

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 23-076

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

Winter 2023-2024 and Summer 2024 Cost of Gas and LDAC Filing

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARINGS

On August 21, 2023, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty) petitioned to open this docket for review and approval of its 2023–2024 Local Distribution Adjustment Charge (LDAC) and 2023–2024 and Summer 2024 Cost of Gas (COG) filings. Liberty submitted its initial LDAC filing on August 21, 2023, and indicated that it would submit an updated filing on September 22, 2023 for rates effective February 1, 2024. Liberty submitted its COG filing on September 1, 2023. Liberty also submitted a proposed procedural schedule for both filings in this docket within the cover letter of its August 21, 2023 petition. All docket filings, other than any information subject to confidential treatment, are available on the Commission’s website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-076.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

a. Local Distribution Adjustment Charge

On August 21, 2023, Liberty submitted its initial LDAC filing, which it represents has all the required information on the costs and revenues for the various components of the LDAC for each component’s recovery period. However, in its cover letter, Liberty explained that it has not yet calculated the reconciliations for those components for a February 1, 2024 effective date. Liberty stated that it would submit

an updated filing on September 22, 2023 to calculate the reconciliations for a February 1, 2024 effective date.

The purpose of the LDAC is to adjust, on an annual basis, Liberty's delivery charges to recover Conservation Charges, the Revenue Decoupling Adjustment Factor, the Property Tax Adjustment Mechanism, Environmental Surcharges, rate case expenses and recoupment, and Gas Assistance Programs costs. See Direct Testimony of Tyler J. Culbertson and Adam R.M. Yusuf (August 21, 2023) at Bates page 5. All Liberty customers, including those in the Keene Division, are billed the LDAC charge. *Id.* at Bates page 6.

b. Cost of Gas

For the Winter 2023/2024 period, with rates effective November 1, 2023, Liberty proposes a firm sales COG rate of \$0.6175 per therm for residential customers, \$0.6173 per therm for commercial/ industrial high winter use customers, and \$0.6185 per therm for commercial/industrial low winter use customers. See Direct Testimony of Tyler J. Culbertson and James M. King (September 1, 2023) at Bates page 5. Table 1 reflects the changes between the Winter 2022/2023 COG rates and the proposed rates for Winter 2023/2024:

Table 1				
	Average COG Rate Winter 2022/2023	Proposed Rate	Change Increase/(Decrease)	% Change Increase/(Decrease)
Residential - R3	\$0.8505	\$0.6175	\$(0.2330)	(27)%
C & I - G41	\$0.8610	\$0.6173	\$(0.2437)	(28)%
C & I - G42	\$0.8537	\$0.6173	\$(0.2364)	(28)%
C & I - G52	\$0.8273	\$0.6185	\$(0.2088)	(25)%

Id. at Bates page 10.

For the Summer 2024 period, with rates effective May 1, 2024, Liberty proposes a firm sales cost of gas rate of \$0.6267 per therm for residential customers, \$0.6261 per therm for commercial/industrial high winter use customers, and \$0.6273 per therm for commercial/industrial low winter use customers. *Id.* at 11. Table 2 reflects the changes between the Summer 2023 COG rates and the proposed rates for Summer 2024:

	Rates Effective May 1, 2023	Proposed Rate	Change Increase/(Decrease)	% Change Increase/(Decrease)
Residential – R3	\$1.2836	\$0.6267	\$(0.6576)	(51)%
C & I – G41	\$1.2839	\$0.6261	\$(0.6578)	(51)%
C & I – G42	\$1.2839	\$0.6261	\$(0.6578)	(51)%
C & I – G52	\$1.2833	\$0.6273	\$(0.6560)	(51)%

Id. at Bates page 16.

Table 3 demonstrates the impacts Liberty’s proposed rates will have on customers’ bills:

	Winter 2023/2024 Bill Impact Increase/(Decrease)	Summer 2024 Bill Impact Increase/(Decrease)	Annual Bill Impact Increase/(Decrease)
Residential – R3	\$(142) or (13)%	\$(46) or (13)%	\$(188) or (13)%
Residential – R3 FPO	\$(512) or (34)%	N/A	\$(512) or (34)%
Residential – R4 GAP	\$(294) or (33)%	N/A	\$(294) or (33)%
C & I – G41	\$(500) or (16)%	\$(149) or (16)%	\$(649) or (16)%
C & I – G42	\$(4,773) or (18)%	\$(1,267) or (17)%	\$(6,006) or (18)%
C & I – G52	\$(2,867) or (18)%	\$(3,316) or (28)%	\$(6,183) or (22)%

Id. at Bates page 12; *see also* Liberty September 1, 2023 COG Filing, Schedule 8.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty's proposed rates are just and reasonable pursuant to RSA 374:2 and RSA chapter 378; and whether Liberty has correctly forecasted and factored the following elements into its LDAC and COG rates: sales, supplier prices, and transportation prices; weather normalization; operational issues; the calculation of indirect gas costs; purchasing decisions related to current and past supplies; capacity and revenue projections related to transportation service and released capacity; the reconciliation of prior period costs and revenues; and the prudence and recovery of environmental remediation. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374:2 and RSA chapter 378, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission APPROVES Liberty's proposed procedural schedule for the resolution of both its LDAC and COG filings, which is contained in its August 21, 2023 cover letter. The parties shall inform the Commission of the necessity of a status conference on LDAC issues at the COG hearing; and it is

FURTHER ORDERED, that the Commission will hold a hearing on Liberty's Cost of Gas filing on October 19, 2023 at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire at 9:00 a.m., two hours shall be allotted; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy shall file its position regarding Liberty's COG proposal, including the reasons for this position, on or before October 12, 2023; and it is

FURTHER ORDERED, that the Commission will hold a hearing on Liberty's Local Distribution Adjustment Charge Filing on January 17, 2024 at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, from 9:00 a.m., one day shall be allotted for this hearing; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Liberty and any other parties on the service list, on or before October 3, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before October 6, 2023; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

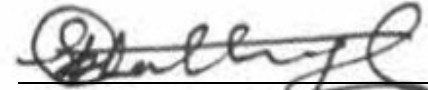
FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before October 5, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

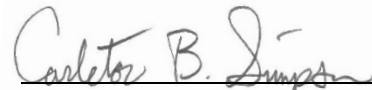
So ordered, this nineteenth day of September, 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket#: 23-076

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