

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

**DG 12-265**

**ENERGY NORTH NATURAL GAS, INC. d/b/a LIBERTY UTILITIES**

**2012 Winter Period Cost of Gas Adjustment**

**ORDER OF NOTICE**

On August 31, 2012, EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities (Liberty), a public utility engaged in the business of distributing natural gas in 28 cities and towns in southern and central New Hampshire and the city of Berlin in northern New Hampshire, filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2012 through April 30, 2013, and local delivery adjustment clause (LDAC) charges and certain supplier charges for the period November 1, 2012 through October 31, 2013.

The proposed residential COG rate is \$0.6719 per therm (FPO rate \$0.6919 per therm), a \$0.0590 per therm decrease compared to last winter's weighted residential COG rate of \$0.7309 per therm . The proposed changes to Liberty's residential COG rate and LDAC charges, coupled with a slight decrease in base rate components, are expected to decrease a typical residential heating customer's winter bill by approximately 8.8 percent.

The proposed commercial/industrial low winter use COG rate is \$0.6671 per therm (FPO rate \$0.6871 per therm) and the proposed commercial/industrial high winter use COG rate is \$0.6736 per therm (FPO rate \$0.6936 per therm). The changes in commercial/industrial low and high winter use rates are commensurate with the changes in the COG rate of a residential heating customer. The proposed firm transportation COG rate is \$0.0002 per therm, compared to a \$0.0000 (zero) per therm charge last winter.

A variety of charges and rates comprise the LDAC charges applicable to the different customer classes. The proposed charge to recover environmental remediation costs is \$0.0011 per therm, which is an increase from the current environmental charge of \$0.0000 (zero) per therm, because Liberty seeks to recover certain environmental-remediation costs during this period. The proposed energy efficiency/conservation charge for residential customers is \$0.0147 per therm, a decrease of \$0.0351 per therm from the current rate. The proposed energy efficiency/conservation charge for commercial and industrial customers is \$0.0076 per therm, a decrease of \$0.0222 per therm from the current rate. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is \$0.0073 per therm, a decrease of \$0.0019 per therm from the current rate. The proposed charge to recover rate case expenses and the temporary and permanent rate reconciliation under recovery is \$0.0027 per therm, a decrease of \$0.0089 per therm from the current rate (*see* discussion below regarding this charge).

Liberty is also updating its supplier balancing charges, the charges that suppliers are required to pay Liberty for balancing services as Liberty attempts to meet the shifting loads for the supplier's customer pools. The proposed balancing charge of \$0.19 per MMBtu is a decrease of \$0.03 per MMBtu compared to the current balancing charge and the proposed peaking demand charge of \$18.62 per MMBtu of peak maximum daily quantity is a decrease of \$0.34 per MMBtu compared to the current rate. The charges are based on an update of volumes and costs used in calculating the charges. The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment, required for firm transportation service, have also been updated to reflect Liberty's supply portfolio for the upcoming year.

Liberty, as part of its COG filing, requests extension of the terms of Order No. 25,286, granting the utility the right to collect, during the period of November 1, 2011 through October 31, 2012, a "Temporary Rate Reconciliation Adjustment" factor of \$0.0116 per therm, as approved in Docket No. DG 11-192, to cover the true-up between temporary and permanent rates approved in the utility's most recent base rate case, in Docket No. DG 10-017, together with related rate case expenses. Liberty projects an undercollection, due to warmer-than-expected weather in 2011-2012, of approximately \$430,000 for this LDAC rate factor, and requests application of a reduced \$0.0027 per therm charge during the November 1, 2012 through October 31, 2013 period to recover this projected undercollection.

The filing raises, inter alia, issues related to: RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of over and under recoveries, the reconciliation of prior period costs and revenues, whether extension of the "Temporary Rate Reconciliation Adjustment" rate factor approved in Docket No. DG 11-192 into the November 2012- October 2013 period is just and reasonable, and the prudence and recovery of environmental remediation costs, and the progress of Liberty's ownership transition process generally. Each party has the right to have an attorney represent them at the party's own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 16, 2012 at 10:00 a.m.; and it is

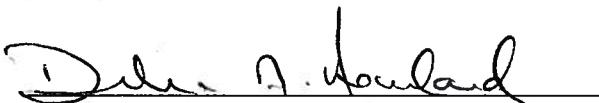
**FURTHER ORDERED**, that Liberty, Staff of the Commission and any intervenors hold a technical session at the Commission on September 26, 2012 at 9:00 a.m.; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 18, 2012, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 16, 2012; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before October 11, 2012, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32, I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before October 16, 2012.

By order of the Public Utilities Commission of New Hampshire this tenth day of September, 2012.

  
Debra A. Howland  
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, 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 - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov  
aleary@keyspanenergy.com  
alexander.speidel@puc.nh.gov  
amanda.noonan@puc.nh.gov  
christiane.mason@libertyutilities.com  
Christina.Martin@oca.nh.gov  
mark.naylor@puc.nh.gov  
Rorie.E.P.Hollenberg@oca.nh.gov  
sarah.knowlton@libertyutilities.com  
steve.frink@puc.nh.gov  
susan.chamberlin@oca.nh.gov

Docket #: 12-265-1      Printed: September 10, 2012

**FILING INSTRUCTIONS:**

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND  
EXEC DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.