



Michael J. Sheehan, Esq.
Director, Legal Services
Phone: 603-724-2135
Email: Michael.Sheehan@libertyutilities.com

June 23, 2022

Via Electronic Mail Only

Daniel Goldner, Chair
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

**Re: DG 20-013; Residential Low Income Assistance Program for Natural Gas Customers
Consideration of Program Design Change**

Dear Chair Goldner:

The May 23, 2022, Procedural Order in this docket summarized Order No. 26,397 (Aug. 27, 2020), which approved a settlement agreement that modified the RLIAP, including a name change to the Gas Assistance Program (GAP), as follows:

In Order No. 26,397, the Commission approved a settlement agreement, pursuant to which the existing 60 percent bill credit on distribution rates (exclusive of the Local Distribution Adjustment Charge (LDAC)) was replaced with a 45 percent bill credit on distribution and supply rates (exclusive of the LDAC) during the winter months: November 1 to April 30. Id. at 6-8. The limit on the benefits to be paid to GAP participants remained at one percent of the utility's gross annual revenues, or one percent of a typical customer's annual bill. Id. at 7-8. The settlement agreement also provided for future review of the GAP as a whole, as well as a review of appropriate program costs. Id. at 7.

Procedural order at 1 (emphasis added). The procedural order directed the state's two gas distribution companies to make the following filing by June 23, 2022:

Accordingly, on or before June 23, 2022, Northern and Liberty shall each file an accounting of GAP expenditures on a monthly basis beginning on November 1, 2020, and continuing through April 30, 2022, together with the corresponding gross utility revenues for both winter periods in order to verify that the expenditures have not exceeded the one percent maximum. For both winter periods, Northern and Liberty shall also calculate the GAP expenditures as a percentage of a typical customer bill, which also has a one percent maximum.

Procedural order at 2 (emphasis added). Finally, the procedural order set asked for the following comments by June 30, 2022:

[T]he parties are requested to file comments regarding: (1) whether Northern and Liberty are currently administering the GAP in compliance with the requirements of Order No. 26,397; (2) the manner in which amounts spent on the GAP in excess of the one percent cap can be returned to customers; (3) whether changes to the GAP should be made to ensure that Northern and Liberty's GAP expenditures remain within the one percent cap; and (4) whether there are any other outstanding issues concerning administration of the GAP, which require further Commission review.

Id. (emphasis added).

First, in compliance with the first directive above, and on behalf of Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, enclosed please find the Company's "accounting of GAP expenditures on a monthly basis ... together with the corresponding gross utility revenues for both winter periods."

Second, the language highlighted above suggests that the Commission interprets the Settlement Agreement and Order No. 26,397 to impose a one percent "cap" on the benefits that the gas utilities can provide under the GAP, and that there is some risk of the utilities having to "return[] to customers" any benefits provided to low-income customers above that "cap."

Liberty will address this issue in more detail in its June 30 filing, but notes here that neither the Settlement Agreement nor Order No. 26,397 imposes a one percent "cap." Rather, those documents indicate that providing benefits that equal one percent of revenues is a

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target for the GAP and that exceeding that number can be reason for the Commission to re-evaluate and possibly adjust the GAP.

Pursuant to the Commission's March 17, 2020, secretarial letter, only an electronic version of this filing will be provided. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Sheehan", written in a cursive style.

Michael J. Sheehan

Enclosure

Cc: Service List