Liberty Utilities

EXHIBIT
#83
DG 17-048

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NH PUBLIC UTILITIES COMMISSION

July 9, 2018

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

Re: Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Docket No. DG 17-048 – Motion for Rehearing

Dear Ms. Howland:

In compliance with Order No. 26,149 issued June 22, 2018, Liberty Utilities (EnergyNorth Natural Gas) Corp. (Liberty) provides the information required by the Commission in its Order, which granted, in part, Liberty's Motion for Rehearing. The information is summarized in two attachments. Attachment 1 contains the information required in Appendix 1 of the Commission's Order, and Attachment 2 provides the information required in Appendix 2 of the Order.

Attachment 1

All of the calculations Attachment 1 were based on weather normalized test year billing determinants, adjusted for 2017 year-end customer count, as required by Appendix 1 of the Order.

Section I of Attachment 1 shows monthly distribution revenue, by class, for July 2017 through December 2018 based on actual rates in effect in June 2017 (prior to the implementation of temporary rates). Total revenue for that period based on that previous rate level is $101,353,705, broken down into two portions: $30,347,040 for the months of July through December 2017, and $71,006,665 for the months of January through December 2018. This information is provided in accordance with Paragraph I of Appendix 1 to the Order.

Section II of Attachment 1 also shows monthly distribution revenue, by class, for July 2017 through December 2018, but the revenue is calculated using different rate levels than what was used to calculate monthly revenue in Section I. For the period July 2017 through April 2018, monthly distribution revenue is based on the temporary rates that were in effect, as required in Paragraph II of Appendix 1 to the Order. Total revenue for that period based on temporary rate level is $69,780,418. Section III of Attachment 1 shows monthly distribution revenue for the period May 2018 through December 2018, based on redesigned permanent rates that took effect on May 1, 2018, as required in Paragraph III of Appendix 1 of the Order, with the following adjustments: (i) the step increase was removed to avoid an overstatement of permanent rate level as compared to temporary rate level; and

(ii) the impact of the lower tax rate under the Tax Cuts and Jobs Act was removed to avoid an understatement of permanent rate level as compared to temporary rate level. These adjustments are necessary because temporary rate level did not include the effect of either of these items. Based on the above, total permanent rate level for the period May 2018 through December 2018 is $41,216,065.

Section IV of Attachment 1 shows the calculation of recoupment for the months of May 2018 through December 2018 and Section VII shows recoupment for the months of January 2019 through October 2019, as required in Paragraphs IV and VII of Appendix 1 to the Order. The total recoupment amount shown in those sections is $1,643,793. This amount is higher than the approved recoupment amount of $1,326,355 shown in Appendix 5 to Order No. 26,122 issued April 27, 2018, due to the fact that the recoupment calculation in Attachment 1 is based on year-end 2017 customer count. Since recoupment is recovered through the LDAC, which is reconciled, the amount specified in Order No, 26,122 will be the amount actually recovered during that time period.

Section V of Attachment 1 shows the monthly distribution revenue impact of the Commission's Order No. 26,122. The first six columns show the revenue difference between temporary rates and rates in effect in June 2017 (prior to the implementation of temporary rates) for the period July 2017 through December 2017. The revenue difference for that six-month period is $3,197,486. This information is provided in accordance with Paragraph V of Appendix 1 to Order 26,149.

The first four columns in Section VI of Attachment 1 show the monthly distribution revenue difference between permanent rate level and June 2017 rate level (prior to the implementation of temporary rates) for the period January 2018 through April 2018. The revenue difference for that four-month period is $3,454,202. The last eight columns in Section VI show the monthly distribution revenue difference between permanent rate level and June 2017 rate level (prior to the implementation of temporary rates) for the period May 2018 through December 2018, both with and without recoupment. The revenue difference without recoupment for that eight-month period is $2,991,091, while the amount with recoupment is $3,631,371. As discussed above, the recoupment amount is overstated due to the use of adjusted sales based on year-end 2017 customer count to perform the calculation but the difference will be accounted for as part of the reconciliation process. All of the amounts described in this paragraph are provided in accordance with Paragraph VI of Appendix 1 to Order No. 26,149.

As discussed above, Section VII of Attachment 1 shows the monthly recoupment revenue for the months of January 2019 through October 2019, as required by Paragraph VII of Appendix 1 to Order No, 26,149. The total recoupment for that eight-month period is $1,003,514, subject to the same caveat as described above regarding the use of adjusted sales based on 2017 year-end customer count.

<u>Attachment 2</u>

All of the calculations in Attachment 2 are based on actual billing determinants for the period July 2017 through April 2018.

Section I of Attachment 2 shows monthly distribution revenue at the temporary rate level for the period July 2017 through April 2018. Total distribution revenue for that period is $70,820,607. This amount is provided in accordance with the first paragraph of Appendix 2 to Order No. 26,149.

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Section II of Attachment 2 shows monthly distribution revenue at permanent rates, including the impact of rate design changes, for the period July 2017 through April 2018. Total distribution revenue for that period is $74,114,427. This amount is provided in accordance with the second paragraph of Appendix 2 to Order No. 26,149.

Section III of Attachment 2 shows the monthly revenue difference between permanent rates and temporary rates. It was calculated by taking the monthly differences between the two revenue amounts calculated in Sections I and II above. That revenue difference is $3,293,820. This amount is what recoupment would have been if it had been calculated by applying the final approved rate level to actual billing determinants during the recoupment period and comparing that amount to the temporary rate revenue received during that same period. Note that it is $1,967,465 greater than the recoupment amount of $1,326,355 shown in Appendix 5 to Order No. 26,122.

All of the calculations described and summarized herein are supported by detailed spreadsheets. The spreadsheets are being provided contemporaneously in electronic form to the Commission Staff and the Office of Consumer Advocate. Additionally, Liberty, Staff and the OCA will be meeting in a technical session on July 16, 2017, to review the calculations.

Liberty appreciates the opportunity to provide this additional information and we look forward to productive discussions with the Staff and OCA.

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

Sincerely,

Stephen R. Hall

Stephen R. Hall

Enclosure