

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-057

**LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
d/b/a LIBERTY-KEENE DIVISION**

2022/2023 Winter Cost of Gas

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On September 15, 2022, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty-Keene Division (Liberty-Keene or the Company) submitted a winter 2022/2023 cost of gas (COG) filing outlining its proposed COG and non-fixed price option (FPO) and FPO rates for the winter period (November 1, 2022 through April 30, 2023). The COG submission and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at www.puc.nh.gov/regulatory/Docketbk/2022/22-057.html.

I. BACKGROUND AND PROCEDURAL HISTORY

Liberty-Keene's September 15 filing included proposed tariff pages, schedules, and the joint direct testimony of Deborah M. Gilbertson and Heather M. Tebbetts (Joint Testimony). According to the filing, the Company has proposed a winter 2022-2023 non-FPO COG rate of \$2.2194 per therm for residential customers, Joint Testimony at Bates page 5, a \$0.2326 per therm or an approximately 11.7 percent increase compared to the winter 2021-2022 non-FPO COG rate of \$1.9868 per therm that the Commission approved on a provisional and interim basis in Order No. 26,542, issued on October 29, 2021 in Docket No. DG 21-132.¹ Liberty-Keene determined the

¹ The Joint Testimony refers on Bates page 11 to \$1.8741 per therm as the interim winter 2021-2022 non-FPO rate approved by the Commission in Docket No. DG 21-132, but this appears to be the winter

non-FPO COG by dividing the Total Anticipated Cost of Gas for the 2022-2023 winter period by the projected gas sales. Joint Testimony at Bates pages 5-6. According to the Joint Testimony, a typical non-FPO residential heat and hot water customer is expected to see an increase of approximately \$110.14 or 12.5 percent in the gas component of their bill compared to the prior winter period. *Id.* at Bates page 12.

The Company will be offering a FPO program for the winter 2022-2023, which will allow customers to lock in their COG rate. *Id.* at Bates page 10. The proposed FPO rate, which is calculated by adding a \$0.02 per therm premium to the non-FPO rate, is \$2.2394 per therm. *Id.* This proposed FPO rate is a \$0.2326 per therm or an approximately 11.6 percent increase compared to the winter 2021-2022 COG rate of \$2.0068 per therm that the Commission approved on a provisional and interim basis in Order No. 26,542.² The Company bases this rate on the projected usage of both propane and compressed natural gas (CNG) in Keene. The proposed change to Liberty-Keene's winter COG rate is expected to increase the gas component of a typical FPO residential heat and hot water customer's total bill for the winter period by approximately \$154.37 or 18.2 percent. *Id.* at Bates page 11. Liberty stated that the main reason for the proposed increase in the winter 2022-2023 COG rates was the increase in supply costs as a result of market futures. *Id.*

2020/2021 non-FPO COG rate initially proposed by Liberty-Keene in Docket No. DG 21-132 before it updated its filing. *See* Order No. 26,542 at 3-4 (October 29, 2021). The Commission approved a winter 2020/2021 non-FPO rate of \$1.9868. *See id.* at 1, 9. Liberty-Keene's annotated tariff pages confirms the existing non-FPO rate is \$1.9868. Joint Testimony at Bates page 18.

² The Joint Testimony refers on Bates page 11 to \$1.8941 per therm as the interim winter 2021-2022 FPO rate approved by the Commission in Docket No. DG 21-132, but the Commission approved a winter 2020/2021 FPO COG rate of \$2.0068. *See* Order No. 26,542 at 1, 9 (October 29, 2021). Liberty-Keene's annotated tariff pages further confuses matters by identifying the FPO rate as the initially proposed \$1.8941. Joint Testimony at Bates page 18.

On September 20, 2022, the New Hampshire Department of Energy filed its appearance and the following proposed procedural schedule, to which it represented that Liberty agreed:

September 15, 2022	Liberty to file winter COG filing (with proposed procedural schedule)
September 23, 2022	Initial COG discovery to the Company
September 29, 2022	Liberty responses to discovery due
October 7, 2022	Last day for updated filing to reflect current propane and CNG pricing, and any other Company charges, if necessary (with narrow exceptions not listed here)

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: issues related to RSA 374:2 and RSA chapter 378, including: the justness and reasonableness of rates, fares, and charges; the forecasting of sales, supplier prices, and transportation prices; weather normalization; operational issues; the retroactive adjustment of certain reconciling rates; 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 revenue; the prudence and recovery of environmental remediation; and the calculation of the COG and FPO rates, including CNG demand and supply costs. 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 prehearing conference or 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, RSA chapter 378, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the parties' proposed procedural schedule is APPROVED; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on October 26, 2022, at 9:00 a.m. Three hours 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 14, 2022. 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 24, 2022; 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

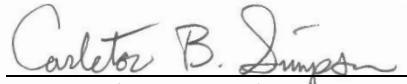
FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before October 7, 2022. 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 twenty-eighth day of September, 2022.



Daniel C. Goldner
Chairman



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# : 22-057

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