

**STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

Docket No. DG 24-098
Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
2025-2026 Local Distribution Adjustment Charge Filing

Technical Statement of Ashraful Alam, Utility Analyst &
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The New Hampshire Department of Energy (“DOE” or the “Department”) submits this technical statement consistent with the Public Utilities Commission (“Commission”) Procedural Order dated November 25, 2024. The purpose of this statement is to provide the Commission with DOE’s position relative to the finalization of the Company’s proposed Local Distribution Adjustment Charge (“LDAC”) rates in advance of the January 16, 2025, scheduled hearing. See id.

Based upon its review and analysis, the DOE recommends the Commission approve Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty’s (“Liberty” or “the Company”) proposed 2025-2026 LDAC rates. This technical statement addresses the following areas:

- I. Background;
- II. Filing Facts and DOE Observations;
- III. Revenue Decoupling Adjustment Factor (RDAF);
- IV. Other LDAC Components;
- V. Customer Bill Impact; and
- VI. DOE Recommendation.

I. Background

The initial LDAC filing by Liberty into this docket was made on August 20, 2024. The Company made an updated LDAC filing on November 20, 2024. The Department issued Data Requests (DRs) on September 13, 2024, October 30, 2024, and December 5, 2024. The responses to the DRs were received on September 24, 2024, November 5, 2024, and December 13, 2024.¹ Additionally, there were two technical sessions held in which the Department, the Office of Consumer Advocate (“OCA”), and the Company participated. The technical sessions were held on October 14, 2024 and November 15, 2024. There is another technical session planned for January 6, 2025.

¹ See Attachment 1 (Company’s responses to the Department’s data requests)

II. Filing Facts and DOE Observations

The November 20, 2024, updated LDAC filing contains the proposed LDAC rates of \$0.1692 for residential customers and \$0.0857 for commercial and industrial customers. The LDAC rates proposed in the initial August 20, 2024, filing were \$0.1630 for residential customers and \$0.0781 for commercial and industrial customers. The current LDAC rates are \$0.1986 for residential customers and \$0.0874 for commercial and industrial customers.

According to the Company, the differences between the LDAC rates proposed in the initial filing and the updated filing are related to “(1) updated interest rates; (2) the replacement of three months of forecasted data with actual data; (3) the inclusion of the Energy Efficiency charge that will be effective January 1, 2025 through December 31, 2025; and (4) a few small corrections that were found by the Company since the first filing.”² The Company mentioned that the “few small corrections” are related to the removal of an invoice of \$1,101.34 from Schedule 3.2, p. 7 and the inclusion of Keene collections on Rate Case Expense on Updated Schedule 6, p. 2 (\$5,683.12).³

III. Revenue Decoupling Adjustment Factor (RDAF)

RDAF is one of the components of Liberty’s current LDAC filing in this docket. Liberty’s- total RDAF request for Decoupling Year (DY) 6, spanning September 1, 2023, to August 31, 2024, is \$7,306,518 (which includes uncollected revenue from Decoupling Year 2022-2023 of \$2,160,016); of which \$5,064,475 is for residential customers and \$2,242,043 is for commercial and industrial customers. The DY 6 total RDAF request results in a \$0.0786 per therm charge for residential customers and a \$0.0197 per therm charge for commercial and industrial customers based upon the Company’s forecasted throughput/therm sales of 178,316,911 therms.⁴ The proposed RDAF rate for residential customers of \$0.0786 is a \$0.0266 decrease (-25.29%) from the current approved RDAF rate of \$0.1052. The proposed RDAF rate for commercial and industrial customers of \$0.0197 is a \$0.0023 increase (13.22%) from the current approved RDAF rate of \$0.0174.

While the Department has general concerns with the overall RDAF revenue per customer mechanism, the Company has calculated and applied the formula correctly.

IV. Other LDAC Components

The current and proposed LDAC (for effect February 1, 2025 with the exception of Energy Efficiency, as noted) component rates are as follows:

² Updated Direct Testimony of Robert Garcia and Alyssa E. Maston, Bates p. 005. lines 8 -14.

³ Updated Direct Testimony of Robert Garcia and Alyssa E. Maston, Bates p. 006, lines 4 - 12.

⁴ Updated Direct Testimony of Robert Garcia and Alyssa E. Maston, Bates pp. 008 - 009.

LDAC Components	Current (per therm)	Proposed (per therm)	Current vs. Proposed Difference	% Change
Energy Efficiency	\$0.0700	\$0.0735 ⁵	\$0.0035	5%
<i>Gas Holder (A)</i>	\$0.00056	\$0.0006	\$0.00004	7.14%
<i>MGP (B)</i>	(\$0.00003)	\$0.0025	\$0.00253	8433.33%
Environment Total (A+B)	\$0.00053	\$0.0031	\$0.00257	484.91%
PTAM	\$0.0119	\$0.0090	(\$0.0029)	(24.37%)
RCE	(\$0.0037)	(\$0.0011)	\$0.0026	-70.27%
GAP	\$0.0147	\$0.0061	(\$0.0086)	(58.5%)
Total LDAC (without RDAF)	\$0.0934	\$0.0906	(\$0.0028)	(3.03%)
Total LDAC (with RDAF)	\$0.1986	\$0.1692	(\$0.0294)	(14.80%)

As provided in Table 1, the Department observes that for residential customers there is an increase in LDAC rates for the following components: Energy Efficiency, Environmental Surcharge, and Rate Case Expense (RCE). In addition, the Department observes that there is a decrease for residential customers for the Property Tax Adjustment Mechanism (PTAM) and Gas Assistance Program (GAP). Lastly, as a whole and without including RDAF, the Department observes that the proposed LDAC rate is lower than the current LDAC rate without including RDAF.

LDAC Components	Current (per therm)	Proposed (per therm)	Current vs. Proposed Difference	% Change
Energy Efficiency	\$0.0466	\$0.0489 ⁶	\$0.0023	4.94%
<i>Gas Holder (A)</i>	\$0.00056	\$0.0006	\$0.00004	7.14%
<i>MGP (B)</i>	(\$0.00003)	\$0.0025	\$0.00253	8433.33%
Environment Total (A+B)	\$0.00053	\$0.0031	\$0.00257	484.91%
PTAM	\$0.0119	\$0.0090	(\$0.0029)	(24.37%)
RCE	(\$0.0037)	(\$0.0011)	\$0.0026	-70.27%
GAP	\$0.0147	\$0.0061	(\$0.0086)	(58.5%)
Total LDAC (without RDAF)	\$0.0700	\$0.0660	(\$0.0040)	(5.75%)
Total LDAC (with RDAF)	\$0.0874	\$0.0857	(\$0.0017)	(1.94%)

⁵ Approved by *Nisi* Order 27,087 on December 12, 2024, in DE 24-113 and set to be effective on January 1, 2025.

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The Department observes that when adding RDAF into the total LDAC ask, the impact is a lower LDAC ask from current approved LDAC rates. While lower LDAC rates as compared to the previous year are beneficial to ratepayers as it relates to their energy bill, the Department notes that these values are all based on forecasted throughput. While per therm rates are always based on predicted throughput, fluctuations in throughput have increased recently leading, in part, to rather large RDAF requests. While this is a topic for future dockets, it is important to take note of what may be an emerging trend.

V. Customer Bill Impact

Table 3 and Table 4 represent the bill impact of the proposed LDAC rate on the typical customer for each indicated sector without the RDAF component (Table 3) and with the RDAF component (Table 4). All indicators are taken from the Company’s reported bill impact analysis in Schedule 8.

Table 3: Typical Customer Bill Impact (without RDAF)			
Sector	LDAC Amount Feb 2024-Jan 2025	LDAC Amount Feb 2025- Jan 2026	% Change
R-3 – Residential	\$71.19	\$69.06	(2.99%)
G-41 – C&I – LLF (High Winter Use)	\$173.23	\$163.36	(5.71%)
G-42 – C&I – LLF (High Winter Use)	\$1,626.32	\$1,533.63	(5.71%)
G-52 – C&I – HLF (Low Winter Use)	\$1,426.06	\$1,344.78	(5.71%)

As provided in Table 3, the Department observes that the bill impact due to LDAC (without RDAF) is negative, meaning that the LDAC portion of the customer bills is decreasing for both residential and C&I customers.

Table 4: Typical Customer Bill Impact (with RDAF)			
Sector	LDAC Amount Feb 2024-Jan 2025	LDAC Amount Feb 2025 - Jan 2026	% Change
R-3 – Residential	\$151.38	\$128.98	(14.8%)
G-41 – C&I – LLF (High Winter Use)	\$216.29	\$212.13	(1.9%)
G-42 – C&I – LLF (High Winter Use)	\$2,030.64	\$1,991.39	(1.9%)
G-52 – C&I – HLF (Low Winter Use)	\$1,780.59	\$1,746.18	(1.9%)

As provided in Table 4, the Department observes that the bill impact due to LDAC (with RDAF) is negative, meaning that the LDAC portion (including RDAF) of customer bills is decreasing for both residential and C&I. The Department notes that the biggest impact on customers is RDAF rates especially for residential customers. This underscores the significance of RDAF on LDAC rates.

VI. DOE Recommendation

Based on the overall review, the Department supports the Company's proposed LDAC rates as just, reasonable, and in the public interest. As such, the Department recommends that the Commission approve the Company's proposed LDAC rates for effect February 1, 2025.