

1 **STATE OF NEW HAMPSHIRE**2 **PUBLIC UTILITIES COMMISSION**3
4 **October 23, 2020 - 11:16 a.m.**5 *[Remote Hearing conducted via Webex]*6
7 **RE: DG 20-141**
8 **LIBERTY UTILITIES (ENERGYNORTH**
9 **NATURAL GAS) CORP., d/b/a**
10 **LIBERTY UTILITIES:**
11 **Winter 2020/2021 Cost of Gas and**
12 **Summer 2021 Cost of Gas Filing.**13
14 **PRESENT:** Chairwoman Dianne Martin, Presiding
15 Cmsr. Kathryn M. Bailey16
17 Jody Carmody, Clerk
18 Eric Wind, PUC Remote Hearing Host19
20 **APPEARANCES:** **Reptg. Liberty Utilities (EnergyNorth**
21 **Natural Gas) Corp. d/b/a Liberty**
22 **Utilities:**
23 Michael J. Sheehan, Esq.24 **Reptg. Residential Ratepayers:**
 Christa Shute, Esq.
 Pradip Chattopadhyay, Asst. Cons. Adv.
 Office of Consumer Advocate **Reptg. PUC Staff:**
 Mary E. Schwarzer, Esq.
 Stephen Frink, Dir./Gas & Water Division
 Al-Azad Iqbal, Gas & Water Division

Court Reporter: Steven E. Patnaude, LCR No. 52

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* * *

WITNESS PANEL:

**MARY E. CASEY
DEBORAH M. GILBERTSON
DAVID B. SIMEK
CATHERINE A. McNAMARA**

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1	Winter 2020/2021 Cost of Gas and Summer 2021 Cost of Gas Filing, including Testimony of David B. Simek & Catherine A. McNamara, Testimony of Deborah M. Gilbertson, and Testimony of Mary E. Casey, Schedules and Tariff Pages (09-01-20) [REDACTED - For PUBLIC Use]	<i>premarked</i>
2	Winter 2020/2021 Cost of Gas and Summer 2021 Cost of Gas Filing, including Testimony of David B. Simek & Catherine A. McNamara, Testimony of Deborah M. Gilbertson, and Testimony of Mary E. Casey, Schedules and Tariff Pages (09-01-20) {CONFIDENTIAL & PROPRIETARY}	<i>premarked</i>
3	Revised Testimony of David B. Simek & Catherine A. McNamara, with Attachments (10-16-20)	<i>premarked</i>
4	Order of Notice	<i>premarked</i>
5	Not used	
6	Redlined version of 10-16-20 of Revised Testimony of David B. Simek & Catherine A. McNamara	<i>premarked</i>

P R O C E E D I N G

1
2 CHAIRWOMAN MARTIN: We are here this
3 morning in Docket DG 20-141 for a hearing
4 regarding the Liberty Utilities Corporation
5 EnergyNorth Winter 2020-2021 Cost of Gas and
6 Summer 2021 Cost of Gas filing.

7 I need to make the findings required
8 for this remote hearing.

9 As Chair of the Public Utilities
10 Commission, I find that due to the State of
11 Emergency declared by the Governor as a result of
12 the COVID-19 pandemic, and in accordance with the
13 Governor's Emergency Order Number 12, pursuant to
14 Executive Order 2020-04, this public body is
15 authorized to meet electronically. Please note
16 that there is no physical location to observe and
17 listen contemporaneously to this hearing, which
18 was authorized pursuant to the Governor's
19 Emergency Order.

20 However, in accordance with the
21 Emergency Order, I am confirming that we are
22 utilizing Webex for this electronic hearing. All
23 members of the Commission have the ability to
24 communicate contemporaneously during this

1 hearing, and the public has access to
2 contemporaneously listen and, if necessary,
3 participate.

4 We previously gave notice to the public
5 of the necessary information for accessing the
6 hearing in the Order of Notice. If anybody has a
7 problem during the hearing, please call
8 (603)271-2431. In the event the public is unable
9 to access the hearing, the hearing will be
10 adjourned and rescheduled.

11 All right. We need to take roll call
12 attendance of the Commission. Commissioners, we
13 only have two of us now, but if anybody is with
14 you please identify them.

15 My name is Dianne Martin. I am the
16 Chairwoman of the Public Utilities Commission.
17 And I am alone.

18 Commissioner Bailey.

19 CMSR. BAILEY: Commissioner Kathryn
20 Bailey. And I am alone.

21 CHAIRWOMAN MARTIN: All right. Thank
22 you. And let's take appearances, starting with
23 Attorney Sheehan.

24 MR. SHEEHAN: Good morning,

1 Commissioners. Mike Sheehan, for Liberty
2 Utilities (EnergyNorth Natural Gas).

3 CHAIRWOMAN MARTIN: Thank you. And
4 Attorney Shute.

5 MS. SHUTE: Good morning,
6 Commissioners. Christa Shute, Staff Attorney for
7 the Office of the Consumer Advocate, on behalf of
8 residential ratepayers. And in the attendee pool
9 is also Dr. Pradip Chattopadhyay.

10 CHAIRWOMAN MARTIN: All right. Thank
11 you. And Attorney Schwarzer.

12 MS. SCHWARZER: Good morning, Madam
13 Chairwoman, and good morning, Commissioner
14 Bailey. I am Mary Schwarzer, a Staff Attorney
15 with the PUC. And with me today are Stephen
16 Frink, Director of the Water and Gas Division,
17 and Utility Analyst Al-Azad Iqbal.

18 CHAIRWOMAN MARTIN: Okay. All right.
19 Thank you. Sorry, just adjusting my audio after
20 all the work we just did.

21 I have Exhibits 1 through 5 were
22 prefiled and premarked for identification, and I
23 know we've also gotten Exhibit 6 this morning.
24 Attorney Schwarzer, can you clarify whether all

1 five of the original exhibits are still intended
2 to come in and what is happening with Exhibit 6?

3 MS. SCHWARZER: Yes, Madam Chair.
4 Exhibit 5 was filed as a redline version of what
5 Liberty filed on October 16th for revised
6 documents. We found out -- Staff noticed
7 discrepancies yesterday, as did the OCA, and
8 Liberty was very responsive, however was unable
9 to provide a document until 9:30 at night.

10 And, so, we have marked "Exhibit 6" in
11 the upper right-hand corner to indicate that it
12 replaces substantively Exhibit 5, and would ask
13 that Exhibit 6 be marked as an exhibit for this
14 proceeding.

15 To the extent the Chair is willing to
16 entertain concerns about procedural issues both
17 parties have about whether redline documents
18 should be filed, Exhibit 5 may be relevant for
19 that purpose. So, I ask that it not be stricken,
20 but only kept for non-substantive purposes.

21 CHAIRWOMAN MARTIN: Okay. Does anyone
22 else want to be heard on that?

23 MR. SHEEHAN: Briefly. My suggestion
24 would be that we just not request admission of

1 Exhibit 5, since it's effectively been replaced
2 by Exhibit 6.

3 When the time comes, I do have some
4 comments about introduction of redline documents,
5 but we can take that up later.

6 CHAIRWOMAN MARTIN: Attorney Shute.

7 MS. SHUTE: I am -- my instinct is to
8 not enter Exhibit 5 into the list, but I am
9 relatively agnostic.

10 CHAIRWOMAN MARTIN: Okay. I feel as
11 though I don't have enough information to make
12 the decision based upon Attorney Schwarzer's
13 representations.

14 Can we address that issue now, the
15 procedural issue that you want to raise? I mean,
16 does that make sense, and then we can make a
17 decision about that exhibit?

18 All right. Who is raising the issue?
19 Attorney Schwarzer.

20 MS. SCHWARZER: Madam Chair, I believe
21 Liberty should go first. Staff had asked Liberty
22 to file an updated complete document, as
23 initially -- there's no petition here, but the
24 filing is testimony and schedules and tariffs.

1 And, so, when Liberty made changes to that
2 document on Friday, October 16th, Staff had
3 expected and then requested a redlined version of
4 changes that were made. Those redline changes
5 allow Staff to quickly identify changes, and to
6 review and assess them for accuracy and impact
7 upon the cost of gas.

8 Liberty did file redline documents on
9 Monday, the 19th. However, Liberty did not file
10 a complete packet. And, so, in preparation for
11 this hearing, I actually did print Exhibit -- I
12 should have printed Exhibit 3, I think, but I
13 printed Exhibit 2, which was originally filed,
14 and then the updated pages, and integrated them,
15 so that I can -- I have continuous pages, so I
16 can flip through and see where things have been
17 revised. It's not possible to do that
18 electronically because a full document wasn't
19 filed.

20 In response to Staff's request, Liberty
21 objected to the inclusion of redline documents as
22 exhibits. And, so, Staff introduced Exhibit 5 to
23 track the changes. We weren't -- we didn't have
24 time to do a complete exhibit.

1 And that brings us to the conundrum of,
2 when problems were identified with Exhibit 5,
3 although it was Liberty's substance, it was
4 Staff's exhibit. And, so, once those problems
5 were recognized, we moved forward to file
6 Exhibit 6.

7 CHAIRWOMAN MARTIN: Attorney Sheehan,
8 what's the objection on the redline?

9 MR. SHEEHAN: It's not a substantive
10 objection, because, of course, the information,
11 it's repetitive, because what has been stricken
12 is information that was filed previously, and
13 what has been added in the redline is what was in
14 the revised filing.

15 Our objection, if you will, is filing
16 redline documents. It just adds a layer of
17 confusion, because there's yet another document
18 in the -- for the Commission, another bunch of
19 pages to flip through. And it's not something,
20 frankly, that a company has ever done, nor do I
21 think others have filed redline versions. It is
22 very common, however, that when we do a revision,
23 we get the informal request from parties to say
24 "can you send us a redline so we can see what's

1 changed?" And we always accommodate that.

2 And what's happened typically is the --
3 in a case like this, Staff and OCA look at the
4 changes and say "okay, thanks I get it", or they
5 ask questions, and we can handle that informally.
6 So, when we get to a hearing, there's the
7 original, there's the revised. And, if it's a --
8 something of a substantive change, we can talk
9 through it at hearing. And sometimes they're
10 very minor changes that don't require, and
11 sometimes, for example, it's fairly common for
12 the Company to update cost of gas filings close
13 to hearing, to provide tweaks to rates based on
14 the most recent market prices, if rates are based
15 on NYMEX, for example, and it's changed since the
16 Company made the filing two months ago, we'll
17 file the updated rates, submit at hearing. We
18 would testify to "we've updated the filing with
19 the rates, that NYMEX had changed, and our rates
20 have moved from this to that."

21 And, so, in those circumstances, we
22 just don't think redline documents help with this
23 hearing and the evidentiary process. So, that's
24 the point of it again. It's not a huge issue.

1 It's just something that I think would become
2 cumbersome if it became a practice to be filing
3 redline documents as exhibits.

4 CHAIRWOMAN MARTIN: I see your hand,
5 Attorney Schwarzer. I just want to ask if
6 Attorney Shute wants to weigh in on this before I
7 go back to you?

8 MS. SHUTE: Thank you, Chairman Martin.

9 I will say that, as a small office that
10 tries to participate in a spectrum of PUC
11 dockets, we find it frustrating when we find
12 mistakes in filings and revised filings. And we
13 believe that it is appropriate for redlines to be
14 filed as exhibits, both to help the Commissioners
15 identify the differences between an original
16 filing and the new filing, and to what -- and to
17 highlight what, in several instances, should have
18 been, you know, filed correctly in the first
19 place.

20 So, we think that it serves to
21 highlight that, and maybe potentially could help
22 encourage the Company to be more thorough in its
23 original filings. It isn't something that has
24 happened once, and it does take precious time

1 that we might otherwise spend on rate cases or
2 other items.

3 So, we do find it useful to certainly
4 receive them. And we think the Commission may
5 want to consider whether it's useful for it to be
6 in the docket.

7 Thank you.

8 CHAIRWOMAN MARTIN: Attorney Schwarzer,
9 what did you have to add? You're on mute.

10 MS. SCHWARZER: Thank you, Madam Chair.
11 I second the comments of Attorney Shute.

12 And I would like to point out, in an
13 expedited proceeding such as this, redlining that
14 would happen in a different docket earlier,
15 happens on the very edge of proceeding, as is the
16 case here. To the extent that the Company paid
17 attention to the revised filing, but not the
18 changes made in the redlined, that then creates
19 three documents that Staff has to consider. Was
20 the revised document going to match the redline
21 document and is the redline document accurate?
22 And we would prefer that that burden not fall on
23 Staff, who, as Attorney Shute pointed out, has a
24 lot to do right before hearings like this, but on

1 the entity that created the issue or the
2 inaccuracy to begin with. Without suggesting
3 that anybody can be perfect, Liberty does seem to
4 do this fairly frequently. It does use a lot of
5 time.

6 And with regard to changes in the
7 NYMEX, we have never required updates immediately
8 prior to hearing. That's usually oral testimony.
9 And, if there were a significant change, that
10 might make a difference where something might be
11 recalculated. But there's not a need for revised
12 pleadings that suggest that there were no errors
13 or changes. In particular, it's a good reminder
14 throughout the hearing to the recent changes, and
15 it may be helpful to both the Staff and the
16 Commission.

17 Thank you.

18 CHAIRWOMAN MARTIN: Thank you.

19 Attorney Sheehan, I am very sensitive to your
20 concern about having multiple versions of these
21 documents already being filed. I do, however,
22 find the redlines useful. And this is an issue
23 that I would want to talk with Commissioner
24 Bailey about in the longer term.

1 So, I guess my question is, for today,
2 can we proceed with the way everything is filed,
3 and omit Exhibit 5, replace it with Exhibit 6?
4 Does that create an issue for today?

5 Attorney Sheehan.

6 MR. SHEEHAN: Not from my perspective.

7 CHAIRWOMAN MARTIN: Okay. Attorney
8 Schwarzer, I see your hand.

9 MS. SCHWARZER: Thank you, Madam Chair.

10 It's only useful to retain Exhibit 5,
11 if it's helpful to the Commission to see the
12 confusion and complexity that can arise, and have
13 a chronology that shows by demonstrated filings
14 what those problems are. I mean, it is
15 significant, I think, that Exhibit 5 was filed on
16 the 19th and was still wrong, and that that was
17 not caught until -- and corrected until 9:30 last
18 night, without blame, necessarily. But it's a
19 good illustration of the challenges that
20 expedited dockets represent. And, if you strike
21 the exhibit, there will be no record of that.

22 CHAIRWOMAN MARTIN: It's still a filing
23 in the docket, though.

24 MS. SCHWARZER: Okay. Thank you.

1 CHAIRWOMAN MARTIN: It just wouldn't be
2 evidence.

3 Commissioner Bailey, do you have any
4 preference on this for today?

5 CMSR. BAILEY: No. For today, I think
6 we should proceed with the exhibits that we have.
7 But I do have some thoughts on the issue.

8 CHAIRWOMAN MARTIN: Do you have a
9 preference, though, as to admitting Exhibit 5?

10 CMSR. BAILEY: I don't think we need
11 Exhibit --

12 CHAIRWOMAN MARTIN: Okay. I agree.

13 CMSR. BAILEY: I don't think we need
14 Exhibit 5.

15 CHAIRWOMAN MARTIN: All right. Then,
16 other preliminary issues? Attorney Schwarzer.

17 MS. SCHWARZER: Thank you, Madam Chair.
18 I need to make an oral Motion for Waiver of Late
19 Filings, the remote -- oh, excuse me. It's not
20 in this, it's a different docket. Yes. Thank
21 you. No further issues.

22 CHAIRWOMAN MARTIN: Okay. So, not --
23 that relates to this afternoon?

24 MS. SCHWARZER: Yes.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 CHAIRWOMAN MARTIN: Okay. Attorney
2 Sheehan, did you have anything?

3 MR. SHEEHAN: Just to articulate the
4 basis for confidentiality in the filings. As in
5 all cost of gas proceedings, it's by rule these
6 confidential matters are deemed routinely
7 confidential under 201.04 and Puc 201.06.

8 Thank you. Otherwise, we're ready to
9 go.

10 CHAIRWOMAN MARTIN: Okay. And, yes, on
11 that note, parties should refrain from
12 identifying confidential information that is
13 marked as such during the public session. If you
14 need to, absolutely must, please let me know
15 before doing so.

16 All right. Then, let's proceed with
17 swearing in the witnesses. Mr. Patnaude.

18 (Whereupon **Mary E. Casey, Deborah M.**
19 **Gilbertson, David B. Simek, and**
20 **Catherine A. McNamara** were duly sworn
21 by the Court Reporter.)

22 CHAIRWOMAN MARTIN: Thank you.
23 Attorney Sheehan.

24 MR. SHEEHAN: Thank you. We'll do the

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 introductions first. I'll start with Ms. Casey.

2 **MARY E. CASEY, SWORN**

3 **DEBORAH M. GILBERTSON, SWORN**

4 **DAVID B. SIMEK, SWORN**

5 **CATHERINE A. McNAMARA, SWORN**

6 **DIRECT EXAMINATION**

7 BY MR. SHEEHAN:

8 Q Mary, could you introduce yourself and describe
9 your title and role with EnergyNorth?

10 A (Casey) Yes. Good morning. My name is Mary
11 Casey. I'm a Senior Manager for Environment for
12 Liberty Utilities. And I'm responsible for
13 overseeing the management, investigation, and
14 remediation of manufactured gas plant sites for
15 Liberty Utilities (EnergyNorth Natural Gas).
16 Thank you.

17 Q And, Mary, filed in this docket, and they're
18 marked as "Exhibits 1" and "2", the redacted the
19 confidential versions, contains testimony under
20 your name at Bates 035 through 042. Did you, in
21 fact, prepare that testimony?

22 A (Casey) Yes, I did.

23 Q And I believe there are some attachments within
24 the following 200 pages that were referenced in

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 your testimony as well, is that correct?

2 A (Casey) Yes.

3 Q And do you have any changes to your testimony
4 that you'd like to raise this morning?

5 A (Casey) No, I do not.

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

8 A (Casey) Yes, I do.

9 Q Thank you. Ms. Gilbertson, same questions.
10 Could you please introduce yourself?

11 A (Gilbertson) Yes. Hi. I'm Debbie Gilbertson.
12 I'm Senior Manager of Energy Procurement. And my
13 role with the Company is to oversee the
14 procurement of energy for EnergyNorth.

15 CHAIRWOMAN MARTIN: You're on mute.

16 BY MR. SHEEHAN:

17 Q Thank you. Exhibits 1 and 2 include testimony
18 under your name at Bates 019 through 034, and
19 some attachments are referenced in your
20 testimony, is that correct?

21 A (Gilbertson) Yes.

22 Q And do you have any changes to your testimony
23 that you'd like to bring before the Commission
24 today?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Gilbertson) No, I do not.

2 Q And do you adopt that testimony as your sworn
3 testimony this morning?

4 A (Gilbertson) Yes, I do.

5 Q Thank you. Mr. Simek, could you introduce
6 yourself please?

7 A (Simek) Yes. My name is David Simek. And I'm
8 the Manager of Rates and Regulatory Affairs.

9 Q And, Mr. Simek, again, there are Exhibits 1 and 2
10 were the initial filing in this matter, and
11 contains testimony under your name and Ms.
12 McNamara at Bates 001 through 018. And is that,
13 in fact, the testimony prepared by you or under
14 your direction?

15 A (Simek) Yes.

16 Q And there are a number of attachments to the
17 testimony that are referenced in it as well, and
18 those were also prepared by you and Ms. Casey --
19 I mean Ms. McNamara?

20 A (Simek) Yes.

21 Q Do you have any -- excuse me. Strike that. Also
22 before the Commission is Exhibit 3 titled
23 "Revised Testimony" of you and Ms. McNamara. Did
24 you prepare that revision as well?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Simek) Yes.

2 Q And, for the record, Exhibit 3, the revised
3 filing, does not contain changes to
4 Ms. Gilbertson's or Ms. Casey's testimony, is
5 that correct?

6 A (Simek) Correct.

7 Q Could you tell us what was changed and -- that
8 caused the filing of Exhibit 3?

9 A (Simek) Yes.

10 CHAIRWOMAN MARTIN: Just a second. Mr.
11 Patnaude?

12 *[Court reporter interruption due to*
13 *audio issues and brief off-the-record*
14 *discussion.]*

15 **BY THE WITNESS:**

16 A (Simek) So, there was one change from the
17 original filing, and it was related to the
18 decoupling reconciliation, the revenue decoupling
19 reconciliation. The original filing included a
20 single refund factor for all customers. The
21 revised filing properly refunds the projected
22 prior period over-collected balance allocated
23 between customer class groups; one for
24 residential and one for commercial.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 The total projected prior period
2 over-collected amount of \$1,010,098 did not
3 change in the revised filing. Only the way the
4 amount was allocated between the residential and
5 commercial customers changed.

6 I would also like to point out that
7 this correction was identified by Mr. Iqbal from
8 the Staff.

9 BY MR. SHEEHAN:

10 Q And the changes to a few sections of testimony
11 and to the attached schedules all flow from what
12 you just described, is that correct?

13 A (Simek) Correct. The Company also did do what we
14 always do, is we look at the most updated NYMEX,
15 when we do the revised filing, if we do do a
16 revised filing, and that only would have
17 increased rates by around one percent. And, so,
18 we did not make that change, and figured we'd
19 address it in the first monthly adjustment.

20 Q In the past, has the Company made updated filings
21 to reflect changes in NYMEX?

22 A (Simek) Absolutely. Nearly every year we have.
23 What we do is we look at the most recent data,
24 because, again, we make this filing September 1st

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 of every year. So, we look at the data usually
2 around mid October and see where the markets are.
3 And, if we have to make a change, we usually have
4 to do a complete revised filing, because, again,
5 this would be changing the cost of gas, which
6 basically affects almost every page in the
7 filing.

8 Q And, as you said, this year the change in NYMEX
9 was so small that it did not warrant such a
10 complete refiling, is that fair?

11 A (Simek) Correct.

12 Q You have explained the reason for the revised
13 filing that is Exhibit 3. Has anything, since
14 that filing was made, has anything in Exhibit 3
15 changed?

16 A (Simek) Yes. On Bates Page 127, there's a minor
17 typo that needs to be corrected. If we go to
18 Bates Page 127, and look at Line 19, in the
19 description, it should say that it's "Line 9
20 multiplied by Line 16".

21 CMSR. BAILEY: Excuse me. Mr. Simek,
22 you're on Exhibit 3?

23 WITNESS SIMEK: I'm sorry, that's in
24 Exhibit 2.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 CMSR. BAILEY: Thank you.

2 WITNESS SIMEK: For Exhibit 3, there
3 were no changes. Sorry, I misunderstood the last
4 question.

5 CMSR. BAILEY: Can you go through that
6 again, so I can get to the right page please?

7 WITNESS SIMEK: Yes. If we go to
8 Exhibit 2, and we go to Bates Page 127, if we
9 then go to Line 19, the description should say
10 that the calculation is "Line 9 times Line 16."

11 BY MR. SHEEHAN:

12 Q With that change, do you have -- do you adopt the
13 testimony that's been marked as Exhibits 1, 2,
14 and 3, as revised Exhibit 3, as your sworn
15 testimony?

16 A (Simek) Yes, I do.

17 Q And the discussion we had over the redlining
18 documents that were filed, to the extent there
19 were issues with those redline documents, did any
20 of that affect Exhibits 1, 2, or 3?

21 A (Simek) No. Based on the agreement that we had
22 with Staff, we filed Exhibit 3 on October 16th,
23 which was the agreed upon date that it would be
24 filed. And nothing has changed since then

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 regarding Exhibit 3.

2 Q And what did happen was, when we provided a
3 redline, some of the redlining just wasn't right,
4 is that fair?

5 A (Simek) That's correct. And part of that was
6 because we had never really done it in that
7 format before.

8 Q Mr. Simek, just one topic I'd like to cover at a
9 high level before we turn the questioning over to
10 others, is the Decoupling Adjustment Factor.
11 That is the place where we collect and return the
12 either over- or under-collections on the
13 decoupling mechanism, and was a subject of
14 discussion at our temporary rate hearing a few
15 weeks ago. Excuse me. Can you just explain the
16 status of that account, what has come in, what is
17 going out?

18 A (Simek) Yes. So, the Revenue Decoupling
19 Adjustment Factor includes two components. One
20 component is the reconciliation, which the change
21 of how we did this reconciliation was the driver
22 of the change that we made to this filing.
23 Again, this was the first time we've had that
24 reconciliation done. And the reconciliation

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 needed to be corrected.

2 The other component for the adjustment
3 factor is related to the prior year
4 over-/under-collection based on allowed revenue.
5 And what the Company had collected, the amount of
6 revenues projected to be in excess of the
7 Company's allowed revenues for the November 2019
8 through October 2020 period is \$4,965,947. This
9 amount will be refunded to customers through the
10 Revenue Decoupling Adjustment Factor. The
11 calculation for this is all shown on Bates Page
12 109R.

13 This adjustment should be much lower in
14 the future cost of gas dockets, given the
15 temporary rate order we received in DG 20-105,
16 which allowed us to adjust the revenue per
17 customer going forward effective -- I believe it
18 was effective November 1.

19 Q So, Mr. Simek, the adjustment factor includes, as
20 you say, the reconciliation of the first period,
21 which was November of '18 to November of '19,
22 which we refunded from '19 to '20, and to the
23 extent that wasn't precise, there is a
24 reconciliation of that?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Simek) Correct.

2 Q And then, the other piece of it is what we
3 collected in the last twelve months, that \$5
4 million, and we are now returning it beginning
5 now and for the next twelve months?

6 A (Simek) Correct.

7 Q Okay. Ms. McNamara, could you introduce yourself
8 and describe your role with the Company and in
9 this filing?

10 A (McNamara) Sure. My name is Catherine McNamara.
11 I'm a Rates Analyst in Rates and Regulatory
12 Affairs for Liberty Utilities Service
13 Corporation.

14 Q And there's testimony that's been marked, as
15 you've heard, in Exhibits 1 and 2, the redacted
16 and confidential versions of the same document,
17 and Exhibit 3, the revised testimony of you and
18 Mr. Simek. Did you, in fact, prepare that
19 testimony, or with Mr. Simek, under your
20 direction?

21 A (McNamara) Yes, I did.

22 Q And other than acknowledging the revisions in
23 Exhibit 3 and the one change Mr. Simek just
24 mentioned, do you have any other corrections to

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Exhibits 1, 2, or 3?

2 A (McNamara) I do not.

3 Q And do you adopt those pieces of testimony as
4 your sworn testimony here this morning?

5 A (McNamara) Yes, I do.

6 Q Could you -- I'm going to ask you to describe
7 what the proposed rates are in this proceeding
8 and how they differ from last year. So, could
9 you start with telling us what is the proposed
10 rate for residential customers for this winter
11 and for next summer?

12 A (McNamara) Sure. The proposed rate for winter
13 cost of gas is 0.5571. For summer, it is 0.3148.

14 Q And can you tell us how that is different from
15 what was approved a year ago, in last year's cost
16 of gas filing, for summer and winter?

17 A (McNamara) The winter rate is, for residential
18 customers, is a decrease of roughly 6 cents, from
19 last year's winter approved rate of 62.03,
20 0.6203.

21 Q And summer?

22 A (McNamara) And the summer, the summer is an
23 increase of roughly 6 cents, or 18 percent, from
24 last year's approved rate of 0.2550.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Q Understanding that the actual rates imposed over
2 the winter due to the various trigger filings is
3 not exactly what was approved a year ago, can you
4 compare the proposed rates today with what
5 customers actually paid last winter and last
6 summer on a weighted average basis?

7 A (McNamara) The residential winter rate was an
8 increase -- is an increase of just over 9 cents,
9 or 20 percent, from last year's weighted average
10 actual rate of 0.4632.

11 And the residential summer rate are a
12 decrease of roughly 9 cents, or 26 percent, from
13 last year's approved rate of 0.3440. Oh, I may
14 have -- hold on. Sorry. That's over last year's
15 weighted actual rate, not the approved rate.

16 Q Thank you. And your testimony also includes bill
17 impacts that would result, if the proposed rate
18 is, in fact, for the upcoming period, is that
19 right?

20 A (McNamara) Correct.

21 Q And when you calculate those bill impacts, do you
22 calculate the proposed rate over last year's
23 proposed rate or over the actual rate that was
24 paid by customers?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (McNamara) The bill impact is compared to the
2 actual rate from last year.

3 Q And can you tell us what those numbers are for
4 the residential customers, summer and winter, the
5 bill impact changes?

6 A (McNamara) Yes. Those can be found in Exhibit 3,
7 starting at Bates 085R. And the total bill
8 impact for the winter is \$90.29, and the cost of
9 gas and LDAC component is a change of \$81.22
10 increase over last year.

11 And then, summer schedules can be found
12 at Exhibit 3, Bates Page 229R. I'm just getting
13 to that page. And that the summer rate increase
14 is \$1.41 for the season for the total bill
15 impact, and a decrease of 5 cents for the season
16 for the cost of gas and LDAC components.

17 MR. SHEEHAN: Thank you. I have no
18 further questions for these witnesses.

19 CHAIRWOMAN MARTIN: All right. Thank
20 you. Attorney Shute.

21 MS. SHUTE: I have no cross. Thank
22 you.

23 CHAIRWOMAN MARTIN: And Attorney
24 Schwarzer.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 MS. SCHWARZER: Thank you, Madam Chair.

2 **CROSS-EXAMINATION**

3 BY MS. SCHWARZER:

4 Q Mr. Simek, if we could go back to your testimony
5 about the redline documents. Approximately how
6 many pages are in Exhibit 2, which is the
7 testimony and petitions and tariffs as originally
8 filed? If I suggested the last Bates page is
9 245, would you assume that sounds reasonable?

10 A (Simek) Yes.

11 Q And Exhibit 3, which is the revised testimony,
12 that now matches Exhibit 6, is that correct?

13 A (Simek) Yes.

14 Q So, Exhibit 6 --

15 *[Court reporter interruption due to*
16 *indecipherable audio.]*

17 BY MS. SCHWARZER:

18 Q So, Exhibit 6 shows all the changes that were
19 made on October 16th in red ink?

20 A (Simek) Correct. Exhibit 6 is the redline
21 version of Exhibit 3.

22 Q And is it fair that Staff expected a redline
23 version filed at the same time?

24 A (Simek) I don't recall if Staff was expecting a

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 redline version or not.

2 Q If you were to look at one of the revised pages,
3 without knowing which numbers had changed, would
4 it take you more time or less time to evaluate
5 that revision?

6 A (Simek) Well, if there's a redline that obviously
7 points to exactly what changed, it would be
8 quicker to be able to look at the redline.

9 Q Thank you. Do the proposed maximum cost of gas
10 rates allow enough flexibility to absorb this and
11 other normal price fluctuations through monthly
12 rate adjustments without further adjusting the
13 proposed rates until the next winter cost of gas
14 proceeding?

15 A (Simek) I don't know that. We currently follow
16 what we're allowed to do. And we will not raise
17 the rate over the current allowed maximum amount.
18 If the trend tends to go much higher, and we feel
19 that we need to go ahead and ask for a higher
20 rate, we would bring that to the Commission and
21 ask for a -- to be able to go outside of that
22 maximum and increase the rate.

23 Q To the best of your knowledge at this time, do
24 the proposed rates allow enough flexibility to

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 absorb this and other normal price fluctuations?

2 A (Simek) Yes. To the best of my knowledge, at
3 this time it does, yes.

4 Q Thank you. Ms. McNamara, can you point me to the
5 Bates pages that would show the proposed rates
6 for the residential and the summer -- and
7 commercial seasons?

8 A (McNamara) I'm sorry, your question broke up a
9 little bit.

10 Q Sure. You quoted some rates, for example, that
11 the residential rate is 0.5571, the proposed
12 rate. What Bates page does that appear on?

13 A (McNamara) Oh, okay. I understand the question
14 now. It would be in Exhibit 2, on Bates Page
15 027, for winter. And, for summer -- sorry, I'm
16 just looking to get you the exact Bates page. It
17 should be Exhibit 2, Bates Page 203.

18 Q I'm sorry. For some reason, I thought those
19 rates had been revised. Were those revised?

20 A (McNamara) The cost of gas rate did not change.

21 Q Okay.

22 A (McNamara) The only portion of the rates that
23 changed, as Mr. Simek testified to, is the LDAC
24 component, which impacts the bill impact

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 schedules, but it did not impact the cost of gas
2 rate itself. Because the market price change was
3 so minimal, we did not adjust for the market
4 price. And therefore, we did not change, from
5 what was originally filed on September 1st, the
6 cost of gas rates.

7 Q Thank you. I guess I was muted. So, when you
8 talk about the bill impacts, you cited Exhibit 3,
9 Bates Page 085R and Bates Page 229R?

10 A (McNamara) Correct.

11 Q And those pages would be also in Staff Exhibit 6,
12 highlighted in red ink to show the changes, is
13 that correct?

14 A (McNamara) Correct.

15 Q Okay. Thank you. And last set of questions for
16 Ms. Gilbertson. I'm trying to find your frame.
17 Could you wave at me? Thank you.

18 Ms. Gilbertson, could you briefly
19 describe how you go about procuring energy
20 supplies?

21 A (Gilbertson) Yes. On the whole, we prepare for,
22 for instance, the winter, we prepare for the
23 winter well in advance of the winter. We start
24 our process of sending out requests for proposals

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 in the early summer. We send out these proposals
2 so we can get things such as base load contracts
3 in place and LNG contracts in place, propane
4 contracts in place. Most of the winter purchases
5 are done in the summertime. We send out an RFP,
6 we get our responses. We analyze the responses,
7 and we choose the best option.

8 Q So, if you send out an RFP in the summer, let's
9 say, for -- pick a month, when would you
10 evaluate -- when would you get them back and
11 evaluate them?

12 A (Gilbertson) Well, we send out the RFP for the
13 whole period, right, for the whole winter period,
14 in this instance. So, we would send them out,
15 say, in July, and get them back -- and request
16 that they come back maybe -- maybe July 25th, and
17 request that we get the responses by July 31st.
18 And we gather up the responses at the time we get
19 them, and then we put them into a spreadsheet and
20 we analyze them, and we choose accordingly.

21 Q Okay.

22 A (Gilbertson) You're on mute.

23 Q How much time do you think it takes you to
24 analyze them and make a selection?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Gilbertson) Probably -- well, it depends, but
2 probably like a week. We don't want to leave
3 it -- we can't leave it out there too long,
4 because people want to know, if they're going to
5 be chosen, they've got to lock up the supply and
6 make sure it's hedged. And, you know, you have
7 to turn it around fairly quickly.

8 Q So, mid August would be a fair time to say you've
9 made a selection and signed a contract?

10 A (Gilbertson) Sure. That would be fair to say.

11 Q And would a typical RFP for gas supply include
12 the volumes and the timing of the supply sought?

13 A (Gilbertson) Yes, it would. Term and the
14 volumes, yes.

15 Q Oh, sorry. The timing and the volumes?

16 A (Gilbertson) Yes. It would include those things,
17 yes.

18 Q And, when contracting for gas supplies, is it
19 normal for supply charges to begin in advance of
20 service?

21 A (Gilbertson) Yes. Especially in the event that
22 it's LNG refill or some kind of a -- where we
23 need trucking. If it's a warm winter, we have to
24 have these things in place to call on them, if

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 needed. We're retaining these companies. And,
2 yes, it would be -- we would be paying demand
3 charges, whether or not they even served. And we
4 have to.

5 Q I'm sorry. Is it normal for supply charges to
6 begin in advance of service?

7 A (Gilbertson) Oh, supply? No. I mean, if we
8 didn't use anything, we wouldn't pay for it. But
9 demand charges would apply.

10 Q And, for the demand charges, how soon before a
11 supply was provided do you think that you
12 normally pay demand?

13 A (Gilbertson) The term. The contract term.

14 Q Oh. So, for the example you had for the season,
15 starting July 25th, and negotiated mid August,
16 when would you expect to start paying for demand?

17 A (Gilbertson) November.

18 Q Even if you --

19 A (Gilbertson) November through April.

20 Q November through April?

21 A (Gilbertson) The peak period.

22 Q Okay. Even without receiving service? Even
23 without receiving any supplies?

24 A (Gilbertson) Yes. We would, yes.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Q Did Liberty recently contract with TGP for
2 additional capacity on the Concord Lateral
3 starting November 1, 2021?

4 A (Gilbertson) On the Concord Lateral? No.

5 Q Maybe I've misidentified the lateral. Did
6 Liberty recently contract with TGP for additional
7 capacity starting November 1st in 2021?

8 A (Gilbertson) No.

9 Q Did you contract for any additional capacity?

10 A (Gilbertson) Yes.

11 Q Could you identify that for me please?

12 A (Gilbertson) That would be on Portland Natural
13 Gas Transmission and Union and TransCanada, as
14 part of a package called "PXP". It's a path from
15 Canada to Dracut.

16 Q And does that contract include a one-time option
17 to terminate in 2022, should the Company not
18 receive approval from the Commission?

19 A (Gilbertson) Can you say that again?

20 Q Sure. Does that --

21 MR. SHEEHAN: If I could interject, I
22 think Debbie is just missing the question, if I
23 could nudge her.

24 I think Mary is talking about the

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Tennessee contract we signed to replace the
2 Granite Bridge, the 40,000 contract. Is that
3 correct, Mary?

4 WITNESS GILBERTSON: Oh, okay. But
5 that doesn't go into effect in 2020-2021. That's
6 not the term. That doesn't start then.

7 BY MS. SCHWARZER:

8 Q Well, I apologize. When does it start?

9 A (Gilbertson) I'm not sure, two years, three
10 years. I'm not sure. I think, subject to check.
11 I'm not sure.

12 Q Okay. Well, let's go with 2022, and I'll start
13 my question that way. Did Liberty recently
14 contract with TGP? Are those the right initials?

15 A (Gilbertson) Yes.

16 Q Okay. Did you recently contract with TGP for
17 additional capacity on the Concord Lateral, is
18 that correct?

19 A (Gilbertson) Yes. We did.

20 Q Starting November 2022?

21 A (Gilbertson) I don't want -- I mean, maybe. It
22 might be. I'm not sure if it's 2022. It might
23 be.

24 Q It's not 2021?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Gilbertson) It's not 2021.

2 Q 2021 or 2022?

3 A (Gilbertson) I would say at least two years.
4 It's not this winter, it's not next winter. It's
5 the following winter possibly. I'd have to
6 check.

7 Q Okay. And does that TGP contract include a
8 one-time option to terminate in 2022 or 2023
9 should --

10 A (Gilbertson) Yes. I believe it does, yes.

11 Q Hold on. Just let me finish the question. Does
12 that contract include a one-time option to
13 terminate in 2022 or 2023, should the Company not
14 receive approval from the Commission?

15 A (Gilbertson) I believe it does, yes.

16 Q And does the TGP contract require Liberty to pay
17 demand charges prior to being able to use the
18 capacity?

19 A (Gilbertson) No. No, it doesn't.

20 Q So, that's a little -- that's different from your
21 answer that demand charges are always --

22 A (Gilbertson) No.

23 Q No? Could you explain?

24 A (Gilbertson) No. It's the term. Whenever the

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 term starts, that's when we pay the -- the
2 contractual term, whenever that starts, is when
3 you start paying the demand charge. That's the
4 same.

5 Q Well, I think you just said that the TGP contract
6 does not require Liberty to pay demand charges
7 prior to being able to use the capacity?

8 A (Gilbertson) No. The term on the contract tells
9 you when you can use the capacity. And whether
10 it be 2022, when you can use it. Okay? So, then
11 Liberty has the right to move gas. We will pay
12 demand charges at that day, whenever we have the
13 right to move gas. Whether or not we move gas is
14 a different situation. But we have the right to
15 move gas and, therefore, we will pay demand
16 charges.

17 Q So, let me just ask you the question again,
18 because I'm a little bit confused. Does the TGP
19 contract require Liberty to pay demand charges
20 prior to being able to use the capacity?

21 A (Gilbertson) No.

22 Q No.

23 MS. SCHWARZER: Madam Chair, could I
24 have a brief recess to consult with Staff?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 CHAIRWOMAN MARTIN: How long do you
2 need?

3 MS. SCHWARZER: Five minutes.

4 CHAIRWOMAN MARTIN: Okay.

5 MS. SCHWARZER: Thank you.

6 CHAIRMAN HONIGBERG: We'll take a
7 five-minute recess.

8 *(Recess taken at 12:07 p.m. and the*
9 *hearing resumed at 12:12 p.m.)*

10 CHAIRWOMAN MARTIN: All right. Let's
11 go back on the record. Ms. Schwarzer.

12 MS. SCHWARZER: Thank you, Madam
13 Chairwoman.

14 BY MS. SCHWARZER:

15 Q Ms. Gilbertson, just two more questions about
16 audits. Has the Company received the draft audit
17 report from the Commission Audit Staff on its
18 audit of the environmental remediation
19 reconciliation for last year? Please explain the
20 recommendations.

21 And, if this question is better for
22 Mary Casey, that's certainly fine with me. Mr.
23 Simek?

24 A (Gilbertson) That's not me.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Simek) I can answer that question. Yes. We did
2 receive Audit Staff's final report, based on last
3 year. And they did have two audit finds on the
4 environment piece. As far as the EnergyNorth
5 audit goes, they didn't have anything on the cost
6 of gas.

7 For the environmental audit, there was
8 one small find regarding a \$1,062 web hosting
9 charge that we had at our Liberty Hill site that
10 was -- it's been in place for a very long time.
11 This year, Audit Staff felt that it didn't really
12 belong in this filing, it should be elsewhere.
13 And the Company did agree to, going forward,
14 beginning next year, we will remove that charge
15 and charge it internally through our
16 Communications Department.

17 The other find that the Audit Staff had
18 regarding environmental was that they just
19 requested that the Company meet with Staff, the
20 Audit Staff, to help simplify the schedules that
21 we have in place now in this filing for
22 environmental.

23 We had also touched base with this in
24 our distribution rate case, in DG 20-105, that

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 we're looking to have the Company, as a whole, to
2 kind of revisit some of our filings. And Audit
3 Staff obviously read that, and they wanted to
4 incorporate that in here as well, to also state
5 specifically for environmental, that we should
6 look at that, too.

7 MS. SCHWARZER: Thank you, Mr. Simek.
8 I have no further questions.

9 WITNESS SIMEK: You're welcome.

10 CHAIRWOMAN MARTIN: All right.
11 Commissioner Bailey.

12 CMSR. BAILEY: Thank you. I just have
13 a few clarifying questions.

14 BY CMSR. BAILEY:

15 Q Ms. McNamara, in your testimony, I missed what
16 you said the average actual summer rate was for
17 residential customers. Can you tell me what that
18 was?

19 A (McNamara) Yes. The average summer rate for last
20 year, for residential customers, was 0.3440.

21 Q Thank you. In your testimony, on Bates Page 009,
22 Exhibit 3, you and Mr. Simek talk about the bad
23 debt percentage in this filing. And the answer
24 to that question I don't understand. The

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 question was "Has the bad debt percentage in this
2 filing changed from the percentage in last year's
3 filing?" And the answer is "No", it hasn't
4 changed. But you used the bad debt percentage
5 that you calculated for May 2019 through April
6 2020. And April 2020 would not have been
7 available last year. So, is there a typo there
8 or am I misunderstanding the question?

9 A (McNamara) I'm still trying to get to Page 9.

10 Q It's Page 7 of 16 of your testimony, Bates
11 Page 009?

12 A (McNamara) Yes. So, the last year's rate and
13 this year's rate coincidentally is 1.11 percent.
14 The rate did not change. Even though the
15 components changed, they didn't change enough to
16 change the rate. But it was recalculated.

17 Q Okay. Thank you. Can you look at Bates Page
18 018, on Exhibit 3? And I'm looking at the Lines
19 10 through 12. And are you there?

20 A (McNamara) I'm sorry. You're breaking up.

21 Q Bates Page 018, --

22 A (McNamara) Yes.

23 Q -- on Exhibit 3, Lines 10, 11, and 12. Are you
24 there?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (McNamara) Yes.

2 Q Okay. So, Line 10 indicates that you had an
3 under-collection of \$105,886, correct?

4 A (McNamara) Yes.

5 Q Why is the interest a credit?

6 A (McNamara) Because -- I really would have to look
7 into the details again behind it. It may have to
8 do with the original over- and under-collection,
9 and then entries were made. But I really can't
10 answer that without looking into it.

11 Q Mr. Simek?

12 A (Simek) I can talk towards that. What Cathy said
13 is correct. Meaning that we started off with a
14 higher over-collection, and throughout the period
15 that was accumulating interest. And we
16 eventually, at the very end, ended up giving
17 really too much back. So, when you added up the
18 full interest that accumulated on each month's
19 calculation as that over-collection was trickling
20 down, and then you add up the interest for the
21 total six-month period, it's a credit or a
22 negative number.

23 Q Okay. Thank you.

24 A (Simek) You're welcome.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Q I think I just have a few questions for
2 Ms. Gilbertson -- no. Yes, Ms. Gilbertson. So,
3 I'm going to your testimony, which is in Exhibit
4 2. Can you look at Bates Page 031 please?

5 A (Gilbertson) Okay.

6 Q Lines 5 through 7, you forecasted the design day
7 slightly as an increase from last year. But
8 later on in your testimony you say that four
9 percent -- that the demand was four percent lower
10 last year than you expected. Why would you
11 design the -- why would you make the design day
12 an increase this year?

13 A (Gilbertson) Because that is sales customers, and
14 there was a shift between the transportation and
15 the sales. So, the transportation customers were
16 less, and the sales customers were more, because
17 we had a marketer that exited the program, and we
18 took in those additional customers.

19 CMSR. BAILEY: Okay. Thank you. I
20 remember reading that somewhere. Sorry. I
21 understand.

22 That's all I have, Madam Chair.

23 CHAIRWOMAN MARTIN: All right. And I
24 don't have any other questions.

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 Attorney Sheehan, do you have any
2 redirect?

3 MR. SHEEHAN: Just a couple questions
4 for Ms. Gilbertson.

5 **REDIRECT EXAMINATION**

6 BY MR. SHEEHAN:

7 Q Ms. Gilbertson, you answered a few questions
8 about demand charges with Ms. Schwarzer. You're
9 aware that demand charges will be an issue in the
10 upcoming Keene case that we'll be doing this
11 afternoon, correct?

12 A (Gilbertson) I am aware, yes.

13 Q And are the demand charges at issue in Keene, are
14 they a different character than the demand
15 charges that you were talking about that apply to
16 EnergyNorth?

17 A (Gilbertson) I'm not sure I understand. Demand
18 charges are demand charges.

19 Q Okay.

20 A (Gilbertson) I don't think anything was done
21 differently.

22 Q Okay. And the demand charges, are they governed
23 by the contract of the particular service you're
24 seeking?

[WITNESS PANEL: Casey|Gilbertson|Simek|McNamara]

1 A (Gilbertson) Yes.

2 Q And we will obviously get into the details of the
3 demand charges in Keene when we get to the Keene
4 hearing, is that fair?

5 A (Gilbertson) Yes.

6 MR. SHEEHAN: Okay. Thank you. That's
7 all I have.

8 CHAIRWOMAN MARTIN: All right. Thank
9 you.

10 Okay. The witnesses are released, if
11 there's no other questions.

12 And I think we have agreement that we
13 will strike the ID on Exhibits 1 through 4 and
14 Exhibit 6, but not Exhibit 5. And all of those
15 will be admitted as full exhibits.

16 So, at this point, all we have left to
17 do is closing arguments. And let's start with
18 Attorney Shute.

19 MS. SHUTE: Thank you, Commissioner.
20 We have no issue with the revised filing. And we
21 recommend approval of the rates as just and
22 reasonable. We intend to complete the
23 determination of the RDAF in the rate case, and
24 appropriately reconciling that in the cost of gas

1 filings in 2021.

2 Thank you.

3 CHAIRWOMAN MARTIN: All right. Thank
4 you. Attorney Schwarzer.

5 MS. SCHWARZER: Thank you, Madam Chair.
6 Cost of gas hearings are fast-paced. And I think
7 all the parties have acted in goodwill and
8 cooperated well throughout this process. The
9 utility has been very responsive with its
10 answers, and the OCA's analysis and input is
11 always valued. And, so, I wanted to just make
12 that statement here.

13 Staff has reviewed Liberty's Cost of
14 Gas filing and the revised filing, and recommends
15 that the Commission approve the proposed rates,
16 supply balancing charges, gas allowance factor,
17 and the capacity allocator percentages and
18 short-term debt limits in this filing.

19 Liberty's gas supply planning and
20 dispatch is very similar to last year's, and
21 transportation and firm sales customers, and the
22 winter and summer periods have been calculated in
23 accordance with priorly approved allocation
24 methodologies.

1 So, Staff recommends approval of the
2 proposed LDAC rate that is designed to recover
3 costs as provided for in prior dockets as
4 approved by the Commission.

5 Thank you.

6 CHAIRWOMAN MARTIN: All right. And
7 Attorney Sheehan.

8 MR. SHEEHAN: Thank you. We appreciate
9 Staff's support and the OCA's support for this
10 filing. And we also agree with and appreciate
11 the good working relationship that all the
12 parties have. There were a million e-mails that
13 went back and forth in the last five or six days.
14 And sometimes it's a little frustrating that we
15 don't get it quite right the first time, but our
16 goal is always to get the right answer and get it
17 out as soon as we can.

18 So, that being said as well, we ask
19 that the Commission approve the rates as proposed
20 in Exhibits 1, 2, and 3 as just and reasonable,
21 for the reasons stated in those -- in those
22 exhibits.

23 And appreciate the parties' time.

24 Thank you.

1 CHAIRWOMAN MARTIN: All right. Thank
2 you. And I want to thank everyone for their
3 patience this morning as we worked through our
4 own IT issues on the Commission's side. So,
5 thank you, everyone, for that. I apologize.

6 We will take this matter under
7 advisement and issue an order as soon as
8 possible. And we are adjourned for the day.
9 Have a nice weekend.

10 ***(Whereupon the hearing was adjourned***
11 ***at 12:24 p.m.)***