

THE STATE OF NEW HAMPSHIRE



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Martin P. Honigberg

COMMISSIONERS
Kathryn M. Bailey
Michael S. Giaimo

EXECUTIVE DIRECTOR
Debra A. Howland

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:
www.puc.nh.gov

PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

September 24, 2018

Michael J. Sheehan, Esq.
Liberty Utilities
15 Buttrick Rd.
Londonderry, NH 03053

Re: DG 17-048, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities;
Petition for Permanent and Temporary Rates
Illustrative Decoupling Tariff

Dear Attorney Sheehan:

In Order No 26,122, the Commission approved Liberty's proposed decoupling mechanism, including a real-time weather normalization adjustment. In that Order, the Commission required Liberty to file "illustrative tariffs demonstrating the rates, terms, and conditions required to implement decoupling in conformance with existing law." Order at 46.

On June 11, 2018, Liberty submitted an illustrative decoupling tariff. The Commission has reviewed the illustrative tariff and believes additional information is needed concerning three issues:

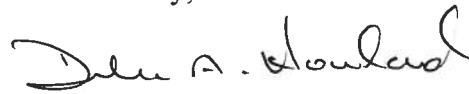
First, Liberty proposed a real-time weather normalization adjustment that would be made year-round. According to Sections 17.D.4.h and j of the illustrative tariff, however, the adjustment will only be performed during the six winter months. Accordingly, the Commission has decided to require Liberty to provide the reasoning behind its decision to now propose an illustrative tariff that limits the adjustment to the six winter months. Further, the Commission has decided to require Liberty to explain in detail any benefits and drawbacks to its customers from the change to a winter-only adjustment.

Second, real-time weather normalization will be confusing and concerning to some customers, and the Commission envisioned a high level of transparency and clarity in the tariff. The general description of the weather normalization adjustment in Section 17.D.7.b falls short in this regard. Therefore, the Commission has decided to require Liberty to refile the tariff with a more detailed explanation of the adjustment, a formula demonstrating how this adjustment will be calculated, what data will be included in the calculation, and definitions of terms.

Third, the Order directed Liberty to file illustrative tariffs “in compliance with existing law.” The June 11 tariff filing does not address this requirement. Thus, the Commission has decided to require Liberty to file a legal memorandum explaining how the real-time weather normalization portion of the tariff as filed is “in conformance with existing law.” In particular, Liberty is directed to explain how the tariff complies with the provisions of RSA 378:3, which deals with prior notice of rate changes; and with the NH Supreme Court’s ruling in *Appeal of Pennichuck Water Works*, 120 NH 562, which deals with the customers right to rely on the rates in effect at the time they consume utility service.

These issues need to be resolved prior to decoupling implementation. Accordingly, the Commission directs Liberty to file the information required above on or before October 1, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is written in a cursive style with a large initial "D".

Debra A. Howland
Executive Director

Cc: Service List DG 17-048