Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21 | Date of Response: 10/21/21
Request No. OCA 1-1 | Respondent: Catherine McNamara

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek, Bates 006, lines 10-11. Please explain the prior period under-collection of $69,913 and provide support and any associated live Excel spreadsheets.

RESPONSE:

The prior period under-collection of $38,715, plus the $31,198.52 in adjustments detailed below, total $69,613, the balance at October 31, 2021. This $69,613 balance is included on Updated Schedule B, line 35, in the "Prior" column.

May-July 2021 Demand charges charged to the Winter Deferral-timing	$23,437.50
Revenue appropriately booked to the winter deferral in summer months	$5,894.75
Gas Supply Gas Assistance (GAP)	-$228.73
Total Adjustments	$29,103.52
Interest May-21 to October-21	$2,095.00
Total Adjustments plus interest	$31,198.52

For further discussion of the $23,437.50, please see the response to OCA 1-7.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21 — Date of Response: 10/21/21
Request No. OCA 1-2 — Respondent: Catherine McNamara

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek, Bates 006, lines 12-15 and CONFIDENTIAL DG 21-132 Keene Winter 2021-22 COG model: Prime Rate tab. Please provide support that Liberty Utilities actually pays an interest cost equal to the monthly prime rate.

RESPONSE:

The Company follows the tariff and Commission Orders and uses the prime rate in its calculations of interest on the deferrals, see Original Page 33 of the NHPUC No. 11 – Gas Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, last updated August 1, 2021; *see also* Order No. 26,428 at 11 (Dec. 2, 2020) ("the over- or under-collection shall accrue interest at the prime rate as reported by the Federal Reserve Statistical Release of Selected Interest Rates, the rate to be adjusted monthly").

All the interest calculations for the deferral accounts are audited by Audit Staff. See below for a sample of the interest calculation used by the Company.

		Keene
		Sample Interest Calculation
Beginning Balance (Prior month ending balance)	**$**	**75,000.00**
Debits	**$**	**285,000.00**
Credits	**$**	**(295,000.00)**
Ending balance, pre interest	**$**	**65,000.00**
Per G\L	**$**	**65,000.00**
Average balance	**$**	**70,000.00**
Interest rate		**3.25%**
December		**31**
Interest applied		**192.69**
Ending balance per schedule	**$**	**65,192.69**

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-3

Date of Response: 10/21/21
Respondent: Catherine McNamara

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 006, lines 16-19. Please explain how the $0.02 per therm premium for the Non-Fixed Price Option rate is derived.

RESPONSE:

The source of the $0.02 premium for FPO customers is derived from Order No. 24,516 (Sept. 19, 2005), accessible from the link below. The FPO program in Keene has existed since 2000 and, in 2005, the Commission adjusted the premium from $0.01 to $0.02. The Commission explained its reason for the change to $0.02 in Order No. 24,516.

https://puc.nh.gov/Regulatory/Orders/2005orders/24516g.pdf

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-4

Date of Response: 10/21/21
Respondent: David Simek

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 008, lines 13-16. What is the threshold amount that Liberty considers a cost immaterial?

RESPONSE:

The Company does not have a specific threshold amount that is considered immaterial, but by any measure an amount that is less than 0.015% of the total anticipated cost, which is the magnitude of the $226 cost referenced in the testimony above, can be considered immaterial.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-5

Date of Response: 10/21/21
Respondent: David Simek

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 008, lines 17-20. Please explain how unaccounted-for volumes of gas are determined and explain their possible sources. Does Liberty Utilities have a plan in place to reduce these unaccounted-for volumes?

RESPONSE:

The formula to determine unaccounted-for gas volumes is:

Total gas purchases minus (quantity delivered to customers + gas used by the Company)

Some common sources for unaccounted-for gas are actual gas leaks, use of estimates, and meter reading errors. The Company is not aware of any current gas leaks within the system. The system currently has approximately 5.5 miles of leak prone pipe ("LPP") installed. The Company has been replacing approximately one mile of LPP per year. Use of estimates and meter reading errors are reduced when the Company upgrades the meters with Encoded Receiver Transmitter ("ERT") technology. ERT technology allows meter readers to get the reads externally without requiring access to the site (which reduces estimates) and to get electronic reads (which reduces human error). Please see the Company's response to Energy TS 1-4.d for further information regarding progress the Company has made with meter ERT upgrades.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21 | Date of Response: 10/21/21
Request No. OCA 1-6 | Respondent: Deborah Gilbertson

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 010, lines 4-6. Please provide a copy of the contractual agreement between the Company and its supplier, Xpress Natural Gas, LLC.

RESPONSE:

Please see Confidential Attachment OCA 1-6.

Confidential Attachment OCA 1-6 contains confidential pricing terms that are deemed to be confidential in cost of gas proceedings pursuant to Puc 201.06(a)(11) a. (“Supplier commodity pricing information related to the unit volumetric and demand cost”), Puc 201.06(a)(11) b. (“Pricing and delivery special terms of supply agreements”), and Puc 201.06(a)(11) g (“Responses to data requests related to a. through f. above”).

CNG MASTER AGREEMENT

This CNG Master Agreement (this "**CMA**") is entered into as of June 2, 2021, by and between **Xpress Natural Gas LLC**, a Delaware limited liability company with an office located at 300 Brickstone Square, Suite 1005, Andover, MA 01810 (together with its subsidiaries and affiliates "**Seller**"), and Liberty Utilities (EnergyNorth Natural Gas) Corp. with an office at 15 Buttrick Road, Londonderry, NH 03053 (" **Buyer**"). Each of Buyer and Seller may be referred to herein as a "**Party**" and collectively as the "**Parties.**"

This CMA replaces in its entirety the CNG Master Agreement between the parties dated January 6, 2021, which the parties agree is no longer in effect.

Summary of Base Terms
(hereinafter referred to collectively as the "**Base Terms**")

Buyer	Liberty Utilities (EnergyNorth Natural Gas) Corp.
Seller	Xpress Natural Gas LLC
Service Location	43 Production Avenue, Keene, New Hampshire
Delivery Point	Seller's meter installed prior to Buyer's flanged pipe connection, which is the outlet flange of the CNG decompression facility.
Effective Date	Effective Date will be July 1 , 2021.
Delivery Period	The Initial Term of the agreement is three (3) years from the Effective Date. The agreement will automatically renew for an additional one-year Renewal Term on the same terms and conditions, unless terminated by either Party on written notice delivered not less than 6 months prior to the expiration of the then-current Delivery Period. Buyer may withdraw from this agreement prior to the Effective Date by providing Seller 30 days' notice.
Natural Gas Product	Natural Gas delivered by the Seller shall be in compressed form (a maximum of 4,250 psig) and decompressed (a maximum of 105 psig and minimum of 65 psig)prior to the Delivery Point.
Purchase Price	Price per MMBTU for natural gas shall be the sum of: (i) Commodity Gas; plus (ii) Marketer's Basis charges applicable to the purchase of the Commodity Gas; plus (iii) Service Adder.
Demand Charges	In addition to the Purchase Price Buyer shall pay to the Seller a Demand charge equal to [redacted] annually. The Demand Charge shall be payable in 12 monthly installments from the Effective Date.
Commodity Gas	Unless otherwise selected, Commodity Gas shall default to the index price (per [redacted] The Commodity Gas will remain at such index pricing until Liberty notifies XNG, not later than 10 days prior to the start of next month, to resume default pricing
Marketer's Basis Charges	A 'per MMBTU' fee for pipeline capacity paid to the capacity-holders supplying Commodity Gas to the terminal. The Marketer's Basis Charge shall be [redacted] for the term of this Agreement [redacted] The charge per MMBTU will be [redacted] when Liberty chooses the [redacted]
Service Adder	[redacted] per MMBTU.
Contract Quantity	

Contract Quantity serves as the expected invoice quantities for deliveries each month. Actual volumes will vary due to weather and normal operations within the course of business.

Month	MMBTU	Month	MMBTU
January	3,400	July	--1,200
February	3,200	August	--1,000
March	--2,600	September	--1,000
April	--1,800	October	--1,400
May	--1,200	November	--2,100
June	--900	December	--3,300
		Total Annual Volume	23,100

Special Provisions	The Public Utilities Commission of the State of New Hampshire (Puc 509.16 and Puc 509.17) requires Buyer to maintain a minimum gas inventory during the period December 1st – April 1st. Seller agrees to provide three (3) CNG Trailers on site during this period. Seller agrees to increase the number of trailers or to contract firm capacity on behalf of Buyer if necessary to meet the Public Utilities Commission requirement. Any costs related to such request are the responsibility of the Buyer. Liberty's Operation & Maintenance procedures applicable to 43 Production Avenue, Keene, shall govern the operation and maintenance of the CNG facility beginning at the hose connection of the CNG delivery trailer.
Title & Risk of Loss	Title to the natural gas and risk of loss shall pass from Seller to Buyer at the Delivery Point.

ALL TERMS AND CONDITIONS INCLUDED IN THIS CONTRACT SHALL APPLY TO EACH SALE AND DELIVERY OF PRODUCT BY SELLER TO BUYER (1) UNDER THIS CONTRACT AND HEREAFTER (2) WHETHER OR NOT UNDER A WRITTEN CONTRACT.

EXHIBIT A – TERMS AND CONDITIONS .

Compressed Natural Gas Master Agreement Terms and Conditions

Capitalized terms used herein without definition have the meanings given in the Summary of Base Terms to which these Terms and Conditions are attached and incorporated therein.

1. Transactions : The terms of this CMA apply to all sales of compressed natural gas ("Gas" or "Commodity"), by Seller to Buyer. This CMA (the "Agreement") is the entire understanding between Parties and supersedes all other communication and prior writings with respect thereto; no oral statements are effective.

2. Performance: The Parties' obligations under this Agreement are firm. Seller is obligated to provide, and Buyer is obligated to purchase and receive the Contract Quantity of Commodity in accordance with the terms of this Agreement.

3. Purchase Price: Buyer will pay the Purchase Price. If the Purchase Price incorporates an index and the index is not announced or published on any day for any reason or if the Buyer and Seller mutually agree that a material change in the formula for or the method of determining the Purchase Price has occurred, then the Parties will use a commercially reasonable replacement price that is agreed in writing by both Parties. If Seller concludes that a change in any Law(s) materially increases Seller's costs, the Purchase Price may, upon mutual written agreement of the Parties, be adjusted to reflect such actual and documented costs. If the Parties are unable to reach agreement on a price increase to offset the increased cost to the Seller due to a change in Law, either Party may seek remedy under Section 6, Disputes. "Law(s)" mean all tariffs, laws, orders, rules, taxes and regulations. Beginning on the 3rd anniversary of the Effective Date of the Agreement, the Service Adder shall be subject to annual adjustment based on increases only in the Producer Price Index, as published annually by the Bureau of Labor Statistics.

4. Billing and Payment: Not more than 5 days after the conclusion of any month the Seller will invoice Buyer for all delivered Gas pursuant to this Agreement. Payment shall be due and payable within 20 days after the date of such invoice. If the Actual Quantity cannot be verified by the time the invoice is issued, the invoice will be based on Seller's good faith estimate of the Actual Quantity and adjusted for the Actual Quantity by a credit or charge, as applicable, in the next invoice for which the Actual Quantity is available. Seller will adjust Buyer's account following (i) confirmation by Seller of the Actual Quantity or (ii) any adjustment to, or re-calculation of, Taxes. Buyer will pay interest on late payments at 1.5% per month or, if lower, the maximum rate permitted by law ("Interest Rate"). Buyer is also responsible for all costs and fees, including reasonable attorney's fees, incurred in collecting payment. "Actual Quantity" means the actual quantity of Commodity that is metered at the Delivery Point to Buyer's account.

5. Taxes: Buyer is responsible for paying any Taxes associated with the Actual Quantity of Commodity sold under this Agreement that may become due at and after the Delivery Point. The Purchase Price does not include Taxes that are or may be the responsibility of the Buyer, unless such inclusion is required by Law. Buyer will reimburse Seller for any Taxes that Seller is required to collect and pay on Buyer's behalf and will indemnify, defend and hold Seller harmless from any liability against all Buyer's Taxes. Buyer will furnish Seller with any necessary documentation showing its exemption from Taxes, if applicable, and Buyer will be liable for any Taxes assessed against Seller because of Buyer's failure to timely provide or properly complete any such documentation. "Taxes" means all applicable federal, state and local taxes, including any associated penalties and interest and any new taxes imposed in the future during the term of this Agreement. Liabilities imposed in this Section will survive the termination of this Agreement.

6. Disputes : If either Party in good faith disputes amounts owed under Sections 3, 4, 5 or 8 the disputing Party will contact the non-disputing Party promptly and pay the undisputed amount by the payment due date. The Parties will negotiate in good faith regarding such dispute for a period of not more than fifteen (15) Business Days. In the event the Parties are unable to resolve such dispute, the disputing Party will pay the balance of the original invoice and either Party may exercise any remedy available to it in law or equity pursuant to this Agreement. In the event of a dispute other than for an invoiced amount, the Parties will use their best efforts to resolve the dispute promptly. Actions taken by a Party exercising its contractual rights will not be construed as a dispute for purposes of this Section. "Business Day" means any day on which banks are open for commercial business in New York, NY.

7. Title and Risk of Loss: Title to, possession of and risk of loss to the Commodity will pass to Buyer at the Delivery Point specified in the applicable Transaction Confirmation.

8. Force Majeure and Regulatory Disapproval: A Party claiming Force Majeure will be excused from its obligations under Section 2 as long as it provides prompt notice of the Force Majeure and uses due diligence to remove its cause and resume performance as promptly as reasonably possible.
(i) "Force Majeure" means that in the event either Party is rendered unable, wholly or in part, to perform its obligation under the Agreement (other than to make payments due hereunder) due to acts of God, floods, fires, explosions, extreme heat or cold, earthquake or storm, the closure, restriction or impassability of any local, state or federal road or highway , strikes, lockouts or other industrial disturbances, wars, acts of terrorism or sabotage, , or any law, rules, order or action of any court or instrumentality of the federal or any state government, or for any other cause or causes beyond its reasonable control. I t is agreed that on such Party's giving notice and full particulars of such force majeure to the other Party, the obligations of the Party giving such notice shall be suspended from the date of receipt of such notice and for the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.
(ii) Force Majeure does not include inability to pay, an increase or decrease in Taxes or the cost of Commodity, the economic hardships of a Party, or the full or partial closure of Buyer's facilities, unless such closure itself is due to Force Majeure, and shall not apply to those events merely making it more difficult or costly for Seller or Buyer to perform their obligations hereunder.

(iii) "Regulatory Disapproval" means an order from the New Hampshire Public Utilities Commission that precludes Buyer from recovering the costs that Buyer incurs under this agreement. Buyer will be excused from its obligations under Section 2 that arise after such Regulatory Disapproval so long as Buyer provides prompt notice to Seller and uses commercially reasonable due diligence to resolve issues that may resolve its cause and allow Buyer to resume performance.

9. Failure to Deliver: In the event Seller fails to provide Gas to meet Buyer's requirements, Seller agrees to pay any increased cost for the temporary use of Liquefied Natural Gas (LNG) above the cost of CNG for any quantity of LNG that Buyer burns as a result of Seller's failure to deliver CNG to Buyer under this Agreement until such service issue is resolved, except in the event of Force Majeure

10. Exclusivity: During the term of this Agreement including any and all renewal periods, Buyer shall grant Seller the exclusive right to deliver CNG to Buyer's facility, provided that Seller is not in default of this Agreement. It is understood between the parties that this exclusive right to deliver CNG is waived for any deliveries of CNG from an alternative supplier required by Buyer due to Seller's failure to deliver.

11. Default: "Default" means: **(i)** failure of either Party to make payment by the applicable due date and the payment is not made within ten (10) days of a written demand; **(ii)** either Party, its parent or guarantor, becomes Bankrupt or fails to pay its debts generally as they become due; or **(iii)** failure of either Party to satisfy any representations and warranties applicable to it contained in Section 13A or 13B, Section 18, or Section 19 and the failure is not cured within fifteen (15) Business Days of a written demand, provided that no cure period or demand for cure applies to a breach of Section 13A(c). "Bankrupt" means an entity **(a)** files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, **(b)** makes an assignment or any general arrangement for the benefit of creditors, **(c)** otherwise becomes bankrupt or insolvent, however evidenced, **(d)** has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, **(e)** has a secured party take possession of all or any substantial portion of its assets or **(f)** is dissolved or has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger.

12. Remedies: In the event of a Default, the non-defaulting Party may: (i) withhold any payments or suspend performance; (ii) upon written notice or a breach of Section 13A(c), accelerate any or all amounts owing between the Parties and terminate any or all Transactions and/or this Agreement; or (iii) commence negotiation with defaulting party to calculate a settlement amount as set forth below (the "Settlement Amount") for Seller and Buyer respectively; Any agreed upon Settlement Amount due from the defaulting Party to the non-defaulting Party shall be paid within three (3) Business Days of written notice from the non-defaulting Party. Interest on any unpaid portion of the Net Settlement Amount will accrue daily at the Interest Rate.

With respect to a Termination by Seller due to a Default by Buyer, the Termination Payment due from Buyer shall be (1) value of the Service Adder multiplied by the Contract Quantities for the remaining balance of the term of the Delivery Period as set forth in the Transaction Confirmation plus (2) if there is a fixed price Commodity transaction in effect, the difference between the fixed price Commodity as set forth in the applicable Transaction Confirmation and the forward market price for the Contract Quantities for the remainder of the applicable Delivery Period.

With respect to a Termination by Buyer due to Default by Seller, the Termination Payment due from Seller shall be the cost difference between the Purchase Price and the documented replacement fuel cost to the Buyer multiplied by the Contract Quantities for the remainder of the Delivery Period. The Parties agree that the Termination Payment constitutes a reasonable approximation of damages, and is not a penalty or punitive in any respect. The defaulting Party is responsible for all costs and fees incurred for collection of any Settlement Amount, including, reasonable attorney's fees and expert witness fees.

13. **Representations and Warranties** : Each of the following are deemed to be repeated each time a Transaction is entered into:

A. Each Party represents that: **(a)** it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform to this Agreement; **(b)** the execution of this Agreement is within its powers, has been duly authorized and does not violate any of the terms or conditions in its governing documents or any contract to which it is a party or any law applicable to it; and **(c)** it is not Bankrupt.

B. Buyer represents and warrants that: **(a)** it is not a residential customer; **(b)** it will immediately notify Seller of any change in its ownership; **(c)** execution of this Agreement authorizes service for the Delivery Period and any Renewal Term; **(d)** no oral communication, received from the Seller will be deemed to be an assurance or guarantee as to any results expected from this Agreement; **(e)** if it is executing this Agreement in its capacity as an agent, such Party represents and warrants that it has the authority to bind the principal to all the provisions contained herein and agrees to provide documentation of such agency relationship, and (**f**) (i) it will provide, to Seller, information reasonably required to substantiate its usage requirements, including information regarding its business, locations, historical/projected usage, time of use, hours of operation, agreements, schedules, which in substantial part form the basis for the calculation of charges for the transactions hereunder; (ii) acceptance of this Agreement constitutes an authorization for Buyer's release of such usage information to Seller but does not authorize release of information in violation of confidentiality provisions; and (iii) the usage information provided is true and accurate as of the date furnished and as of the effective date of the Agreement.

C. Each Party acknowledges that: **(a)** this Agreement is a forward contract and a master netting agreement as defined in the United States Bankruptcy Code ("Code"); **(b)** this Agreement shall not be construed as creating an association, trust, partnership, or joint venture in any way between the Parties, nor as creating any relationship between the Parties other than that of independent contractors for the sale and purchase of Commodity; and **(c)** Seller is not a "utility" as defined in the Code.

14. Indemnification: Both parties shall release, indemnify, and hold the other, its affiliates, and their officers and employees harmless from any and all claims, losses, liabilities, and expenses (including reasonable attorney's fees and costs of defense) in any way arising out of or relating to (1) any act or omission by Indemnifying Party, or (2) breach of this agreement or the party's representations and warranties, which results in personal injuries (including death) or property damage or other loss or liability. This indemnification obligation shall survive the termination of this Agreement. NEITHER PARTY WILL BE LIABLE TO THE OTHER UNDER THE AGREEMENT FOR CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES OR SPECIFIC PERFORMANCE, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT.

15. Insurance: Both parties agree at all times during the term of this Agreement to carry adequate insurance, but in no event less than five million dollars ($5,000,000) general liability insurance, covering all such liability and contractual obligations, and upon request shall furnish the requesting party evidence satisfactory to it of such insurance. In addition, Seller shall at all times maintain automobile liability insurance with at least $500,000 combined single limit. Seller will include Buyer as additional insured and Seller's insurance shall be primary and non-contributory. Either party shall provide the other with not less than thirty (30) days prior notice of any termination of any such policy. Seller shall cause its Carriers who will be accessing the buyer's site in connection with this Agreement to carry and maintain, at is sole expense, with reliable insurance companies acceptable to the Buyer's guidelines and authorized to do business in the state or area in which services are provided, carry at least the minimum insurance coverage as required by Buyer's site operations.

16. Security: Each party shall annually provide on request from the other its most recent set of audited financials from the start of the Delivery Period. In the event that Seller has a reasonable concern with respect to the credit worthiness of the Buyer after review of the annual financial statements and prior period payment history, the Seller may submit such financial statements to an independent third party for evaluation of solvency. If the third party determines the Buyer insolvent, then on written notice to the Buyer, Seller may request security (cash or letter of credit) for up to one month of expected deliveries.

17. Measurement: The quantity of Gas delivered to the Delivery Point shall be measured by means of a revenue grade meter consistent with industry practice. Buyer shall be invoiced for the actual number of dekatherms of Gas recorded by the meter at the Delivery Point. Seller shall have the obligation to perform meter testing and calibration in strict accordance with the manufacturers recommended maintenance procedures , such testing to be performed during regular business hours on at least two (2) days prior notice to Buyer.

If the Buyer elects to install sub-metering downstream of the Seller's meter, and in the event of a discrepancy between Buyer and Seller meter results for the same period of time that leads to a billing question, either party may request the other to verify its meter. In the event a meter is found to be inaccurate by recording results in excess of 2% of actual volume, the owner of the inaccurate meter will pay for the calibration and invoicing will be adjusted to correct any inaccuracy. If the recalibrated meter is within 2% of actual volume, the party requesting the calibration pays for the calibration and invoicing for any previous period in question shall not be changed. As a requirement for requesting a calibration, the requesting party must be able to demonstrate that its own meter has been maintained according to all manufacturer recommended maintenance procedures or as required by the state of New Hampshire for gas meter applications during the period of time that any metering accuracy is in question.

If the period of such error is not known definitely or agreed upon, the Parties agree that Seller truck delivery logs for the period in question provide an audit record acceptable for invoicing. Both parties may witness all testing and gauging; provided however, if no representative for a party is present, the other party's measurement and/or determination of quantity shall be final.

18. Intentionally omitted.

19. Other:
(a) This Agreement is governed by the law of the State of New Hampshire without regard to any conflict of rules doctrine. The Parties submit to the non-exclusive jurisdiction of the courts of the State of New Hampshire and any United States District Court located in New Hampshire. (**c)** Each Party waives its right to a jury trial regarding any litigation arising from this Agreement. **(d)** No delay or failure by a Party to exercise any right or remedy to which it may become entitled under this Agreement will constitute a waiver of that right or remedy. **(e)** Seller warrants that (i) it has good title to Commodity delivered, (ii) it has the right to sell the Commodity, and (iii) the Commodity will be free from all royalties, liens, encumbrances, and claims. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED. **(f)** All notices and waivers will be made in writing and may be delivered by hand delivery, first class mail (postage prepaid), overnight courier service or by facsimile and will be effective upon receipt; provided, however, that any termination notice may only be sent by hand or by overnight courier service, and, if sent to Seller, a copy delivered to: Seth Berry, 300 Brickstone Square, Suite 1005, Andover, MA 01810. **(g)** No amendment to this Agreement will be enforceable unless reduced to writing and executed by both Parties. **(h)** Either Party may assign this Agreement with 90 days' notice to the other Party subject to consent, which shall not be unreasonably withheld. In addition, Seller may pledge, encumber, or assign this

Agreement or the accounts, revenues, or proceeds of this Agreement in connection with any financing or other financial arrangements without Buyer's consent; in which case Seller shall not be discharged from its obligations to Buyer under this Agreement. **(i)** This Agreement may be executed in separate counterparts by the Parties, including by facsimile, each of which when executed and delivered shall be an original, but all of which shall constitute one and the same instrument. **(j)** Any capitalized terms not defined in this CMA shall have the meaning set forth in any applicable rules, tariffs or other governmental regulations, or if such term is not defined therein then it shall have the well-known and generally accepted technical or trade meanings customarily attributed to it in the natural gas or electricity generation industries, as applicable. **(k)** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement. **(l)** Any executed copy of this Agreement and other related documents may be digitally copied, photocopied, or stored on computer tapes and disks ("Imaged Agreement"). The Imaged Agreement will be admissible in any judicial, arbitration, mediation or administrative proceedings between the Parties in accordance with the applicable rules of evidence; provided that neither Party will object to the admissibility of the Imaged Agreement on the basis that such were not originated or maintained in documentary form. **(m)** Where multiple parties are Party to this Agreement with Seller and are represented by the same agent, it is agreed that this Agreement will constitute a separate agreement with each such Party, as if each such Party had executed a separate Agreement, and that no such Party shall have any liability under this document for the obligations of any other Parties.. **(n)** Neither Party shall disclose the terms of this Agreement, without prior written consent of the other party , to any third party, other than the Party's employees, affiliates, agents, auditors and counsel who are bound by substantially similar confidentiality obligations, trading exchanges, governmental authorities, courts, adjudicatory proceedings, pricing indices, and credit ratings agencies; provided that a Party that receives a demand for disclosure pursuant to court order or other proceeding will first notify the other Party, to the extent practicable, before making the disclosure.

EXHIBIT B – CONSTRUCTION, COMMISSIONING, MAINTENANCE, and TRAILER DELIVERY

As conditions to the delivery of Gas (also referred to herein as “CNG”) to the Buyer under this contract,

1. **SITE PREPARATION & PERMITTING: Intentionally omitted.**

2. **CNG EQUIPMENT:**

   a. Seller shall provide a package of skid-mounted equipment (“CNG Equipment”) at the Buyer site to serve as a delivery trailer connection and unloading point for the Seller. The CNG Equipment shall be connected via piping to the flange as provided by the Buyer at the site as the Delivery Point for natural gas. The CNG Equipment shall be capable of delivering CNG to the Buyer Facility at a maximum rate of 40 MCFH.

   b. The CNG Equipment is expected to conform to the following general specifications:

      i. Manifold connections allowing for 2 CNG delivery trailers with hose connections compatible with delivery trailers.

      ii. Heater(s) sized to support proper intermediate temperatures as well as final delivery temperature of the gas stream. Heating must be sufficient to prevent cold temperatures and possible hydrate formation downstream of regulator. Buyer is responsible for Natural Gas used in heater(s).

      iii. 2-stage primary pressure step-down regulation with over-pressure protection. Custody transfer metering to be provided at the Delivery Point. Meter shall be a revenue grade meter with capability to interface with control system.

      iv. Safety systems to include gas and flame detection. Methane detection system to be included with process skid. Flame detector coverage area shall include the connection end of the transports and the process skid. Detectors will input alarms and faults into the control system.

      v. Control system required to monitor key process conditions, switch trucks when empty, provide automated emergency shutdown, and remotely communicate system condition. System shall have a method to transmit data or screen control to remote site for Buyer monitoring. Seller will provide Buyer access to all transmitted data. Only Buyer will determine the need for “remote emergency shutdown.

   c. During the Delivery Period the Seller shall be responsible for all maintenance and support for the CNG Equipment. Seller will provide maintenance personnel that are qualified per Buyer’s Operator Qualification (OQ) plan for the maintenance tasks to be performed; Buyer shall verify maintenance was performed per Buyer’s O&M procedures. In the event of emergency, Seller commits to having the personnel on-site one hour after being notified of an emergency by the Buyer.

3. **INSTALLATION & COMMISSIONING: Intentionally omitted.**

a.

4. SITE MAINTENANCE:

a. For the duration of the Agreement, all site maintenance, including but not limited to snow removal, and all costs related to the upkeep of the site and its ingress and egress shall be borne by the Buyer. Failure to maintain the site in a manner sufficient to permit delivery shall be a Buyer act of default.

5. TRAILER DELIVERY:

a. For the duration of the Agreement, Seller agrees to provide delivery drivers that possess Operator Qualification (OQ) for the covered tasks that they perform, per Buyer's OQ plan.

b. Seller shall provide twenty four (24) hour notice of all deliveries.

c. In the event Seller is unable to provide delivery drivers that possess proper OQ's per Buyer's OQ plan, Buyer will provide properly qualified personnel at Seller's expense. Buyer will deduct costs of provided OQ personnel, from Seller's next invoice.

EXHIBIT C – SITE CONSTRUCTION AND RESPONSIBILITIES

As conditions to the delivery of CNG to the Buyer under this contract,

1. SITE PREPARATION & PERMITTING:

a. Buyer will be responsible for design, engineering and construction work to construct an unloading site (the "Site") for the installation of Seller's equipment and delivery of CNG to the Buyer.
b. Buyer shall be required to reasonably prepare the Site, including ensuring that the Site is cleared, level, secured by fencing, and provided with utilities including electric, data, and an interconnect with any controls systems Buyer requires the CNG delivery system to interface with, as well as an access point equipped with a piping flange interconnect capable of coupling with Seller's skid. All costs of preparing and maintaining the Site shall be borne by the Buyer.
c. Buyer shall ensure that the site is cleared of equipment and any obstruction that might prevent Seller from access to deliver equipment, including crane and overhead support for unloading equipment. Buyerr will provide space for laydown and construction materials if required at no charge.

2. GENERAL CONDITIONS: Buyer will supply a CNG unloading site. Seller shall provide reasonable engineering support and site layout recommendations to the Buyer. Seller shall review and approve the Site design prior to construction, Seller will provide Buyer with any required setback requirements necessary to meet NFPA 52.

Buyer will supply Seller with sufficient space for parking and equipment installation. Soil must be stabilized and properly drained to provide adequate support for CNG trailer parking and process piping and equipment.

3. TYPICAL SCOPE OF WORK FOR CONSTRUCTION OF CNG UNLOADING SITE:

Construction of a CNG unloading station includes site construction as well as piping, electrical and data interfaces between the boiler plant and the XNG-provided decompression equipment at the fuel unloading station. Area to be compacted gravel. If compacted gravel provides insufficient support for equipment or truck traffic, Buyer will provide adequate support at Buyer expense to support XNG equipment skids and trailer landing gear.

a. Utilities: Power and data access installed per local and state code

b. Gas Piping:
- All piping downstream of Buyer meter to be installed per state and local code
- Piping connection to Buyer equipment be steel transition 90 turned up at the decompression equipment at 6" flange
  - Seller to be responsible for connecting from CNG Equipment outlet piping to existing 4" transmission line on site.

c. Trailer parking area.
- Level paved trailer parking area large enough to accommodate three (3) trailers
- Provide entrance "maneuvering area," turn around and parking area to provide adequate area for truck and trailer turn around.
- Light poles and fixtures to approved plan.

d. Concrete:
- All concrete pads to be reinforced concrete as needed
- Light pole bases
- Each parking lane should have trailer stops capable of stopping a full CNG trailer.

e. **Electrical grounding grid.** Seller to confirm that Buyer installed grounding grid is sufficient to meet NFPA 52 and any state and local code.

f. **Electrical service.**
- Buyer will provide 100-amp power supply run consisting of a conduit, and wire to CNG Equipment skid
- Power disconnect box to be mounted to or at the edge of the Main Equipment pad.
- Seller to provide all connection from the disconnect box to their system.

g. **Data service.** Internet service to the PLC controller required for remote monitoring provided by Buyer. Buyer will provide a wired internet connection with a static IP address and adequate bandwidth capacity for Seller to monitor decompression equipment on a 24 hours per day, 7 days per week basis.

d.

IN WITNESS WHEREOF, this CMA is entered into and effective as of the date written above.

BUYER:	**Liberty Utilities (EnergyNorth Natural Gas) Corp**	**SELLER:**	**Xpress Natural Gas LLC**
By:		By:	
Name:	Bill Killeen	Name:	~~Matthew F. Smith~~ Seth Berry
Title:	Director, Energy Procurement	Title:	~~EVP, Sales and Marketing~~ CAO

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21 | Date of Response: 10/21/21
Request No. OCA 1-7 | Respondent: Catherine McNamara

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 010, line 19 to Bates 011, line 9. Please explain why adjustments of $29,104 are primarily due to the demand charges allocated to the winter months that were booked May-21 thru July-21 at $7,812.50 per month or 75 percent of the total demand charges per months.

RESPONSE:

How the Company files and sets rates for the collection of CNG Demand Charges

- The annual demand charges in the contract are $125,000.
- 75% of the contract is included in winter rates, $125,000*0.75=$93,750.
- 25% of the contract is included in summer rates, $125,000*0.25=$31,250.
- When the initial winter filing is made, the $93,750 is divided evenly between the six winter months ($93,750/6=$15,625 per month) to set the rates.

How the Company records the payment of CNG Demand Charges

- The annual demand charges in the contract are $125,000.
- The Company receives and pays demand invoices 12 months a year. The monthly payment is $10,416.67 ($125,000/12=$10,416.67).
- 75% of the payment or $7,812.50 ($10,416.67*0.75=$7,812.50) is applied to the winter deferral account.
- 25% of the payment or $2,604.17 ($10,416.67*0.25=$2,604.17) is applied to the winter deferral account.

When the Company makes the monthly COG adjustment “trigger” filing, the rates are adjusted using the best information available, including using the prior period over/under balance as a starting point to calculate the new monthly rate. Therefore, as actuals are recorded, the forecast used in the filing is replaced with the actual costs (actual payments). Since actual costs are used to forecast rates in future “trigger” filings the monthly $15,625 in winter demand charges is replaced by the actual monthly costs of $7,812.50, which lowers the total anticipated cost when calculating the new monthly COG rate and the Company never actually collects the full $93,250 during the winter period. This timing difference is included in the following winter COG filing.

When this filing was made, we had actual winter costs of $23,437.50 ($7,812.50*3=$23,437.50) that were booked to the winter deferral account for the months of May–July 2021.

Attachment OCA 1-7.xlsx shows how the invoices are paid verses how the deferral account is charged.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-8

Date of Response: 10/21/21
Respondent: Deborah Gilbertson

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 011, lines 11-18. Please provide the supporting documentation in live Excel format for the forecasted winter sales and the 12.4 percent of total sales volumes that will enroll in the FPO program.

RESPONSE:

Please refer to *CONFIDENTIAL DG 21-132 Keene Winter 2021-22 COG model.xlsx*, tab "J - Normalized Actuals – JL" provided in response to the Commission's October 12, 2021, record request to retrieve the supporting documentation for the forecasted winter sales volume.

See Attachment OCA 1-8.xlsx for the calculation of the 12.4 percent of total sales volumes calculation used in the filing.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21	Date of Response: 10/21/21
Request No. OCA 1-9	Respondent: Deborah Gilbertson

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 012, lines 14-20. Please provide a detailed rationale for the increase in supply costs due to market futures and include all supporting documentation including live Excel spreadsheet, forecasts, and reports.

RESPONSE:

Market futures, as referred to in Bates 012, lines 14–20, is referencing the prevailing Mont Belvieu and NYMEX price indices for the upcoming winter period. Please see the Testimony of Gilbertson, McNamara, and Simek at Bates 015, lines 13–17, for a brief explanation of the market conditions. Also see the response to OCA 1-6 in Docket No. DG 21-130, which includes more data on current market conditions.

There are four categories of pricing for comparison:

Spot Pricing: Last winter when the Company filed its annual winter cost of gas filing, Mont Belvieu* propane price index average for winter was $0.4815 per gallon, as compared to the upcoming winter plan year, at which Mont Belvieu propane price index is averaged at $1.3677. This is almost triple last year's price: $0.4815 x 2.84 = $1.3677. This can be seen on Schedule E in both this docket and in Docket No. DG 20-152, and is also shown on Appendix 1 in this docket.

Propane Purchase Stabilization Plan (PPSP): This program allows the Company to buy winter delivered propane using summer futures pricing. Last winter overall winter price was $0.8288 per gallon as compared to this year, which has an overall winter price at $1.3044 per gallon. This is approximately 57% higher than last year. Please refer to Schedule D in both this docket and Docket No. DG 20-152.

Amherst Storage: Amherst storage propane per therm cost was $0.78 last year, as compared to this year, which is $1.4850 per therm; approximately 90% higher this year.

Compressed Natural Gas: CNG deliveries are less for this upcoming year than they were at this time last year. Last year, the average price per therm was $1.7626, while this year the price is forecasted to be $1.7186, which is slightly lower.

Please see Schedule C in both this docket and Docket No. DG 20-152 to compare all of the above items.

*Mont. Belvieu is a propane price point located in Texas. It is a benchmark price as shown in Schedule E (similar to NYMEX for gas). Additional fees are added to this base price for a Keene delivered product, however those additional fees did not change much.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-10

Date of Response: 10/21/21
Respondent: Catherine McNamara

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 014, lines 3-9 and CONFIDENTIAL DG 21-132 Keene Winter 2021-22 COG model: tabs K-1, K-2, L-1, and L-2. Please also list all assumptions made in these calculations and provide NON-CONFIDENITAL live Excel spreadsheets, if possible. Please also provide similar bill impacts, assumptions, and NON-CONFIDENTIAL live EXCEL spreadsheets for your other rate classes.

RESPONSE:

See Attachment OCA 1-10.xlsx for the bill impact analysis of all rate classes.

Bill impact assumptions:

- Calculated typical use for volumes in all rate classes.
- Actual Cost of Gas rates are used for November 2020 – July 2021.
- The July 2021 actual rate is used for August 2021 – October 2021, this is because at the time of the filing we did not know the actual rates for these months.
- Actual LDAC rates are used for November 2020 – October 2021.
- Proposed Cost of Gas rates and LDAC rates for November 2021 – April 2022 are based on calculations found in this filing.
- Actual Distribution rates are used for November 2020 – October 2021.
- Distribution rates are the distribution rates approved by Order No. 26,505 in Docket No. DG 20-105.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-11

Date of Response: 10/21/21
Respondent: David Simek

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 015, lines 5-10. Please explain the rationale and Commission precedent associated with the breakout of the allocation of the demand charge divided between 75 percent in the winter and 25 percent in the summer.

RESPONSE:

Please see Order No. 26,475 (April 30, 2021) in Docket No. DG 21-050 where the 75% - 25% allocation of the CNG demand changes between the winter and summer periods was first approved.

https://www.puc.nh.gov/Regulatory/Orders/2021Orders/26475g.pdf

Please also see Order No. 26,505 (July 30, 2021) which approved the Settlement Agreement in Docket No. DG 20-105. Section 7.1(b) of the Settlement Agreement states, "CNG demand costs shall be allocated 75% to the winter period and 25% to the summer period until such time as otherwise determined by the Commission in a future proceeding". Links to Order No. 26,505 and the Docket No. DG 20-105 Settlement Agreement are below:

https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-105/ORDERS/20-105_2021-07-30_ORDER_26505.PDF

https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-105/LETTERS-MEMOS-TARIFFS/20-105_2021-06-30_ENGI_SETTLE_AGREEMENT.PDF

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty–Keene Division

DG 21-132
Winter 2021/2022 Cost of Gas

OCA Data Requests - Set 1

Date Request Received: 10/14/21
Request No. OCA 1-12

Date of Response: 10/21/21
Respondent: David Simek

REQUEST:

Reference Testimony Gilbertson, McNamara, and Simek Bates 036, at Schedule M. Please explain the events associated with the Selkirk terminal embargo of the winter period 2010-2011 during which the FPO was not offered. Please explain why the FPO was not offered and the likelihood of a similar situation happening during the 2021/2022 winter period.

RESPONSE:

Details of the Selkirk pipeline shutdown and why the FPO was not offered can be found in the petition and testimony of Tab 4 in Docket No. DG 10-249. The link to Docket No. DG 10-249 is below:

https://www.puc.nh.gov/Regulatory/Docketbk/2010/10-249.html

As discussed in the linked documents, the embargo of the Selkirk terminal was related to a propane leak that necessitated a shutdown of a 165-mile section of pipeline. The Company has no position on the likelihood of a similar scenario taking place other than to state that such leaks are extremely rare.