

THE STATE OF NEW HAMPSHIRE



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August 20, 2019

Catherine A. McNamara  
Rates and Regulatory Affairs  
Liberty Utilities  
15 Buttrick Road  
Londonderry, NH 03053

NHPUC 20AUG19PM1:41

Re: DG 19-054 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities.  
2019 Cast Iron/Bare Steel Replacement Program

Dear Ms. McNamara:

This letter memorializes for the record an error identified by Staff in a filing that Liberty made recently in compliance with Order No. 26,266 (June 28, 2019) in the above-captioned docket. The order approved revised delivery rates, effective July 1, 2019, based on Liberty's 2019 cast iron/bare steel (CIBS) replacement program expenditures, and required a subsequent compliance tariff filing. Liberty submitted the required tariff filing on July 15, 2019. Staff has reviewed the filing and confirms compliance with Puc 1603 filing requirements. However, Staff notes that the revenue requirement used to calculate the rate increase percentage was incorrect.

Order No. 26,266 approved an increase in Liberty's base delivery rates to permit Liberty to collect an additional \$1,020,832 annually for CIBS expenditures, with the increase to be implemented on an equal percentage basis among all customer classes. In developing the revised rates, Liberty incorrectly applied permanent distribution revenue figures based on rates effective July 1, 2018. As a result, Liberty erroneously used a rate of 1.22% rather than the required rate of 1.25%, resulting in an effective rate increase that is lower than the increase approved in Order No. 26,266 by \$26,363.

Staff discovered the error in its review of the underlying models used for the rate calculations and communicated its finding to Liberty. The Company informed Staff by electronic mail on August 19, 2019, that because the error benefits customers, "[the Company] will not request collection of this difference in future CIBS filings."

Enclosed for your records is a date-stamped copy of the filing.

Yours truly,

/s/ Al-Azad Iqbal

Utility Analyst  
Gas & Water Division

Enclosure

cc: Michael J. Sheehan, Esq.  
David B. Simek  
D. Maurice Kreis, Esq., OCA  
Docket Book