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December 22, 2017

Via Electronic Mail and US Mail

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

**Re: DE 14-216 Liberty Utilities (Energy North Natural Gas) Corp. d/b/a Liberty Utilities
 2017 NHSaves Electric and Natural Gas Energy Efficiency Programs**

Dear Ms. Howland:

On behalf of Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“the Company”), I am writing to inform the Commission, as detailed in Section IV.C of the 2015-2016 New Hampshire Statewide CORE Energy Efficiency Plan approved by the Commission in its Order No. 25,747 (December 31, 2014) in Docket DE 14-216, of the Company’s intention to transfer funds within the Residential sector of its natural gas energy efficiency programs in 2017, which were approved by the Commission in its Order No. 25,976 (December 23, 2016).

Specifically, the Company intends to transfer \$145,840 from the Home Performance with ENERGY STAR program and \$17,160 from the ENERGY STAR Homes program for a total of \$163,000 to be transferred into the ENERGY STAR Products. Table 1 outlines the specific program budget transfers and the impact on each respective program’s budget. As shown, the program transfers from the Home Performance with ENERGY STAR program and ENERGY STAR Homes Program constitutes transfers out of 20% and 13% respectively, and a transfer into the ENERGY STAR Products program of 20%.

| Table 1. Budget Transfer | | | | |
|-----------------------------------|-----------------|-----------|------------------------------|---------------|
| Program | Original Budget | 20% Cap | Amount Transferred To/(From) | % Transferred |
| ENERGY STAR Products | \$815,220 | \$163,044 | \$163,000 | 20% |
| Home Performance with ENERGY STAR | \$729,200 | \$145,840 | (\$145,840) | (20%) |
| ENERGY STAR Homes | \$136,000 | \$27,200 | (\$17,160) | (13%) |

The Home Performance with ENERGY STAR Program is projecting significantly lower-than-planned customer activity for the year, which will result in an under spend in the budget. Despite numerous marketing initiatives implemented in 2017, including targeted customer direct mailings, emails, outbound calling, a television campaign on several major cable TV networks, and various customer and contractor events and training seminars, growth in demand for qualifying, cost-effective weatherization

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work has been tempered we believe due to lower natural gas prices and the warmer weather experienced over the past two winter heating seasons. As of date, the Company is projecting the completion of 106 single-family weatherization jobs in 2017, compared to the 87 completed in 2016. However, this is short of the planned target of 207 single-family jobs for the year.

The Company's ENERGY STAR Homes program is also projecting an under spend in activity for the year, driven by a few planned projects being deferred into 2018.

The Company's ENERGY STAR Products program has experienced significant customer demand in 2017, in particular for qualifying, high efficient combination water heaters and condensing boilers and on-demand water heaters. The following budget transfer into the program will allow known rebate applications remaining in 2017 to be processed.

Thank you for your assistance with this matter. Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Stephen R. Hall

cc: Service List