IV. FIXED PRICE OPTION

Q. Has the Company established a winter period fixed price pursuant to its Fixed Price Option Program?

A. Yes. Pursuant to Order No. 24,515 in Docket No. DG 05-127, the Fixed Price Option Program ("FPO") rates are set at $0.0200 per therm higher than the initial proposed COG rate. Proposed Third Revised Page 91 (Bates 046) contains the FPO rate for the 2020/2021 winter period, which is $0.5771 per therm for residential customers. This compares to the FPO rate approved for the 2019/2020 winter period of $0.6403 per therm for residential customers. This represents a $0.0632 per therm or 9.87% decrease in the residential FPO rate. The total bill impact on the winter period bills for an average FPO heating customer using 667 therms is a decrease of approximately $34.21 or 3.67% compared to last winter. The total bill impact reflects the overall rates in effect following implementation of the increases approved in Docket No. DG 20-049, effective July 1, 2020, relating to the cast iron/bare steel main replacement program. The estimated winter period bill for an average residential heating customer opting for the FPO would be approximately $14.47 (or 1.59%) higher than the bill under the proposed cost of gas rates, assuming no monthly adjustments to the COG rate during the course of the winter. Schedule 23 (Bates 195) contains the historical results of the FPO program.

V. LOCAL DELIVERY ADJUSTMENT CLAUSE ("LDAC")

Q. What are the surcharges that will be billed under the LDAC?

A. As shown on Proposed Third Revised Page 97 (Bates 052), the Company is submitting for approval an LDAC of $0.0589 per therm for the residential non-heating class and residential heating class, and $0.0555 per therm for the commercial/industrial bundled sales classes, effective November 1, 2020. The surcharges proposed to be billed under the LDAC are the Energy Efficiency Charge, the Revenue Decoupling Adjustment Factor, the Environmental Surcharge for Manufactured Gas Plant ("MGP") remediation, the Residential Gas Assistance Program charge, and the rate case expense reconciliation surcharge from Docket No. DG 17-048.

Q. Which customers are billed an LDAC?

A. All EnergyNorth customers including those in Keene are billed an LDAC charge. When calculating the LDAC charge, the November 1, 2020, through October 31, 2021, forecasted Keene therm sales of 1,442,013 are added to the EnergyNorth therm sales forecast of 178,132,666 for a total therm sales forecast of 179,574,679.

Q. Please explain the Energy Efficiency Charge.

A. The Energy Efficiency Charge is designed to recover the projected expenses associated with the Company's energy efficiency programs for the November 2020–October 2021 period that will be filed with the Commission in the near future. In the calculation of the Energy Efficiency Charge, the Company has also included the projected prior period under-recovery of the Company's residential and commercial energy efficiency programs as of October 2020. As shown on Schedule 19 Energy Efficiency (Bates 124-126), the proposed Energy Efficiency charge is $0.0831 per therm for Residential customers and $0.0441 per therm for commercial and industrial customers.

Q. Please explain the Revenue Decoupling Adjustment Factor ("RDAF").

A. The purpose of the RDAF is to recover or refund, on an annual basis, the difference between the Actual Base Revenue per Customer and the Benchmark Base Revenue per Customer. Schedule 19 RDAF (Bates 109-123) shows the proposed Actual Base Revenue per Customer and the Benchmark Base Revenue per Customer calculation of a total over-collection of $4,965,947 effective November 1, 2020, through October 31, 2021. Schedule 19 RDAF also includes a proposed September 2019 through August 2020 reconciliation. The reconciliation is new to this filing and calculates a remaining refund of $1,010,099 effective November 1, 2020, through October 31, 2021.

Q. What is the proposed Residential Gas Assistance Program charge?

A. As shown on Schedule 19 Gas Assistance (Bates 127-128), the proposed Residential Gas Assistance charge is $0.0121 per therm. It is designed to recover administrative costs, revenue shortfall, and the prior period reconciliation adjustment relating to this program. For the 2020/2021 winter period, the Company is providing a 45% base rate and cost of gas discount, consistent with the settlement agreement approved by the Commission in Order No. 26,397 (August 27, 2020) in Docket No. DG 20-013. The proposed Residential Gas Assistance charge is designed to recover $2,165,954, of which $1,689,200 is for the revenue shortfall resulting from 4,880 customers receiving a 45% discount off their base and cost of gas rates, and $476,754 for the prior year reconciling adjustment.

Q. In Order No. 24,824 (Feb. 29, 2008) in Docket No. DG 06-122 relating to short-term debt issues, the Company agreed to adjust its short-term debt limits each year as

Liberty Utilities (Energy North Natural Gas) Corp. d/b/a Liberty Uitilities
Revenue Decoupling Adjustment Factor (RDAF)
For LDAC effective November 1, 2020 - October 31, 2021

Revised Schedule 19
RDAF
Revised Page 1 of 15

	Residential	
1	Residential Projected November 1, 2020 Reconciliation Balance - RDAF Page 2	($441,556)
2	Residential Revenue Decoupling Deficiency / (Excess) - RDAF Page 3	($3,150,744)
3	Total Residential Revenue Decoupling Deficiency / (Excess)	($3,592,300)
4	Estimated Residential November 2020 - October 2021 Sales (therms)	63,939,354
5	Residential Revenue Decoupling rate per therm November 2020 - October 2021	($0.0562)
	Commercial	
6	Commercial Projected November 1, 2020 Reconciliation Balance - RDAF Page 2	($568,542)
7	Commercial Revenue Decoupling Deficiency / (Excess) - RDAF Page 3	($1,815,203)
8	Total Commercial Revenue Decoupling Deficiency / (Excess)	($2,383,746)
9	Estimated Commercial November 2020 - October 2021 Sales (therms)	115,635,325
10	Commercial Revenue Decoupling rate per therm November 2020 - October 2021	($0.0206)

Liberty Utilities (EnergyNorth Natural Gas) Corp.
NOVEMBER 2019 THROUGH OCTOBER 2020
REVENUE DECOUPLING RECONCILIATION BY SECTOR

	RESIDENTIAL	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)	(Estimate)	(Estimate)
1	**FOR THE MONTH OF:**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**	**Oct-20**
2	**DAYS IN MONTH**	**30**	**31**	**31**	**29**	**31**	**30**	**31**	**30**	**31**	**31**	**30**	**31**
3	Beginning Balance	$ (4,066,854)	$ (3,997,206)	$ (3,475,260)	$ (2,831,905)	$ (2,243,566)	$ (1,703,013)	$ (1,291,637)	$ (994,280)	$ (860,469)	$ (780,674)	$ (715,149)	$ (616,895)
4													
5	Less: Reconcile RDAF estimate to actual	$ (15,139)											
6													
7	Add: Collected Revenue	100,498	536,989	656,052	597,898	548,497	415,370	300,508	136,285	82,056	67,587	100,031	176,798
8													
9	Ending Balance Pre-Interest	$ (3,981,495)	$ (3,460,217)	$ (2,819,208)	$ (2,234,007)	$ (1,695,069)	$ (1,287,643)	$ (991,129)	$ (857,995)	$ (778,412)	$ (713,088)	$ (615,118)	$ (440,097)
10													
11	Month's Average Balance	$ (4,024,175)	$ (3,728,712)	$ (3,147,234)	$ (2,532,956)	$ (1,969,317)	$ (1,495,328)	$ (1,141,383)	$ (926,137)	$ (819,441)	$ (746,881)	$ (665,134)	$ (528,496)
12													
13	Interest Rate	4.75%	4.75%	4.75%	4.75%	4.75%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
14													
15	Interest Applied	$ (15,711)	$ (15,043)	$ (12,697)	$ (9,559)	$ (7,945)	$ (3,994)	$ (3,151)	$ (2,474)	$ (2,262)	$ (2,062)	$ (1,777)	$ (1,459)
16													
17	Ending Balance	**$ (3,997,206)**	**$ (3,475,260)**	**$ (2,831,905)**	**$ (2,243,566)**	**$ (1,703,013)**	**$ (1,291,637)**	**$ (994,280)**	**$ (860,469)**	**$ (780,674)**	**$ (715,149)**	**$ (616,895)**	**$ (441,556)**

	COMMERCIAL & INDUSTRIAL	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)	(Estimate)	(Estimate)
18	**FOR THE MONTH OF:**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**	**Oct-20**
19	**DAYS IN MONTH**	**30**	**31**	**31**	**29**	**31**	**30**	**31**	**30**	**31**	**31**	**30**	**31**
20	Beginning Balance	$ (2,949,937)	$ (2,932,797)	$ (2,627,674)	$ (2,249,156)	$ (1,905,938)	$ (1,583,568)	$ (1,334,451)	$ (1,139,693)	$ (1,020,164)	$ (934,293)	$ (832,805)	$ (719,585)
21													
22	Less: Reconcile RDAF estimate to actual	$ (10,982)											
23													
24	Add: Collected Revenue	39,583	316,316	388,335	351,044	329,395	253,009	198,168	122,410	88,565	103,924	115,290	152,818
25													
26	Ending Balance Pre-Interest	$ (2,921,335)	$ (2,616,481)	$ (2,239,339)	$ (1,898,113)	$ (1,576,544)	$ (1,330,559)	$ (1,136,283)	$ (1,017,283)	$ (931,599)	$ (830,369)	$ (717,514)	$ (566,767)
27													
28	Month's Average Balance	$ (2,935,636)	$ (2,774,639)	$ (2,433,507)	$ (2,073,635)	$ (1,741,241)	$ (1,457,064)	$ (1,235,367)	$ (1,078,488)	$ (975,882)	$ (882,331)	$ (775,160)	$ (643,176)
29													
30	Interest Rate	4.75%	4.75%	4.75%	4.75%	4.75%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
31													
32	Interest Applied	$ (11,461)	$ (11,194)	$ (9,817)	$ (7,826)	$ (7,025)	$ (3,892)	$ (3,410)	$ (2,881)	$ (2,694)	$ (2,435)	$ (2,071)	$ (1,775)
33													
34	Ending Balance	**$ (2,932,797)**	**$ (2,627,674)**	**$ (2,249,156)**	**$ (1,905,938)**	**$ (1,583,568)**	**$ (1,334,451)**	**$ (1,139,693)**	**$ (1,020,164)**	**$ (934,293)**	**$ (832,805)**	**$ (719,585)**	**$ (568,542)**

35	Total Ending Balance	**$ (6,930,003)**	**$ (6,102,934)**	**$ (5,081,061)**	**$ (4,149,504)**	**$ (3,286,582)**	**$ (2,626,089)**	**$ (2,133,973)**	**$ (1,880,633)**	**$ (1,714,967)**	**$ (1,547,954)**	**$ (1,336,480)**	**$ (1,010,099)**

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Liberty Utilities (Energy North Natural Gas) Corp. d/b/a Liberty Utilities
Revenue Decoupling Adjustment Factor (RDAF)
Allowed Base Revenue

Revised Schedule 19
RDAF
Page 4 of 15

EnergyNorth Natural Gas Inc

2019-20 Customers (Equivalent Bills)

	S&T Sep-19	S&T Oct-19	S&T Nov-19	S&T Dec-19	S&T Jan-20	S&T Feb-20	S&T Mar-20	S&T Apr-20	S&T May-20	S&T Jun-20	S&T Jul-19	S&T Aug-19	S&T Total
R-1	3,497	3,611	3,503	3,627	3,630	3,403	3,645	3,520	3,633	3,514	3,605	3,613	42,801
R-3	72,511	75,302	73,218	76,274	76,471	71,695	76,753	74,366	76,831	73,589	74,635	74,652	896,299
R-4	5,314	5,687	5,939	5,943	5,921	5,522	5,814	5,486	5,610	5,356	5,713	5,574	67,879
Total Resid.	**81,322**	**84,600**	**82,660**	**85,844**	**86,022**	**80,620**	**86,212**	**83,372**	**86,074**	**82,459**	**83,953**	**83,840**	**1,006,979**
G-41	8,868	9,414	9,424	9,851	9,899	9,280	9,918	9,534	9,722	9,135	9,210	9,149	113,403
G-42	1,409	1,467	1,434	1,483	1,487	1,394	1,492	1,442	1,486	1,419	1,441	1,457	17,411
G-43	56	59	58	64	63	59	63	61	63	60	59	56	721
G-51	1,306	1,353	1,311	1,350	1,347	1,260	1,346	1,298	1,340	1,272	1,345	1,357	15,886
G-52	392	409	401	417	419	393	421	406	419	402	401	406	4,886
G-53	33	34	33	34	34	32	34	33	34	33	34	33	402
G-54	26	27	26	28	29	26	29	28	28	27	28	27	329
Total C/I	**12,091**	**12,763**	**12,687**	**13,226**	**13,279**	**12,443**	**13,302**	**12,802**	**13,092**	**12,348**	**12,519**	**12,485**	**153,037**
Total All	**93,413**	**97,363**	**95,347**	**99,070**	**99,300**	**93,063**	**99,514**	**96,174**	**99,166**	**94,807**	**96,472**	**96,325**	**1,160,016**

2019-20 Benchmark Base Revenue Per Bill

	S&T Sep-19	S&T Oct-19	S&T Nov-19	S&T Dec-19	S&T Jan-20	S&T Feb-20	S&T Mar-20	S&T Apr-20	S&T May-20	S&T Jun-20	S&T Jul-19	S&T Aug-19
R-1	$ 18.859	$ 20.743	$ 23.630	$ 25.588	$ 26.326	$ 26.064	$ 24.359	$ 21.665	$ 20.932	$ 19.551	$ 18.941	$ 18.879
R-3	$ 25.472	$ 36.363	$ 58.483	$ 78.412	$ 89.883	$ 84.877	$ 72.716	$ 45.931	$ 33.622	$ 25.883	$ 23.299	$ 23.420
R-4	$ 9.916	$ 14.057	$ 22.321	$ 29.930	$ 33.822	$ 31.446	$ 28.720	$ 19.784	$ 13.134	$ 10.516	$ 9.417	$ 9.531
G-41	$ 72.158	$ 91.992	$ 141.061	$ 187.336	$ 213.824	$ 204.320	$ 174.282	$ 120.172	$ 89.749	$ 73.104	$ 68.903	$ 68.518
G-42	$ 350.138	$ 536.208	$ 831.437	$ 1,139.248	$ 1,275.090	$ 1,181.586	$ 995.503	$ 692.940	$ 478.158	$ 353.842	$ 302.305	$ 295.617
G-43	$ 1,571.363	$ 1,527.764	$ 6,630.216	$ 7,593.280	$ 8,769.856	$ 7,718.973	$ 6,633.048	$ 4,338.262	$ 2,120.739	$ 1,477.930	$ 1,300.970	$ 1,336.424
G-51	$ 89.704	$ 101.446	$ 117.110	$ 128.843	$ 132.447	$ 127.517	$ 117.280	$ 101.009	$ 95.963	$ 86.858	$ 87.995	$ 88.807
G-52	$ 364.914	$ 437.330	$ 635.041	$ 672.436	$ 670.683	$ 657.599	$ 601.232	$ 521.003	$ 376.781	$ 342.142	$ 352.146	$ 363.849
G-53	$ 2,344.638	$ 2,881.035	$ 5,288.039	$ 6,482.182	$ 5,443.345	$ 5,509.426	$ 5,382.287	$ 4,702.462	$ 2,553.307	$ 2,163.553	$ 2,187.837	$ 2,390.070
G-54	$ 2,869.470	$ 3,362.856	$ 4,517.444	$ 5,041.273	$ 4,376.519	$ 3,774.254	$ 2,908.047	$ 3,287.867	$ 2,028.236	$ 2,391.070	$ 2,406.224	$ 2,727.255

2019-20 Allowed Base Revenue

	S&T Sep-19	S&T Oct-19	S&T Nov-19	S&T Dec-19	S&T Jan-20	S&T Feb-20	S&T Mar-20	S&T Apr-20	S&T May-20	S&T Jun-20	S&T Jul-19	S&T Aug-19	S&T Total
R-1	$ 65,957	$ 74,907	$ 82,768	$ 92,799	$ 95,563	$ 88,684	$ 88,792	$ 76,262	$ 76,047	$ 68,708	$ 68,278	$ 68,211	$ 946,976
R-3	$ 1,846,975	$ 2,738,202	$ 4,282,002	$ 5,980,759	$ 6,873,453	$ 6,085,300	$ 5,581,209	$ 3,415,684	$ 2,583,185	$ 1,904,687	$ 1,738,889	$ 1,748,397	$ 44,778,744
R-4	$ 52,692	$ 79,937	$ 132,570	$ 177,882	$ 200,249	$ 173,658	$ 166,968	$ 108,535	$ 73,683	$ 56,324	$ 53,796	$ 53,132	$ 1,329,427
Total Resid.	**$ 1,965,623**	**$ 2,893,046**	**$ 4,497,340**	**$ 6,251,440**	**$ 7,169,264**	**$ 6,347,643**	**$ 5,836,969**	**$ 3,600,482**	**$ 2,732,916**	**$ 2,029,720**	**$ 1,860,963**	**$ 1,869,741**	**$ 47,055,148**
G-41	$ 639,934	$ 866,012	$ 1,329,324	$ 1,845,424	$ 2,116,677	$ 1,896,072	$ 1,728,486	$ 1,145,681	$ 872,510	$ 667,785	$ 634,584	$ 626,868	$ 14,369,358
G-42	$ 493,300	$ 786,658	$ 1,192,054	$ 1,689,567	$ 1,895,734	$ 1,646,593	$ 1,484,906	$ 999,164	$ 710,642	$ 502,140	$ 435,741	$ 430,853	$ 12,267,352
G-43	$ 88,677	$ 90,189	$ 387,205	$ 482,174	$ 556,009	$ 457,992	$ 419,430	$ 264,634	$ 132,900	$ 88,085	$ 76,627	$ 74,662	$ 3,118,584
G-51	$ 117,144	$ 137,262	$ 153,583	$ 173,920	$ 178,445	$ 160,626	$ 157,868	$ 131,160	$ 128,557	$ 110,508	$ 118,379	$ 120,531	$ 1,687,983
G-52	$ 143,140	$ 178,850	$ 254,475	$ 280,270	$ 280,973	$ 258,723	$ 252,859	$ 211,546	$ 157,870	$ 137,540	$ 141,230	$ 147,704	$ 2,445,180
G-53	$ 77,295	$ 98,243	$ 174,505	$ 221,042	$ 185,617	$ 175,751	$ 183,715	$ 155,338	$ 87,153	$ 71,397	$ 75,116	$ 78,952	$ 1,584,123
G-54	$ 74,606	$ 90,348	$ 117,454	$ 140,483	$ 126,627	$ 96,329	$ 83,977	$ 92,060	$ 57,331	$ 64,559	$ 68,417	$ 73,272	$ 1,085,462
Total C/I	**$ 1,634,096**	**$ 2,247,562**	**$ 3,608,600**	**$ 4,832,881**	**$ 5,340,082**	**$ 4,692,086**	**$ 4,311,241**	**$ 2,999,583**	**$ 2,146,964**	**$ 1,642,014**	**$ 1,550,094**	**$ 1,552,841**	**$ 36,558,043**
Total All	**$ 3,599,719**	**$ 5,140,608**	**$ 8,105,940**	**$ 11,084,321**	**$ 12,509,347**	**$ 11,039,729**	**$ 10,148,210**	**$ 6,600,065**	**$ 4,879,879**	**$ 3,671,734**	**$ 3,411,057**	**$ 3,422,582**	**$ 83,613,191**

112R