) There's been no anomalies.

21 Q In prior hearings, and in discovery, we've
22 discussed that the CNG contract expires next
23 year. Are you in the process of finding a new
24 contract to begin next summer?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 A (Gilbertson) Yes. We're finalizing that now.

2 MR. SHEEHAN: Okay. Thank you. Those
3 are all the questions I have. Thank you.

4 CHAIRMAN GOLDNER: Thank you. We'll
5 move now to the New Hampshire Department of
6 Energy, and Attorney Lynch.

7 MS. LYNCH: All right. Thank you.

8 **CROSS-EXAMINATION**

9 BY MS. LYNCH:

10 Q Mr. King, I believe you just testified that the
11 proposed rate is "1.4207", is that correct?

12 A (King) Yes.

13 Q Would you want to -- could you clarify that? And
14 I am looking at Bates Page 020.

15 A (King) Excuse me. Now that you bring that to my
16 attention, I realize I was looking at the Fixed
17 Price Option Program bill impact page. The
18 normal Non-FPO price is \$1.4007.

19 Q Perfect. Thank you. And I'm looking at the
20 tariff that -- with the proposed rates, on Bates
21 Page 018. And what is the proposed rate for the
22 R-4 customers?

23 A (King) The proposed rate for the R-4 customers is
24 \$0.7704.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q All right. Thank you. And for what time period
2 are these rates being proposed for?

3 A (King) These rates are being proposed for effect
4 November 1, 2023, through April 20 -- April 30th,
5 2024, with the caveat that, you know, we do have
6 the monthly trigger filings in between. So, this
7 rate will likely change between now and the end
8 of the winter period.

9 Q At this time, does the Company anticipate how
10 many trigger filings it will file?

11 A (King) In the past, we've filed a trigger filing
12 with each month. So, following those same
13 guidelines, it would be five trigger filings.
14 So, one for rates effective December 1st,
15 January 1st, February 1st, March 1st, and
16 April 1st.

17 There are times where we have chose not
18 to file the trigger filings. Whether there
19 wasn't a need for a change in price, or any
20 handful of reasons.

21 But, with the change in gas prices and
22 revenues that are collected each month, it's
23 likely that each month we'll have a trigger
24 filing to appropriately collect the costs for

[WITNESS PANEL: Gilbertson|King|Garcia]

1 that period, the remainder of the period.

2 Q Thank you. And turning to Bates 033, I believe
3 this was addressed on direct, and that this shows
4 a typical residential heating bill for the
5 Non-Fixed Price Option, is that correct?

6 A (King) Yes.

7 Q And, if you go to the top of this page, Columns
8 (1) through (6), does this -- if the Commission
9 wanted to get a sense of what the prior rate was,
10 compared to this proposed rate, does this give
11 the Commissioners an accurate -- are these
12 numbers accurate, in Row 8, for the cost of --
13 for the prior cost of gas rates?

14 A (King) Yes. Those were the rates in effect for
15 those time periods listed in Row 2.

16 Q Approximately, how much is, from last year, I
17 mean, I understand it's difficult because the
18 rate changes just about every month, but,
19 approximately, is it fair to say that this is a
20 reduction from last year's rates?

21 A (King) Yes. That is correct.

22 Q Do you have an idea what -- I don't want you to
23 do math right now, but do you have a sense of
24 what the amount of the reduction is,

[WITNESS PANEL: Gilbertson|King|Garcia]

1 approximately, of course?

2 A (King) Yes. So, in Rows 31 through 34 gives the
3 total bill impacts for each of the components.
4 So, looking at the total bill for the season,
5 it's a 300 -- approximately, a \$300 bill decrease
6 for the entire period. And the total bill is
7 about a 22.4 percent decrease from the prior
8 year.

9 Q Thank you. And, also, just kind of returning to
10 your direct testimony, you mentioned that there
11 was, because we just come from the EnergyNorth
12 hearing, you mentioned that there was a similar
13 issue in this docket in May. Can you explain the
14 error a little bit more in detail?

15 A (King) Yes. Give me one moment. Yes. So, in
16 March of 2023, the Company made an adjustment
17 for, as the adjustment reflects, costs that were
18 originally booked to summer should be in the
19 winter account. We corrected that error in May.
20 So, it reflected that costs were -- or, revenues
21 should have gone to summer that were booked in
22 winter.

23 Q And what -- why was this error? Why was there a
24 discrepancy between when these costs should be

[WITNESS PANEL: Gilbertson|King|Garcia]

1 booked?

2 A (King) I'm sorry, could you say that again?

3 Q Why were the costs booked to summer, when they
4 should have been booked to winter?

5 A (King) So, in, you know, as the Commissioners
6 have brought up earlier today, you know, they're
7 concerned about SAP issues, and I don't want to
8 keep blaming SAP. When we did transition over,
9 you know, for each month, there's, say, \$10 of
10 revenue; \$7 might be attributable to summer, and
11 \$7 -- or, what did I say? \$3 might be
12 attributable to summer and 7 is attributable to
13 winter. That full \$10 was going into winter,
14 when \$3 should have been going into the summer
15 account.

16 And, then, in February, we were able to
17 break down the information and separate out those
18 amounts, now that we had figured out what the
19 issue was in SAP, and we were able to break
20 those -- break that \$10 amount out to summer and
21 winter, where before it was just going all to one
22 account.

23 Q That is helpful. Thank you. And what was the
24 amount of the adjustment that you corrected?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 A (King) The original adjustment that occurred in
2 March 2023, fails in comparison to the
3 EnergyNorth number, it was \$1,600. So, the
4 correcting entry in May was \$3,200.

5 Q And, turning to Bates Page 008 of the testimony,
6 what is the amount of the over-collection from
7 the last winter period that is being applied to
8 this proposed rate?

9 A (King) The prior period over-collection of
10 \$164,514.

11 Q Thank you. And does that amount include interest
12 as well?

13 A (King) I believe so, yes.

14 Q And, actually, I'm sorry, what was the number you
15 just mentioned?

16 A (King) Sorry. That number did not include
17 interest. So, the interest is, include the --
18 combined with the over period -- the prior period
19 over-collection of \$164,514, in addition to the
20 interest of 7,538, gives us the final
21 over-collection amount of 172,052, presented on
22 Schedule B.

23 Q Thank you. Actually, I probably should have
24 directed you there, instead of the testimony. My

[WITNESS PANEL: Gilbertson|King|Garcia]

1 apologies.

2 And this amount was applied to
3 determining the proposed rate, correct?

4 A (King) That is correct.

5 Q And, if the Commissioners wanted more information
6 about this over-collection, what should they
7 refer to? Should they look at -- for example,
8 should they look at the prior winter docket?

9 A (King) It could look at the reconciliation of the
10 prior winter.

11 Q Okay. Thank you.

12 A (King) Again, the reconciliation is for the prior
13 winter. So, it's October through April. And,
14 then, this, the amount that we presented on
15 Schedule B, is the approximate starting balance
16 as of October 31st.

17 Q Thank you. And we touched on this a little bit
18 already, about what trigger filings the Company
19 may expect to file in this case. But is the
20 Company anticipating any future market volatility
21 for this upcoming winter period?

22 A (Gilbertson) That's a tough question. So, we are
23 always anticipating volatility. So, can I tell
24 you the magnitude? No, I can't. I mean, it's a

[WITNESS PANEL: Gilbertson|King|Garcia]

1 market price.

2 But we have safeguards in place to
3 stabilize prices, such as the Price Stabilization
4 Program, and we have propane out of our Amherst
5 tank that is filled up in the summertime, at
6 summer prices. So, those couple of things serve
7 to stabilize the price, and we're not so much in
8 the spot markets.

9 Q And, you know, we all understand, I think, that
10 these dockets have tight timeframes, and we don't
11 necessarily want more information. But I'm
12 curious, actually, have you, as part of the
13 filing, I believe it is Exhibit -- no, I'm sorry,
14 it's Appendix 1 that you provide the Mont Belvieu
15 prices. And the Bates number is -- sorry -- is
16 Bates 040, is that correct?

17 A (Gilbertson) I'm assuming it is, but let me
18 check. Yes.

19 Q And you obtained these prices as of September 6,
20 is that correct?

21 A (Gilbertson) That's correct.

22 Q Have you looked at the prices recently, since
23 September 6th?

24 A (Gilbertson) Yes, I have.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q Can you --

2 A (Gilbertson) They have gone down a little bit,
3 both the CNG and the propane. The net effect on
4 the rate was a penny.

5 Q Oh, interesting. Okay. Thank you. And, also,
6 referring to Schedule -- Schedule I and J, Bates
7 Page -- Bates Pages 030 and 031, the proposed
8 rates are weather-normalized, is that correct?

9 A (Gilbertson) Yes.

10 Q And how does the Company do that?

11 A (Gilbertson) So, the Company looks at the total
12 amount of the volume, and it parses out a base
13 load, which would be the lowest amount of gas
14 that would flow through the system, typically, in
15 July or August. And, then, it parses out what's
16 called the "heat load". And, then, the Company
17 looks at what the actual weather was, and divides
18 the actual weather by the volume for the heat
19 load. And, then, the Company creates something
20 called a "slope". So, for every uptick or
21 decrease in the weather, you would apply that
22 slope to the volumes, and then add in the base
23 load, to come up with a weather-normalized
24 volume. I know it's complicated.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q So, and I believe also this was in our Data
2 Request 1-8, how do you determine what the
3 weather was?

4 A (Gilbertson) So, the weather is taken straight
5 from the Keene location. They have their own
6 device there. And the normal weather is based on
7 weather from the past 30 years.

8 Q From the past -- an average of the past 30 years?

9 A (Gilbertson) Yes. Yes.

10 Q I think this is just about it. I think I have
11 one more final question, subject to the others
12 that are joined with me at the table.

13 And I believe, Mr. Garcia, you
14 addressed this at the prior hearing. Is the
15 Company agreeable to submitting the FPO letters
16 to the Department of Energy's Director of
17 Consumer Services, when they make this in the
18 next Keene winter filing?

19 A (Garcia) Yes. I'm trying to make sure I -- thank
20 you. Yes. I'm trying to remember, there were
21 distinctions drawn. We would be happy to provide
22 it to the Director. I think, in the other case,
23 it was to provide it in our filing. But either
24 is fine.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 BY MS. LYNCH:

2 Q Okay. Thank you.

3 A (Garcia) Either is fine.

4 *[Atty. Lynch and Atty. Dexter*
5 *conferring.]*

6 BY MS. LYNCH:

7 Q Ms. Gilbertson, just going back, when I asked you
8 about the Mont Belvieu, when you looked to see
9 the more recent rates for the Mont Belvieu, I
10 believe you mentioned that "it would only make a
11 penny difference"?

12 A (Gilbertson) Correct.

13 Q Can you be more specific? Is that on the price
14 of propane or on the proposed rate?

15 A (Gilbertson) The proposed rate. So, I just
16 updated all the pricing, and then looked at what
17 the rate was before I updated it, and what the
18 rate looked like after I updated it. And it was
19 like a penny difference.

20 MS. LYNCH: Okay. Thank you. One
21 moment please.

22 *[Atty. Lynch, Dir. Arif, and Atty.*
23 *Dexter conferring.]*

24 BY MS. LYNCH:

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q All right. I'm not sure who would best answer
2 this. But, turning to Exhibit 3, which is the
3 Department of Energy's statement in this docket,
4 specifically, we're looking at Bates Page 002,
5 second full paragraph after -- well, second
6 bulleted full paragraph after "Therm Sales
7 Projection". In that statement, it says "Of the
8 projected total therm sales, base load accounts
9 for 282,558 therms (24 percent of total therms),
10 heating load accounts for 835,373 therms (or 71
11 percent), and load due to weather-normalization
12 (the "normalization load") accounts for 58,005
13 (or 5 percent)."

14 Would the Company agree with that
15 statement? And, please, take your time and --

16 A (Gilbertson) I'm sorry, where did you find that?

17 Q Oh, sure. Exhibit 3, which is the Department of
18 Energy's statement that was filed in this case,
19 Bates Page 002.

20 A (Gilbertson) Okay.

21 Q There it says "Therm Sales Projection", and then
22 there's a second bullet that begins "Of the
23 projected total therm sales". The Department
24 wants to know whether the Company agrees with the

[WITNESS PANEL: Gilbertson|King|Garcia]

1 sentence I just read?

2 A (Gilbertson) Therm sales, I have to do my math.

3 [Short pause]

4 **BY THE WITNESS:**

5 A (Gilbertson) Yes.

6 MS. LYNCH: Thank you. The Department
7 has no further questions. Thank you.

8 CHAIRMAN GOLDNER: Thank you. We'll
9 move to the Office of the Consumer Advocate, and
10 Attorney Crouse.

11 MR. CROUSE: Thank you. I just have
12 two questions, and any of the witnesses may feel
13 free to respond. It's not directed at anyone
14 individually.

15 BY MR. CROUSE:

16 Q But, following up on Attorney Lynch's
17 questioning, the witnesses were discussing the
18 trigger filings, but there seemed to be a
19 standard that determined whether or not one would
20 take place.

21 Could you articulate further on when a
22 trigger filing might happen in a particular
23 month?

24 A (King) Yes, I mean, I don't think there's a

[WITNESS PANEL: Gilbertson|King|Garcia]

1 specific Company standard written out that will
2 necessitate a trigger filing. There just might
3 be instances where, you know, calculating it
4 might not have changed the rate either
5 significantly or is not of a material, so we
6 might propose to keep the already effective rate.

7 But my experience, you know, working in
8 the past year with the trigger filings, that I
9 think that's only occurred once where we haven't
10 provided a trigger filing. And I can't remember
11 the exact reason why we didn't file.

12 But it's likely that each month we'll
13 have a trigger filing to keep the rate in step
14 with the costs.

15 Q Thank you for that explanation. And, then, just
16 generally speaking, in the direct testimony, you
17 all explain why there was a decrease in the rates
18 taking place, attributing generally to a decrease
19 in supply costs, based on the decreasing market
20 futures, and the over-collection balance.

21 Is there any other reasons or something
22 that you might explain why the decrease in market
23 futures was so impactful?

24 A (Gilbertson) The market went down quite a bit --

[WITNESS PANEL: Gilbertson|King|Garcia]

1 Q Yes.

2 A (Gilbertson) -- from last year. It is a
3 significant decrease over last year. And, last
4 year, we were in unprecedented territory, with
5 the war in Ukraine, and we were below average in
6 our domestic storage inventories. And, this
7 year, it's much lower. We had a warmer winter.
8 The market fell quite a bit. We are above normal
9 in our five-year projection of the domestic
10 storage supply. And, tomorrow, it could be
11 different.

12 But, for right now, it looks like
13 everything is kind of falling back into place.

14 MR. CROUSE: Thank you for answering
15 that rather basic question. We just have
16 ratepayers who are always interested in many
17 insights that can be shared.

18 That concludes all the questions that
19 I have. Thank you.

20 CHAIRMAN GOLDNER: Thank you. And
21 we'll move now to Commissioner questions,
22 beginning with Commissioner Simpson.

23 CMSR. SIMPSON: Thank you. I think
24 just one for Ms. Gilbertson.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 BY CMSR. SIMPSON:

2 Q Last year, we talked about the Propane Purchasing
3 Stabilization Plan.

4 A (Gilbertson) Yes.

5 Q And your testimony describes that, correct?

6 A (Gilbertson) Yes.

7 Q From last year, did you change anything with the
8 Plan? Was there anything that you thought about
9 changing to hedge against price volatility?

10 I know that it sometimes fluctuates
11 whether propane is the more costly fuel versus
12 CNG. So, is there something that you thought
13 about changing?

14 A (Gilbertson) We like to be about 60 to 65 percent
15 hedged. If it's too -- anything you hedge is a
16 must-take. Therefore, you don't want to be
17 over-hedged.

18 So, we did not change the Propane
19 Stabilization Plan. It is -- it's just propane.

20 Q Uh-huh.

21 A (Gilbertson) We've stuck with the same volumes.
22 We get the same amount of volumes out of the
23 Amherst tank as well.

24 And, with zero growth, there's

[WITNESS PANEL: Gilbertson|King|Garcia]

1 really -- we've just stuck with how we've been
2 doing it. And it seems to work well.

3 CMSR. SIMPSON: Okay. All right.

4 Thank you. That's all I have.

5 CHAIRMAN GOLDNER: Okay. We'll move to
6 Commissioner Chattopadhyay.

7 CMSR. CHATTOPADHYAY: Thank you for
8 keeping the filings better than the other one.
9 So, makes it easier for me.

10 BY CMSR. CHATTOPADHYAY:

11 Q Can we go to Exhibit 1, Bates Page 039? And let
12 me know when you're there.

13 A (King) Yes. Go ahead.

14 Q So, these are the allowed recoverable costs based
15 on the incremental costs, right? And these are
16 actual for November 2022 through actual April
17 2023?

18 A (King) Yes. So, this was the last winter
19 experience for the CNG incremental cost
20 difference.

21 Q Just like you've done this time, you've sort of
22 projected what the things would be, and that
23 shows up, I think, in Bates Page 037, correct, or
24 is it 038?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 A (King) Is that Schedule N?

2 Q Yes.

3 A (King) Yes.

4 Q Okay. So, you had a similar thing in the
5 previous filing. So, for the same months, actual
6 November -- sorry, not "actual" -- November 2022
7 through April 2023, in the previous filing, you
8 had projected those, correct? So, for example,
9 if I look at Schedule N for the Winter 2022-23
10 COG filing, the allowed recoverable costs there
11 was "31,322".

12 A (King) Uh-huh.

13 Q That's what you had projected?

14 A (King) Yes.

15 Q And, now -- and the allowed you have "minus
16 5,487".

17 Can you give me a sense of how you
18 reconcile, like what you had projected and what
19 turns out? How do they -- because this, I'm
20 assuming, the allowed recoverable costs do go
21 into the rates. Can you tell me how you ensure
22 that what you actually got, what you had
23 projected, they are reconciled properly?

24 A (King) Yes. At the end of the winter period,

[WITNESS PANEL: Gilbertson|King|Garcia]

1 we'll take the actuals that -- so, with the
2 projections, so, if we're looking at Schedule N,
3 that includes all of the projected therm -- or,
4 projected CNG, or CNG and propane volumes that
5 we're expected to buy -- I'm just trying to think
6 about it.

7 So, each month this projection will be
8 updated with actuals from the new pricing from
9 each month. So, we might -- so, as of right now,
10 the total for the end of the winter period we
11 have as the \$3,110, that might change each month,
12 and it will be factored into the over/under
13 balance at that time. And, then, at the end of
14 the winter period, we'll look and say "So, for
15 last winter period, it was a \$5,000 credit." So,
16 that was booked after the winter period was
17 finalized, and added to the -- added or
18 subtracted from the over/under balance.

19 Q But you were describing going from -- sort of
20 describing what would happen in the future. But
21 you went through a similar exercise when you went
22 from 2022-23 to this one, right?

23 A (King) Uh-huh.

24 Q Okay.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 A (King) I might just -- Schedule P was last year's
2 experience. Schedule N is the projected
3 experience we'll have this winter. And that
4 number will change throughout the year.

5 Q So, as you understood, what I'm trying to get at
6 is you had Schedule N last time?

7 A (King) Uh-huh.

8 Q Which sort of becomes Schedule P?

9 A (King) Yes.

10 Q And that process, that that reconciliation is
11 done properly, I'm just trying to make sure
12 that's what's done?

13 A (King) Yes. And the reason we include
14 Schedule P, is to include in Schedule O, which is
15 kind of the running balance of what needs to be
16 collected or what can be collected, as described
17 in our Settlement Agreement.

18 Q Okay. Keene also has FPO?

19 A (King) That's correct.

20 Q The letters have gone out?

21 A (King) The letters have gone out.

22 Q Okay. Do you know what -- what is the interest
23 in FPO right now? Like, do you have a sense of
24 how many people have responded?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 A (Garcia) No. We do not -- I don't have that data
2 available, sorry.

3 Q How about last year?

4 A (Garcia) I thought it was 13 percent. I'm trying
5 to remember in which case it was.

6 A (King) Yes. I believe we filed a data response
7 with the figures from last year. Don't have it
8 off the top.

9 A (Garcia) Yes. I thought I mentioned it in the
10 testimony.

11 Q As you look for it, do you -- just a follow-up.

12 A (Garcia) Oh, I'm sorry, Commissioner, just to
13 interrupt. But we do have in our testimony a
14 statistic, the five-year running average is about
15 13.04 percent FPO participation.

16 Q Because I was sort of going there. Do you see a
17 pretty steady percentage or does it fluctuate?

18 A (Garcia) I have not seen the underlying data, --

19 Q You haven't. Okay.

20 A (Garcia) -- to know if it's going up or if it's
21 going down, or how the average is sitting with
22 that trend.

23 Q Okay. So, with the letters that went out, when
24 would you know? What timeline have you put in

[WITNESS PANEL: Gilbertson|King|Garcia]

1 place for customers to -- sorry -- for ratepayers
2 to respond and say "we want that"?

3 A (Garcia) Yes. Okay. Sorry, I was just
4 confirming my reconciliation. The enrollment, I
5 believe, is due before the November billing
6 period. So, by end of October, that we expect a
7 response for them to participate.

8 Q And this is very similar to what you have for
9 EnergyNorth as well?

10 A (Garcia) It's the exact same issue --

11 Q It's the exact same, okay.

12 A (Garcia) -- that we talked about previously.

13 Q Okay.

14 A (Garcia) With the timing.

15 CMSR. CHATTOPADHYAY: Thank you.

16 That's all I have.

17 CHAIRMAN GOLDNER: I have no further
18 questions.

19 What we'll do at this time is just take
20 a quick ten-minute break, so the Commissioners
21 can confer to see if there's anything else before
22 we release the witnesses.

23 Let me ask also, Attorney Lynch, if you
24 intend on putting Dr. Arif on the stand today?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 MS. LYNCH: We do not.

2 CHAIRMAN GOLDNER: Okay. Thank you.

3 We'll return at 1:10. Off the record.

4 *(Recess taken at 1:00 p.m., and the*
5 *hearing resumed at 1:10 p.m.)*

6 CHAIRMAN GOLDNER: Okay. We'll go back
7 on the record.

8 Commissioner Chattopadhyay just has a
9 quick follow-up, and then we'll move to redirect.

10 CMSR. CHATTOPADHYAY: Just give me a
11 second.

12 BY CMSR. CHATTOPADHYAY:

13 Q So, going back to the point about the recoverable
14 costs, you know, associated with the incremental
15 costs, you described how -- let me put it in my
16 words, Schedule N is reconciled to Schedule P.

17 And, so, can you provide us support of
18 how it is done? And, you know, I'm not sure I've
19 seen in the filing an easy way to sort of make
20 sure that that's what's going on. That you go
21 from, for example, in the last cost of gas
22 filing, it was roughly 30,000 plus, now it's
23 "minus \$5,487". Where is that taken care of?
24 Can you provide us some support for it?

[WITNESS PANEL: Gilbertson|King|Garcia]

1 If you want to go back and do it,
2 that's fine, too.

3 A (King) Yes, I think, looking back historically --
4 I think, looking back historically, I would need
5 to take a look at the other filings and what the
6 amounts were. I mean, I'm certainly aware, you
7 know, Schedule O does have a, you know, a brief
8 historical timeline of it. But that's just the
9 final amounts, and not where we started and where
10 we ended.

11 CMSR. CHATTOPADHYAY: Okay. So, that
12 would be a record request. Should I state it?

13 CHAIRMAN GOLDNER: I'll give you --

14 CMSR. CHATTOPADHYAY: Or, we can put it
15 in writing.

16 CHAIRMAN GOLDNER: I'll put it in
17 the -- in a moment, once I release the witnesses,
18 then we'll repeat it back.

19 CMSR. CHATTOPADHYAY: Okay. That's all
20 I have.

21 CHAIRMAN GOLDNER: All right. Let's
22 move to redirect, and Attorney Sheehan?

23 MR. SHEEHAN: I have no questions.

24 Thank you.

[WITNESS PANEL: Gilbertson|King|Garcia]

1 CHAIRMAN GOLDNER: Okay. Thank you.

2 Okay. The witnesses are released. I'd
3 suggest you just stay there, because the
4 Department doesn't have any witnesses today. So,
5 we can minimize movement. But the witnesses are
6 released.

7 So, next, without objection, I'll admit
8 Exhibits 1 through 5. Exhibit 6, Attorney
9 Sheehan, would Monday be enough time to file
10 Exhibit 6?

11 MR. SHEEHAN: Yes. And, because it
12 will have redactions, we'll be filing 6 and 7,
13 for both redacted and confidential.

14 CHAIRMAN GOLDNER: Okay. So, we'll
15 reserve 6 and 7, thank you for that, for the
16 audit.

17 *(Exhibit 6 and Exhibit 7 reserved)*

18 CHAIRMAN GOLDNER: And, then, so,
19 we'll -- Commissioner Chattopadhyay, we'll make
20 your request "Exhibit 8".

21 *(Exhibit 8 reserved for record*
22 *request.)*

23 CHAIRMAN GOLDNER: And if you could
24 read into the record what you would like the

1 Company to do?

2 CMSR. CHATTOPADHYAY: Sure. So, the
3 record request would be "Please reconcile the
4 Schedule N from Winter 2022-23 cost Of Gas filing
5 with Schedule P of the Winter 2023-24 COG filing,
6 to demonstrate how the projected allowed
7 recoverable costs from the previous COG year gets
8 properly reconciled to allow you to come with the
9 two to determine the allowed recoverable costs in
10 this 2023-24 COG filing."

11 CHAIRMAN GOLDNER: Thank you. Attorney
12 Sheehan, is that --

13 MR. SHEEHAN: I'll turn it in.

14 CHAIRMAN GOLDNER: Okay.

15 MR. SHEEHAN: You folks have --

16 CHAIRMAN GOLDNER: Is the Company clear
17 on the request?

18 WITNESS KING: Yes.

19 CHAIRMAN GOLDNER: Okay. Thank you.
20 Okay. That will be "Exhibit 8".

21 And, now, we'll move to closing
22 statements, beginning with the Department of
23 Energy.

24 And one thing I'd like to hear your

1 input on, Attorney Lynch, and if you need to
2 confer, that's fine, but if you have any comments
3 on the FPO option in this docket, given the
4 lengthy discussion in the prior docket, if the
5 Department has a position on the FPO option in
6 this docket.

7 MS. LYNCH: The Department,
8 respectfully, doesn't want to take a decision at
9 this time. We will discuss internally,
10 especially we would need to include our Director
11 of Consumer Services.

12 CHAIRMAN GOLDNER: Okay. Very good.
13 Let me ask if -- in the other docket, I believe
14 the responses to the Company's filing were due
15 the 26th. Would the Company be -- would the
16 Department be amenable to filing something,
17 relative to the FPO in both dockets, by the 26th?
18 Would that -- would that be acceptable?

19 MS. LYNCH: That will be fine.

20 CHAIRMAN GOLDNER: Thank you.

21 MS. LYNCH: Thank you.

22 CHAIRMAN GOLDNER: Okay. Thank you.

23 It would be helpful to have the Department's --

24 MS. LYNCH: And just to confirm, to

1 check my notes, just to confirm our position on
2 whether the FPO should be removed or whether
3 there should be a subsequent letter?

4 But, just to confirm, though, for this
5 case, though, there was no -- my understanding is
6 there's no change to the FPO.

7 CHAIRMAN GOLDNER: That's my
8 understanding as well. It's just for
9 consistency. You know, you have -- Liberty is
10 two companies. And, if the Department has any
11 thoughts on -- if it wants to treat the Company
12 consistently across both dockets.

13 I suppose there's always a third
14 option, which is to do nothing. But I think you
15 articulated the other two options correctly,
16 Attorney Lynch.

17 MS. LYNCH: Okay. Thank you.

18 CHAIRMAN GOLDNER: Thank you. All
19 right.

20 So, let's complete the closing
21 statement from the Department. And, then, I'll
22 move to the OCA next. And, if the OCA, just to
23 prepare your mind, could comment on the FPO at
24 the same time as your close please.

1 So, Attorney Lynch, if you could
2 proceed with closing.

3 MS. LYNCH: Sure.

4 Thank you to the witnesses for being
5 here and answering our questions. The Department
6 supports the filing in this docket.

7 The Department issued one set of data
8 requests, and a supplemental data request, that
9 the Company responded to. The Department and the
10 Company engaged in a technical session.

11 And, based upon all of these things,
12 and review of the filing -- and review of the
13 pleadings and the filing, we support the
14 requested rate.

15 CHAIRMAN GOLDNER: Thank you, Attorney
16 Lynch. And we'll move to the Office of the
17 Consumer Advocate, and Attorney Crouse.

18 MR. CROUSE: Thank you.

19 The Office of the Consumer Advocate
20 does recommend Commission review and approval for
21 Liberty's request. We don't oppose the request
22 at all.

23 In regards to the FPO, I'm,
24 unfortunately, rather ignorant of the

1 conversation that happened this morning. The
2 Consumer Advocate and I passed each other in the
3 hallway as I entered in here, and had not had a
4 chance to deliberate.

5 May I request some time to speak with
6 him, so I can give you an informed answer?

7 CHAIRMAN GOLDNER: Yes, sir. And even,
8 just to sort of mirror the Department's plan,
9 maybe the Consumer Advocate, the Office, could
10 file something by the 26th, in both dockets, with
11 the Consumer Advocate's recommendation with
12 respect to the FPO?

13 MR. CROUSE: I think that sounds very
14 reasonable.

15 And Michael Sheehan gave me some brief
16 insight as to what happened earlier today. I
17 just didn't have enough information to act on it
18 with regards to the Consumer Advocate.

19 CHAIRMAN GOLDNER: Okay. Excellent.
20 Yes, I think the 26th would be just fine for
21 that. Thank you, Attorney Crouse.

22 And, finally, we'll turn to the closing
23 statement from Liberty.

24 MR. SHEEHAN: Thank you.

1 Regarding FPO, our position as to
2 whether FPO should live or die hasn't changed.
3 You know, we have customers that participate. I
4 don't have authority to really take a position.
5 I know, in the past, we support it because we
6 have a number of customers, acknowledging the
7 issues that Mr. Kreis.

8 In this particular case, I don't think
9 there's any need to send another letter. Keene
10 customers, although part of EnergyNorth, are
11 separate enough that the fact that the rest of
12 our customers may get another chance, there's no
13 need for the Keene customers to get that.

14 I've been scanning old orders on the
15 question of participation rates. And I found one
16 that said "127 out of 1,100 customers
17 participated", and I think that was '17. So,
18 it's the same, 10 percent-ish.

19 And I actually just found an order
20 from -- looks like 2016, that says the
21 participation rate has varied from '18 to
22 40 percent."

23 So, maybe it's slightly down over the
24 decade, but still a steady better-than-10 percent

1 are participating.

2 So, as to the merits, we appreciate the
3 support of the DOE and OCA to our request. And
4 we ask that the Commission approve the rates as
5 proposed.

6 Thank you.

7 CHAIRMAN GOLDNER: Okay. Thank you.
8 I'll ask if there's anything else that we need to
9 cover today?

10 MR. CROUSE: Just one brief
11 clarification question.

12 I am to deliberate with Consumer
13 Advocate on whether Liberty should be treated
14 consistently in both dockets that happens,
15 whether or not the FPO Program should be
16 continued?

17 CHAIRMAN GOLDNER: Yes. Thank you.
18 And any position that the Consumer Advocate has
19 relative to the FPO, but specifically that issue,
20 yes.

21 MR. CROUSE: Thank you.

22 CHAIRMAN GOLDNER: Yes. Thank you.
23 Thank you.

24 It is hard to keep straight "Kreis" and

1 "Crouse". So, if I mess it up, it's not
2 intentional. So, thank you.

3 Okay. Anything else that we need to
4 cover today?

5 *[No verbal response.]*

6 CHAIRMAN GOLDNER: All right. Thank
7 you, everyone. We'll take the matter under
8 advisement. We are adjourned.

9 ***(Whereupon the hearing was adjourned***
10 ***at 1:19 p.m.)***

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