## STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

#### DG 21-130

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

### 2021-2022 Cost of Gas

#### Order Suspending Proposed Tariffs, and Scheduling Hearing

# <u>O R D E R N O. 26,632</u>

#### May 26, 2022

This order suspends the Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty or the Company)-proposed tariffs for its Cost of Gas (COG) rates outlining its proposed updated COG rates to be effective on June 1, 2022, for a period of three (3) months, pending further investigation. The Commission's further investigation will occur through this adjudicative proceeding, and it is expected that the Commission would render its decision on the proposed COG rates by the end of July 2022, for a potential effective date of August 1, 2022. This Order provides notice of a hearing for July 13, 2022 at 1:30 p.m.

On May 20, 2022, Liberty filed a petition to update its summer 2022 COG rates beyond the maximum rate approved by Order No. 26,541 (October 29, 2021) in this instant docket, styled as a "Motion to Increase Summer 2022 Cost of Gas Rates."

The petition 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 <a href="https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-130.html">https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-130.html</a>.

Liberty, in its petition, cited an escalation in natural gas commodity prices related to the recent outbreak of the war in Ukraine, which would necessitate an increase in the Company's COG rates for the current summer COG period (May 1, 2022-October 31, 2022) beyond the current maximum rate of \$0.6984 per therm for residential customers. Liberty proposes a new proposed COG rate for residential customers, to be effective on June 1, 2022, of \$1.2295 per therm, with similar escalations in rates for the Company's commercial and industrial customers. The Company also mentions in its petition that it projects an under-collection of approximately \$9.6 million over the Summer 2022 COG period if the current maximum rates were to remain in place.

The New Hampshire Department of Energy (DOE) filed an objection to the Company's petition on May 23, 2022, citing the DOE's need for more time to review Liberty's proposal, and disputing the Company's assertions of the need for Commission action by June 1, 2022. On May 24, 2022, the Office of the Consumer Advocate (OCA) filed a letter of support for DOE's objection. Both the DOE and OCA also cited concerns related to customer notice for such a substantial rate increase as that proposed by the Company in its petition.

As a threshold matter, we concur with the DOE and OCA that there are weighty issues related to customer notice and potential rate shock at play here. Furthermore, we are not convinced that Liberty could not reasonably foresee the very large COG undercollection balance as it developed, at earlier stages in the 2021-22 COG period. We also require additional time to review the Company's petition for accuracy and reasonableness. Also, we expect the Company to provide a full accounting of its gas commodity acquisition and hedging policies and programs in advance of this hearing, and to that effect we will issue Record Requests regarding these, and other, matters in a separate procedural order.

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Accordingly, the proposed Liberty COG tariff pages are suspended for a period of three (3) months pursuant to RSA 378:6, I(b), pending investigation and further order of the Commission. We also schedule a hearing in this matter on July 13, 2022 at 1:30 p.m., and expect to render a decision in this COG matter by the end of July. (The Commission does not have availability for the late-June hearing dates specified by the DOE). In issuing this order, we waive the 10-day objection time frame of N.H. Code Admin. R. Puc 203.07(e), pursuant to Puc 201.05(a), as requested by the DOE, as in the public interest, and to effectuate the orderly progress of this proceeding.

## Based upon the foregoing, it is hereby

**ORDERED**, that the proposed Liberty COG tariff pages are suspended for a period of three (3) months pursuant to RSA 378:6, I(b), pending investigation and further order of the Commission; 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 July 13, 2022, at 1:30 p.m. Three hours shall be allotted for this hearing; and it is

**FURTHER ORDERED,** that the hearing in this matter shall be conducted in accordance with the attached hearing guidelines; and it is

**FURTHER ORDERED**, that the 10-day objection period of N.H. Code Admin. R. Puc 203.07(e) is hereby WAIVED in this instance pursuant to Puc 201.05(a).

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of May, 2022.

Daniel C. Goldner Chairman

Pradip K. Chattopadhyay Commissioner

Carleton B. Simpson Commissioner

# Service List - Docket Related

Docket# : 21-130

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