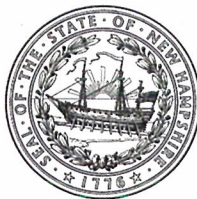


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PUBLIC UTILITIES COMMISSION

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NHPUC 27OCT14PM1:37

October 27, 2014

TO: Commissioners
FROM: Alexander F. Speidel, Hearing Examiner
RE: DG 14-220, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities, Winter 2014-2015 Cost of Gas Filing

HEARING EXAMINER’S REPORT

At your request, I presided over the October 22, 2014 hearing in the above-referenced case.

On September 3, 2014, Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities (Company) filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2014, through April 30, 2015, its proposed local delivery adjustment clause (LDAC) charges, and miscellaneous other charges and allocation factors, for the period November 1, 2014 through October 31, 2015. The Company also filed a motion for confidential treatment of certain material in the filing not afforded confidential treatment pursuant to N.H. Code Admin. Rules Puc 201.06(a)(26). On September 12, 2014, an order of notice scheduling a hearing on October 22, 2014 was issued by the Commission. The Company filed its affidavit of publication of the Order of Notice on September 24, 2014. On October 15, 2014, the Company made an updated COG filing, with lower COG rates than those proposed in its September 3, 2014 original filing. The Company’s proposed COG and LDAC rates for the Winter 2014-2015 period, as outlined in the Company’s revised Tariff page changes, are as follows, with “maximum” COG rates at the 25 percent increase “collar” level presented in parentheses:

Residential COG Rate:	\$1.1630 per therm (\$1.4538 maximum)
C&I Low Winter Use COG Rate:	\$1.1384 per therm (\$1.4230 maximum)
C&I High Winter Use COG Rate:	\$1.1666 per therm (\$1.4583 maximum)
FPO COG Rate (Residential Customers Only):	\$1.2425 per therm
LDAC (Residential):	\$0.0772 per therm
LDAC (C&I):	\$0.0628 per therm

(Proposed LDAC Component Rates presented in Proposed Third Revised Tariff Page 94)

(The Commission may review the expected customer bill impacts of these proposed COG and LDAC rates within Schedule 8 of the Company’s updated COG filing).

Appearances

Sarah B. Knowlton, Esq. for the Company

Rorie E.B. Hollenberg, Esq. for the Office of Consumer Advocate (OCA)

David K. Wiesner, Esq. for Commission Staff (Staff)

Intervention Requests

None (OCA participating pursuant to RSA 363:28, letter of participation filed on September 18, 2014).

Exhibits Recommended for Acceptance and Marking

The Company requested that the following materials be marked and accepted by the Commission as hearing exhibits:

Proposed Exhibit 1: Public, Redacted Version of Company's October 15, 2014 Revised COG filing, with the prefiled testimony of David B. Simek, Mary E. Casey, and Francisco C. DaFonte

Proposed Confidential Exhibit 2: Confidential Version of Company's October 15, 2014 Revised COG filing

Proposed Confidential Exhibit 3: Confidential Attachment "MEC-1" to Prefiled Testimony of Mary E. Casey, submitted with Company's original September 3, 2014 COG filing, and the subject material of the Company's motion for confidential treatment filed on September 3, 2014

The OCA and Staff did not object to these proposed Exhibits. As Hearing Examiner, I accepted the Company-proposed numbering scheme for the purposes of the hearing record, and I recommend that the Commission approve these proposed Exhibits, and marking designations, within its Order for this case.

Witnesses Presenting Oral Testimony at Hearing

Company representatives Simek, Casey, and DaFonte sat as witness panel in support of the Company's filing.

Corrections to Pre-Filed Testimony, Related Materials

Company witness DaFonte noted that the confidential price for Niagara supply, at Bates Page 87R, Line 9, of Proposed Hearing Exhibit 1, should be public

Mr. DaFonte noted, that as the Company was no longer using Granite Ridge supply, the confidential price for that supply at Bates Page 87R, Line 47, of Proposed Hearing Exhibit 1, should be public

However- Mr. DaFonte did confirm that the not-FERC-regulated price at Bates Page 87R, Line 48, of Proposed Hearing Exhibit 1 should remain confidential and redacted

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Mr. DaFonte noted that, on Bates Page 304R of Proposed Hearing Exhibit 1, Lines 3 and 4, the old business address of the Company should be excised, and the new business address of 15 Buttrick Road, Londonderry, NH 03053 should be substituted

Summary of Matters Discussed at Hearing

OCA inquired of the Company regarding the status of its hedging program, and its remediation of the Concord manufactured gas plant (MGP) site.

Staff inquired regarding the progress of the iNATGAS project; the Company clarified that its current expected in-service date for the iNATGAS plant was April 1, 2015. Staff inquired regarding the adequacy of COG rate flexibility in light of recent gas market conditions (winter 2013-2014), the under-collection resulting from last winter's conditions, and the need to accommodate capacity-exempt (competitive supplier-sales) customers returning to capacity-assigned (Company-sales) service. (The Commission is encouraged to refer to the transcript of the hearing, when available, for further specific details regarding this technical issue).

In response to Staff and bench questioning, Mr. DaFonte confirmed that the Company would alert the Commission, Staff, and OCA in case of a "rush" reverse migration of capacity-exempt customers to Company sales, capacity-assigned service pursuant to the Tariff this upcoming winter. The Company also pledge to enter into "pre-planning" discussions related to this issue during this autumn with Staff and OCA, to plan for this contingency.

Closing Statement Positions of the Parties

The OCA expressed its position as not being opposed to the Commission's approval of the Company's proposed COG rates.

Staff supported approval of the proposed COG rates.

The Company requested approval of its COG rate proposal, as just and reasonable. The Company also welcomed the opportunity to further discuss the issue of capacity-exempt customers and reverse migration.

Motion for Confidential Treatment

The subject material of the Company's motion for confidential treatment is Confidential Attachment MEC-1, which presents a settlement between Public Service Company of New Hampshire and the Company regarding the remediation of the Keene MGP site. This material was beyond the scope of the "routine filings" protection afforded by N.H. Code Admin. Rules Puc 201.06(a)(26). No objections to this motion were raised at hearing, and I confirmed, though bench questioning, the confidentiality of this material.

Hearing Examiner's Recommendations for Disposition of the Case

I recommend approval of the motion for confidential treatment.

I recommend approval of the revised COG rates filed for by the Company.

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I recommend that the Commission encourage efforts to discuss and plan for contingencies related to "reverse migration" of capacity-exempt customers back to Company sales service (capacity-assigned) during this upcoming winter.

By 
Alexander F. Speidel, Hearing Examiner