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March 30, 2018

Via Electronic Mail and Hand Delivery

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DG 17-048 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Request for Change in Rates**

Dear Ms. Howland:

On March 1, 2018, Liberty Utilities and the OCA filed an *Agreement Regarding Permanent Rates* (“Agreement”) in the above proceeding. That Agreement was the subject of considerable discussion during the merits hearing that concluded on March 27, 2018, and is now under consideration by the Commission.

One provision in the Agreement describes a step adjustment to the Company’s distribution rates that would be effective May 1, 2018. That proposed step adjustment, described in Section II.B. of the Agreement, includes recovery of the revenue requirement associated with 2017 non-growth related capital additions placed in service as of December 31, 2017. Under the Agreement, Liberty agreed to submit its actual costs for 2017 non-growth related capital additions and update the calculations for the step adjustment included in Attachment B to the Agreement. The Agreement provided for a step increase of \$5,044,835, unless the updated calculations resulted in a lesser amount.

Based on the actual 2017 capital spending for non-growth related projects placed in service as of December 31, 2017, the Company has updated the step adjustment calculations which now result in a revenue requirement of \$4,605,341. This reduction is due to lower actual capital spending than the total budgeted amount. In addition, as is typical during any given year, some projects that were included in the original budget were replaced by other projects. Overall, the total capital spending on non-growth related projects decreased by approximately \$3.3 million as compared to budgeted amounts.

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Although the record has been closed, Liberty is filing the attached calculation of the step adjustment to update the calculations consistent with its commitment in the Agreement.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Sheehan", written in a cursive style.

Michael J. Sheehan

cc: Service List