

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

DG 22-041

Petition for Approval to Recover Revenue Decoupling Adjustment Factor Costs

Department of Energy Data Requests - Set 1

Date Request Received: 12/8/22
Request No. DOE 1-1

Date of Response: 12/22/22
Respondent: Erica Menard

REQUEST:

Concerning “Equivalent Bills” - reference, for example, in Liberty’s December 1, 2022 Supplemental Filing, in the Excel file titled “2022-12-01 DG 22-041 Attachment SUPP-ELM-1.xlsx” in tab “202007 Test Year Billing Data, Rows 6 through 26”:

- a. Please provide the associated/background data supporting the calculation of the “Equivalent Bills”.
- b. Please provide a narrative description of these “Equivalent Bills” explaining how the various quantities of Equivalent Bills shown are calculated.

RESPONSE:

- a. For the example cited in the request above, the equivalent bills are from the calendar 2016 test year billing data in Docket No. DG 17-048. For that proceeding, the equivalent bills were computed in four (4) separate parts: legacy EnergyNorth, Keene, Concord Steam Adjustment, and End of Year Adjustment. The legacy EnergyNorth portion comprises most of the equivalent bills, accounting for approximately 97 percent of the total. The source for the legacy EnergyNorth data is the 2016 Bills & Volume Reports shown in twelve monthly Excel files with the naming convention ENN Revenue 2016_*mm* Bills&Volume (V4A).xlsx where *mm* is the month number. See Attachment DOE 1-1.zip, which contains the twelve Excel files.
- b. An equivalent bill is the Company term for the billing determinant used to calculate the customer charge for each customer’s bill under the rate schedules in the Company’s tariff. It is defined as the number of days in the billing period for that bill divided by 30 as shown below:

$$\text{Equivalent Bill} = \text{Number of Billing Days} / 30$$

And the billing amount for the customer charge is computed as:

$$\text{Billing Amount} = \text{Equivalent Bill} * \text{Monthly Customer Charge Rate}$$

Docket No. DG 22-041 Request No. DOE 1-1

The Equivalent Bills are calculated directly from a data file containing the billing detail records for every bill rendered in the month. For each billing detail line containing a customer charge record, the Equivalent Bill for that line is computed as:

$$\text{Equivalent Bill} = \text{Billing Amount} / \text{Monthly Customer Charge Rate}$$

The results of the individual billing detail line calculations are then summed and aggregated by rate class to produce the values shown for that rate class for each month in the Bills & Volume Reports.

REVISED

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas
Re: LDAC Filing August 2, 2022

Department of Energy Data Requests - Set 1

Date Request Received: 8/9/22
Request No. DOE 1-4

Date of Response: 9/15/22
Respondent: Erica Menard

REQUEST:

Reference: Testimony of Catherine A. McNamara, Bates 008-09; Order No. 26, 122 (April 27, 2018) in DG No. 17-048

The decoupling mechanism, approved in Order No. 26, 122, was intended to “*allow rate adjustments for weather, energy efficiency, economic effects and other variables and allow Liberty to earn distribution revenues on a per customer basis, thus eliminating substantial revenue risks. Paired with this innovative decoupling mechanism is a modified rate design that lowers fixed customers charges. The reduction in risk leads to a return on equity of 9.3 percent, which represents a 10 basis point reduction in the return on equity . . .*” See Order 26, 122 at 1. The Order also “*address[es] the various other issues raised in this case that do not directly affect revenue deficiency, such as rate design and decoupling.*” *Id.* at 8. “*The [decoupling] mechanism was designed to sever the link between Liberty sales and revenues to remove the Company’s disincentive to promote energy conservation that is inherent in traditional rate making. Liberty’s distribution revenue per customer targets would be set based on test year information and then, going forward, rates would be adjusted twice annually (up or down) to allow the Company to collect its target revenue, calculated using actual customer counts. By using a revenue-per-customer mechanism, Liberty has an incentive to add customers and to control costs. The mechanism would shield Liberty from changes in sales due to conservation (both utilities sponsored and other) as well as weather swings and economic factors. See id. at 42-43 (citing Exhibit 8 at 282-290)*”

- a) Testimony asserts that 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.” Please confirm that this sentence describes the manner in which Liberty anticipates the RDAF formula will work. Please provide a narrative description of the purpose of decoupling, consistent with Order No. 26,122.
- b) Liberty has identified a total RDAF under-collection for residential revenue of approximately \$3.564 million dollars for the Winter 2021-22 and Summer 2022 period. See Bates 086. Please explain in detail what factors, including but not limited to changes-in-sales due to conservation, weather swings, and “economic factors” resulted in

Docket No. DG 22-045 Request No. DOE 1-4 (Revised)

this under-collection. Please identify “economic factors” individually. Please provide the amount of the under-collection per category and factor (e.g., what amount and percentage of the \$3.564 million is associated with weather adjustments, what with changes-in-sales due to conservation, etc.).

- c) Please discuss and explain, in detail, why the under-collection of approximately \$3.564 million is of this magnitude. Please provide live excel spreadsheets showing all calculations including but not limited to calculations provided in schedules filed on August 2, 2022. See DOE 1-1.
- d) Please confirm that Liberty makes weather adjustments monthly on customer bills and explain that process in a narrative format. If weather adjustments are made monthly, please explain whether there is an under-collection related to weather swings, and if so, why.
- e) Please confirm that, in the context of matters at issue in Dkt. No. 22-041, Liberty has stated that the RDAF was not expected to result in adjustments in the ranges of millions of dollars and was instead expected to result in adjustments of smaller magnitude, perhaps hundreds of thousands. If Liberty does not confirm this statement, please explain why Liberty believes RDAF adjustments in the millions of dollars is what the decoupling mechanism anticipated and/or intended.
- f) Please answer all of the above data requests with regard to the commercial and industrial under-collection of \$841,320. See Bates 086.
- g) Please provide backup schedules in live Excel files for lines 4, 5, 14 and 15 at Bates 088 along with a narrative description of those lines and a definition of “*True up*”.

RESPONSE:

- a) Liberty confirms that the purpose of the Revenue Decoupling Adjustment Factor (“RDAF”) is to reconcile the difference between the actual revenue collected and the allowed revenue. Liberty’s tariff, NHPUC No. 11 Gas, describes the RDAF beginning on page 35. This definition and methodology were revised in Liberty’s 2020 rate case in Docket No. DG 20-105 and replaces the RDAF methodology from the 2017 rate case in Docket No. DG 17-048.

The purpose of decoupling is to separate a utility’s revenue from customer usage. During a general rate case, revenue levels are established based on the costs to run and maintain a safe and reliable gas system. Under a decoupling framework, this revenue will not be affected by customer usage that varies due to abnormal weather, conservation, or energy efficiency.

Liberty’s Revenue Decoupling Mechanism (“RDM”) establishes per-customer revenue targets for each rate class, which are referred to as the “allowed” revenue targets. In the annual RDM reconciliation, the allowed revenue target for each rate class is compared to the “actual” revenues collected from customers in each respective rate class. The difference between allowed revenue targets and actual revenues collected is refunded to, or collected from, customers through a reconciling rate mechanism known as the Revenue Decoupling Adjustment Factor (“RDAF”). Through this annual reconciliation

Docket No. DG 22-045 Request No. DOE 1-4 (Revised)

process, the Commission ensures that Company obtains recovery of its total authorized revenue, no more and no less. While the purpose of revenue decoupling has not changed since the Company's initial proposal in Docket No. DG 17-048 and approved in Order No. 26,122, the method of calculating the allowed revenue targets has changed. The RDAF as presented in the Company's LDAC filing on August 2, 2022, follows the Settlement Agreement in Docket No. DG 20-105 as described below:

- 11.1 Decoupling. As this is the first general rate case since the implementation of decoupling, the Settling Parties agree that this is an opportunity to clarify the process surrounding the decoupling mechanism and the associated tariff language. The Agreement consists of five points regarding decoupling:
- a) The calculation of the revenue per customer (RPC) for permanent rates shall include:
 - i. the end of year calendar month bill count adjustment in the denominator of the calculation for the test year;
 - ii. the volumetric therms used for the calculation shall reflect the monthly bill counts adjusted for the end of year calendar month bill counts; and
 - iii. the RPC for the permanent rate increase shall not change until the next rate case.
 - b) The calculation of the incremental revenue per customer for subsequent non-rate case rate changes such as but not limited to, step adjustments, property tax reconciliation, and temporary rates, shall (i) use actual calendar month bill counts for the same time period being used to determine the calculation of each new RPC, and (ii) add each incremental RPC to the RPC from the rate case.
 - c) Because the MEP Premium is not subject to decoupling, the RPC calculations that are used to calculate the allowed revenue and the Revenue Decoupling Adjustment Factor shall not include the MEP Premium.
 - d) Each month the Company shall record a Revenue Decoupling Adjustment (RDA) in the balance sheet RDA Accounts in accordance with generally accepted accounting principles, including: (i) the Revenue Decoupling Adjustment which is the difference between the Monthly Allowed Revenue and the Monthly Actual Distribution Revenue; (ii) the reconciliation amounts collected or distributed through the RDAF recorded in the RDA Accounts for each Customer Class Group; and (iii) the accrued interest on the RDA Accounts calculated on the average monthly balance using the prime lending rate.
 - e) The RPC calculations, including equivalent bill calculations and associated usage per customer, shall be submitted with each rate increase filing and the associated tariff compliance filing.

Docket No. DG 22-045 Request No. DOE 1-4 (Revised)

The tariff has been amended as shown in Appendix 11 to effectuate the above understanding.

- b) The methodology for comparing actual revenues to allowed revenues does not explicitly break out the differences into the various categories.
- c) The Company is providing a live Excel file Attachment DOE 1-4 c.1 Sch4 RDAF Revised.xlsx. This file provides an updated presentation of Schedule 4 filed in the August 2, 2022, and September 1, 2022, LDAC filings. It is intended to provide a better presentation of the two components that factor into the RDAF rate: 1) the over- or under-collection of the forecasted rate as shown on Page 2, and 2) the revenue decoupling mechanism deficiency or excess revenue as shown on Page 3.

For the over- or under-collection of the forecasted RDAF rate on Page 2, when the annual LDAC rate filing is prepared, the prior period over- or under-collection is obtained from the Company's books, specifically the asset account (FERC Account 182). The amount collected through customer bills is compared to the amount to be collected from or refunded to customers due to the deficiency or excess from the revenue decoupling adjustment. Since the RDAF rate is calculated based on forecasted therm sales volumes, any variance between actual sales and forecasted sales will create an over- or under-collection during the LDAC billing year. The Sch4 RDAF Page2 Nov21 to Oct22 tab in Attachment DOE 1-4 c.1 Sch4 RDAF Revised.xlsx contains an updated reconciliation of the asset account to demonstrate the over- or under-collection of the RDAF rate. This is similar to what is shown on Bates 087 of the August 2, 2022, filing and Bates 033 of the September 1, 2022, revised LDAC filing. The estimated over- or under-collection from the prior LDAC billing period (November 1 – October 31) is added to the second component of the RDAF rate, which is the deficiency or surplus from the prior revenue decoupling year (September 1 – August 31).

The revenue deficiency or surplus for the most recent decoupling year is shown on Page 3 and is calculated by comparing the allowed revenue per customer as compared to the actual revenue per customer. The Sch4 RDAF Page 3 tab in Attachment DOE 1-4 c.1 Sch4 RDAF Revised.xlsx provides an updated presentation of the 2021/2022 decoupling year deficiency. The live Excel file Attachment DOE 1-4 c.2 Sch4 RDAF Page 3 backup.xlsx contains the support for the GL account as shown on Bates 088 of the August 2, 2022, filing and Bates 034 of the September 1, 2022, revised LDAC filing. Attachment DOE 1-4 c.3 ENNG Decoupling Entry 202107-202206.xlsx and Attachment DOE 1-4 c.4 KN Decoupling Entry 202107-202206.xlsx provide the support for the allowed revenue per customer as compared to the actual revenue per customer for EnergyNorth and Keene, respectively. In addition, the live Excel file Attachment DOE 1-4 c.5 EN KN monthly true-up calculations.xlsx provides the support for the monthly true-up calculations that are shown on Bates 088, lines 5 and 15 of the August 2, 2022, filing. The monthly true-ups are due to the estimation of unbilled revenue in the "Monthly revenue difference" calculation on lines 4 and 14. In addition to adjusting estimated unbilled revenue to actual revenue in the following month, the true-ups can include adjustments for cancels and rebills as they occur.

For the September 1, 2021, through August 31, 2022, decoupling year, the Company originally presented a revenue deficiency of \$3,653,691 for the residential customer

Docket No. DG 22-045 Request No. DOE 1-4 (Revised)

group and a revenue deficiency of \$841,320 for the commercial customer group, however, those figures included beginning balances from a prior period. These beginning balances should have been reflected in the prior billing period over- or under-collection on Page 2 as these amounts represent prior period over/under collections from the RDAF rate as described above. The revised estimated revenue deficiency for the September 1, 2021, to August 31, 2022, decoupling year is \$2,364,280 for the residential customer group and \$77,305 for the commercial customer group.

In preparing the prior period reconciliation there was an adjustment made to the prior period beginning balances as presented on Page 2 and carried forward to Page 1, lines 1 and 6. As a result of these prior period adjustments, the overall forecasted RDAF amount changed resulting in a rate of \$0.0395/therm for residential and \$0.0042 for commercial.

- d) Yes, Liberty does make weather adjustments on each customer's bill during the Winter Season (November 1 through April 30) in accordance with the "real-time" weather normalization adjustment ("NWA"), which was part of the "settlement decoupling proposal" approved by Order No. 26,122 (Apr. 27, 2018).

As outlined in the Agreement Regarding Permanent Rates in Docket No. DG 17-048, Section F, "The real-time weather normalization adjustment is calculated as the difference between actual distribution revenue billed to each customer in each billing cycle for each month, and what distribution revenue for each customer's bill would have been based on normalized therm deliveries. The resulting charge or credit will be added to or subtracted from each customer's bill at the time the bill is rendered (i.e., 'real time')."

Whether there is a positive NWA (an under-collection of distribution revenue) or a negative NWA (an over-collection of distribution revenue) for a particular bill depends solely on whether the actual heating degree days ("Actual HDD") is less than the 30-year normal heating degree days ("Normal HDD") for the billing period (under-collection) or more than the Normal HDD (over-collection). For the most recent twelve-month period ending July 31, 2022, the NWA has recovered a net under-collection of \$2,449,703 from all customers.

- e) Docket No. DG 22-041 is intended to discuss the flaw in the tariff approved in the DG 17-048 rate case that resulted in an amount returned to customers through the RDAF that was not expected due to a mismatch in how the allowed revenue targets were set as compared to the actual revenues. The current RDAF calculation as part of the LDAC reconciliation follows a different methodology than that described in Docket No. DG 22-041. Liberty does not have magnitude expectation for the RDAF as it will depend on changes in the underlying factors of therm sales and use per customer. Ultimately, the goal of revenue decoupling is to allow the Company to achieve the allowed revenue target level.
- f) Please see the response to part c above.
- g) The Revenue Decoupling Adjustment Factor ("RDAF") is designed to eliminate the link between volumetric sales and company revenue in order to align the interests of the Company and customers with respect to changing customer usage. The computation of the RDAF and a description of each component are below.

Docket No. DG 22-045 Request No. DOE 1-4 (Revised)

- The Over/Under Beginning balance is the balance brought forward (“BBF”) and represents the rolling (over)/under collection of the previous season. The beginning balance for the Decoupling Year beginning 9/1/21 is zero to start the new decoupling year.
- The Monthly billing activity represents the actual distribution revenue collected from or refunded to customers, less the MEP premium. These are billed or refunded revenues collected or returned, as applicable in the September 2021 – August 2022 period. Rates are set each November for a new billing year. Beginning in November 2021, these are billed revenues collected in the 2021/2022 billing year for the 2020/2021 excess or deficiency from the previous decoupling year. The activity before November 2021 represents refunds to customers from the 2019/2020 filing. The period November 2021 shows a refund to customers as much of the activity in the November customer bills relates to October usage.
- The Monthly revenue difference Inc/(Dec) revenue on lines 4 and 14 of the original filing is the initial calculation of the monthly difference between the Benchmark Base Revenue per Customer times the actual number of Equivalent Bills for the applicable Customer Class (“allowed revenue”) and the Actual Base Revenue for that month (“actual revenue”). These costs are included in the current filing (2022/2023). The difference in the allowed and actual revenues for the September 2021 – August 2022 decoupling year is collected in a future LDAC billing year. Please see FINAL Attachment DOE 1-4 c.2 Sch4 RDAF Page 3 backup.xlsx, FINAL Attachment DOE 1-4 c.3 ENNG Decoupling Entry 202107-202206.xlsx and FINAL Attachment DOE 1-4 c.4 KN Decoupling Entry 202107-202206.xlsx for the supporting calculations.
- The True Up on lines 5 and 15, of the original filing is the adjustment for actual revenues booked following the calendar month. This true-up occurs for four months after the month closes. The main driver of these true ups is due to the estimation of unbilled revenue in the “Monthly revenue difference” calculation on lines 4 and 14. In addition to adjusting estimated unbilled revenue to actual revenue in the following month, the true ups can include adjustments for cancels and rebills as they occur. Please see FINAL Attachment DOE 1-4 c.5 EN KN monthly true up calculations.xlsx for the supporting calculations.
- The Interest is the calculated interest of the deferral accounts included in this filing.
- The net of the previous components are the total costs for which the Company includes in the RDAF component of the LDAC rate.
- These excess or deficiency revenues for the decoupling year are then divided by the forecasted therm sales for the LDAC billing period to derive the calculated RDAF component rate.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas
(COG and LDAC)

Department of Energy Data Requests - Set 2

Date Request Received: 9/9/22
Request No. DOE 2-9

Date of Response: 9/15/22
Respondent: Erica Menard

REQUEST:

Reference: Liberty’s LDAC filing (August 2, 2022); Liberty’s Supplemental LDAC filing (September 9, 2022); Tebbetts Testimony, Bates Page 006 and Schedule 4, Page 1, Line 4 and 9

For the following questions, rate class includes: Residential Non-Heating (R1), Residential Heating (R3), Residential Heating (R4-low income), Commercial and Industrial – C & I- G41-43, and C & I G51-54.

- A) Please identify the RDAF *allowed* revenue per customer (RPC) by customer rate class, the total allowed revenue by customer rate class, and the number of customers by customer rate class as of the most recent rate case as of November 1, 2018 and any changes thereafter (please identify the relevant period).
- B) Please identify the RDAF *actual* revenue per customer (RPC) by customer rate class, the total allowed revenue by customer rate class, and the number of customers by customer rate class, on a monthly basis, for the periods starting: November 1, 2018 through August 31, 2019; September 1, 2019 through August 31, 2020; September 1, 2020 through August 31, 2021, and September 1, 2021 through August 31, 2022.
- C) What factors does Liberty use to reclassify customers and when and how does reclassification occur? [Run takes place after May closing. Use availability factors as defined in the tariff scheduled (load size and load factor).]
- D) Since November 1, 2017, has Liberty redefined customer classes, or broadly reclassified more than a few customers at a time?
- E) How does Liberty identify lost customers and new customers for RDAF purposes?
- F) If during a given RDAF year, (September – August) Liberty loses a number of residential customers and gains a number of commercial customers, how would that impact RDAF *actual* and *allowed* revenue? Please provide an illustrative example that shows the impact of such changes that could result in an RDAF under-collection, or in the alternative, an RDAF over-collection.
- G) Does FPO service and FPO revenue impact RDAF calculations? Please explain.

- H) Is this the first time the 30-year weather data standard has been used; does this change impact RDAF allowed revenue or actual revenue?

RESPONSE:

- A) Please see Attachment DOE 2-9.a.xlsx for the Allowed Base Revenue per Customer calculations in effect for each decoupling year. The attachment contains the equivalent bills, the allowed base revenue per bill, and the allowed base revenue by month and rate schedule.
- B) The Company is unable to provide the requested actual RPCs by customer rate class for September 1, 2020, through August 31, 2021, and September 1, 2021, through August 31, 2022. In the Docket No. DG 20-105 settlement agreement, section 11.1(d), the parties agreed to move to use the accounting records and method for the monthly RDAF calculations. The settlement agreement states,

“Each month the Company shall record a Revenue Decoupling Adjustment (RDA) in the balance sheet RDA Accounts in accordance with generally accepted accounting principles, including: (i) the Revenue Decoupling Adjustment which is the difference between the Monthly Allowed Revenue and the Monthly Actual Distribution Revenue; (ii) the reconciliation amounts collected or distributed through the RDAF recorded in the RDA Accounts for each Customer Class Group; and (iii) the accrued interest on the RDA Accounts calculated on the average monthly balance using the prime lending rate.”

This language was intended to use the accounting method of calculating the monthly revenue decoupling adjustment by residential and commercial, but not at the customer rate class level. The accounting method uses the allowed RPCs by rate class for each month to calculate a total allowed revenue amount. That is compared to the actual total revenue for the month which is adjusted to remove MEP revenue, add low-income revenue, unbilled revenue, and daily meter accruals that are not calculated at a customer rate class level to calculate the adjusted actual revenue at a total level, not broken down into customer rate classes. That amount is then allocated to residential and commercial components. The Company provided the accounting method calculation of the monthly decoupling adjustment in the response to DOE 2-3 (see the response to original DOE 1-4.c).

- C) The Company will periodically perform a Rate Review process to compare weather normalized historical billing information to the rate class eligibility criteria (i.e., load size and load factor) of the rate assigned to that customer. The report will identify candidates for potential rate reclassification. The results are then manually reviewed by customer care personnel, and if determined to be correct, each affected customer is notified, and a rate change is made.
- D) Since November 1, 2017, Liberty has not redefined customer classes. Liberty has reclassified customers periodically as needed. The first Rate Review as described in part c was performed in January 2017 and then on an annual basis in the May/June timeframe

through 2021. The customer rate change is subsequently made, typically in a summer month.

- E) Liberty does not identify lost customers and new customers for RDAF purposes. The actual customer count is used.
- F) Liberty does not have the requested analysis readily available.
- G) FPO revenue is related to COG revenue, not distribution revenue, and therefore does not have an impact on the revenue decoupling adjustment factor calculation.
- H) No, the 30-year weather data standard has been used since Liberty acquired EnergyNorth in 2012.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-5

Date of Response: 4/17/23
Respondent: Sue-Ellen Billeci

REQUEST:

Ref: Craig Holden’s Technical Statement (December 8, 2022), Schedule 4 RDAF Revised 12/8/22, pg. 1 of 3 lines 3-\$2,858,410 and 8-\$653,028 and Liberty’s Data Response Set 3 (November 23, 2022) in Docket No. DG 22-045; Attachment DOE 3-1.zip and Attachment DOE 3-2.zip

In a recent technical session, Liberty provided an excel spreadsheet supporting these numbers which indicates monthly true up calculations concerning target [a/k/a allowed] revenues are made for up to four months for both residential and commercial classes.

- a) Please explain in detail why these true up adjustments are necessary.
- b) Please explain how the true up adjustments are calculated.
- c) Please explain why a four-month true up adjustment period is appropriate.

RESPONSE:

- a) True-ups are necessary because the revenue per customer rate, on which the RDAF calculation is based, has a calendar month basis. Included in each calendar month there will be a component of unbilled revenue, which is estimated. The true-ups are necessary to adjust the estimated unbilled revenue to the actual customer bills that pertain to a particular calendar month.
- b) There is an estimated number of unbilled customers in the initial decoupling calculation for a particular calendar month, based on historical factors, which are intended to make the calendar month whole. This unbilled component of the decoupling calculation is later compared to actual bills for the decoupling period (month), the actual bills having been sent to customers in the subsequent months. The true-up represents the adjustment from estimated unbilled revenue to actual revenue in that month.
- c) The time frame of four months was decided upon because the majority of a given month’s activity is processed within the four months following the initial calendar month

Docket No. DG 22-045 Request No. DOE 6-5

calculation. Any small transaction for credits and rebill after four months has historically proved to be minor, under 1%.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-6

Date of Response: 4/17/23
Respondent: Sue-Ellen Billeci

REQUEST:

Ref: Liberty’s Data Response Set 3 (November 23, 2022) in Docket No. DG 22-045; Attachment DOE 3-1.zip and Attachment DOE 3-2.zip and Settlement Agreement in Docket No. DG 20-105

In response to DOE DR Set 3, Liberty provided number of excel spreadsheets in Attachment DOE 3-1.zip and Attachment DOE 3-2.zip. These files provide information regarding monthly true up calculations for decoupling revenues for both residential and commercial classes.

- a) For the purposes of decoupling revenue calculation, please explain how and where the actual revenues are record and reported.
- b) Please confirm if there are true up calculations made for actual revenues.
- c) If yes, please explain how the actual revenue true up adjustments are calculated.
- d) If no, please explain why not? What is the basis for not performing actual revenue true up adjustments.

RESPONSE:

- a) For demonstration purposes please refer to Attachment DOE 3.1.zip, file name “Apr22 35.42-Decoupling Entry April 2022& Tru Up.” The information provided there is an initial entry noted as “Apr Adj” vs “Apr Tru Up.” The “Adj” file entry is the initial entry where the actual revenue is recorded on Line 32, column J. It can also be seen on Line 14, column N in total and column Q for Residential and column R for commercial, and tab “April 2022 Revenue” line 34, column D.

The true-up entries are made to adjust the actual revenue to bring it to a calendar basis, so that both the actual revenue and allowed revenue are being calculated on the same calendar basis. In each month, unbilled revenues are estimated, then the true-up entries take place in the following month to reflect the differences between estimates recorded and actual revenues.

- b) Adjustments made to actual revenue are the amount of the MEP Premium, the GAP program, Daily Meters (to reflect the change in estimated unbilled month over month),

Docket No. DG 22-045 Request No. DOE 6-6

and unbilled revenue (to reflect the change in the estimate month over month). The result of these adjustments is reflected on line 38, column J. These are not true up calculations they are onetime adjustments to align current actual revenue with current allowed revenue.

- c) Yes, refer to explanation in (b) above.
- d) Not applicable. Actual revenue is adjusted to align with allowed revenue as explained above.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-7

Date of Response: 4/17/23
Respondent: Sue-Ellen Billeci

REQUEST:

Ref: Craig Holden’s Technical Statement (December 8, 2022), Schedule 4 RDAF Revised 12/8/22, pg. 1 of 3 lines 3-\$2,858,410 and 8-\$653,028 and Liberty’s Data Response Set 3 (November 23, 2022) in Docket No. DG 22-045; Attachment DOE 3-1.zip and Attachment DOE 3-2.zip

Please explain how true ups adjustments related to changes in equivalent bills also impact the actual revenue received.

RESPONSE:

Changes to equivalent bills through the true-up process are done to true-up estimates recorded to actual bills. Actual revenue received in a month does not change. Actual revenue received in a month corresponds to customer bills sent in that month. As those bills will include consumption from the prior month due to cycle billing, actual revenues are adjusted within the calculation to calendarize those amounts. Subsequently, when true-ups are recorded in the following four months, actual revenue received in that month does not change. The true-ups are done to true-up estimated unbilled revenue based on bills processed in line with cycle billing.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-8

Date of Response: 4/17/23
Respondent: James Bonner

REQUEST:

Ref: Technical Session held on March 2, 2023.

Has Liberty undertaken any rate re-classifications or performed any inter-class migration among customer classes since the commencement of the RDAF mechanism as implemented on and after November 1, 2018? If yes, please provide details on such adjustments by rate class, by month, by year, for the years indicated below.

COG Year 4: November 1, 2021 to October 31, 2022

Rate Class	Month	No. of Equivalent Bills <u>prior</u> to the adjustments	No. of Equivalent Bills <u>after</u> to the adjustments

Part COG Year 5: November 1, 2022 to January 31, 2023

Rate Class	Month	No. of Equivalent Bills <u>prior</u> to the adjustments	No. of Equivalent Bills <u>after</u> to the adjustments

RESPONSE:

Liberty has not undertaken any rate re-classifications nor performed any inter-class migration among customer classes during COG Year 4 (November 1, 2021, to October 31, 2022) or COG Year 5 (November 1, 2022, to January 31, 2023).

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-9

Date of Response: 4/17/23
Respondent: James Bonner

REQUEST:

Ref: Craig Holden’s Technical Statement (December 8, 2022), Schedule 4 RDAF Revised 12/8/22, pg. 1 of 3 lines 3-\$2,858,410 and 8-\$653,028 and Liberty’s Data Response Set 3 (November 23, 2022) in Docket No. DG 22-045; Attachment DOE 3-1.zip and Attachment DOE 3-2.zip

Please explain how re-classifications of customers and/or any inter-class migration among customer classes also impact the target [a/k/a allowed] and actual revenue.

RESPONSE:

Re-classifications of customers and any inter-class migration among rate classes have no immediate impact on target Revenue Per Customer (“RPC”) rates. Such changes would be reflected the next time target RPCs are set. Re-classifications of customers and any inter-class migration among rate classes impact actual revenues by reducing the actual revenues from the customer’s former rate class and increasing the actual revenues from the customer’s new rate class. The difference between these two values, positive or negative, is the impact on actual revenues overall.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-10

Date of Response: 4/17/23
Respondent: James Bonner

REQUEST:

Ref: Technical Session held on March 2, 2023.

What is the total amount Liberty collected under the WNA by rate class and by total company, for the years indicated below.

COG Year 4: November 1, 2021 to October 31, 2022

Rate Class	WNA Amount (\$)

Part COG Year 5: November 1, 2022 to January 31, 2023

Rate Class	WNA Amount (\$)

RESPONSE:

See Attachment DOE 6-10.xlsx for Part 1 and Part 2. Part 1 covers the period November 2021 through September 2022 for NWA as recorded in the Company's former Cogsdale billing system. Part 2 covers October 2022 through February 2023 for NWA as recorded in the Company's current SAP billing system.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-11

Date of Response: 4/17/23
Respondent: James Bonner

REQUEST:

Ref: Technical Session held on March 2, 2023.

What is the total amount Liberty has collected under the RLAIP and/or GAP factor of the LDAC by rate class and by total company, for the years indicated below.

COG Year 4: November 1, 2021 to October 31, 2022

Rate Class	RLAIP and/or GAP Amount (\$)

Part COG Year 5: November 1, 2022 to January 31, 2023

Rate Class	RLAIP and/or GAP Amount (\$)

RESPONSE:

See Attachment DOE 6-11.xlsx for Part 1 and Part 2. Part 1 covers the period November 2021 through September 2022 for RLIAP/GAP as recorded in the Company’s former Cogsdale billing system. Part 2 covers October 2022 through February 2023 for GAP as recorded in the Company’s current SAP billing system.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Data Requests - Set 6 (part two)

Date Request Received: 4/6/23
Request No. DOE 6-12

Date of Response: 4/17/23
Respondent: Sue-Ellen Billeci

REQUEST:

Ref: Technical Session held on March 2, 2023.

In technical sessions in Docket. No. DG 22-041, Liberty has indicated that in 2016 (test year for DG 17-048 rate case) that revenues received through the LDAC for RLIAP were recorded on Liberty's books as "negative gas costs."

- a) Please indicate if this same accounting treatment was used in 2019 (test year for DG 20-105 rate case).
- b) If not, please indicate how revenues received through the LDAC for RLIAP (also known as GAP) were accounted for. Please provide any available references from Docket. No. DG 20-105.

RESPONSE:

- a) In 2016, the RLIAP was account number 1169-1756. Two types of transactions went into this account: 1) LDAC recoveries from tariff/ customer bills went directly to the balance sheet into account 1169-1756 as a credit amount; and 2) a journal entry to calculate the actual discount was recorded as a debit amount to the 1169-1756 account and as a credit to account 5541-8042 (deferred gas costs). This process remained in place until December 2019, and the process changed in January 2020.
- b) In January 2020, the process changed. The LDAC recoveries still went directly to 1169-1756 as a credit, but the journal entry now had the credit going to 4801 (Residential Revenue Fixed) and 4802 (Residential Revenue Variable); the debit was still to 1169-1756. In November 2020, the process was changed to no longer include Gas Costs. The LDAC revenue continued to be credited to 1169-1756, which was applied for the 12-month period. The journal entry was now only calculated on winter activity. This was done to align to GAP when it replaced RLIAP as the low-income mechanism. The journal entry was now two separate ones: 1) credits were booked to revenue accounts 4801-Res.Fixed, 4802-Res.Variable, and 4803-Res Gas pass thru, and the debit went to 1169-1756 as normal; and 2) a debit to 5542-8051 Gas cost pass thru and credit to 1920-

Docket No. DG 22-045 Request No. DOE 6-12

1740-COG deferral winter (over/under). This second entry was done to ensure the COG piece that was added to the RLIAP (now GAP) entry was booked in the GAP account in full and that the COG piece was not double booked.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Technical Session Data Requests - Set 1

Date Request Received: 5/19/23
Request No. DOE TS 1-1

Date of Response: 5/30/23
Respondent: Erin O'Brien

REQUEST:

Re: RDAF

Reference: technical session discussions held on May 9, 2023. Please provide a narrative description of Liberty Gas's process for calculating True-up for any given month. As an illustrative example, please use August 2022 actual (Tab titled "AugAdj 2022" in the excel file "Aug22 57. 46-Decoupling Entry -August 2022 & Tru Up EO review.xlsx") and August true-up (Tab titled "August Tru Up" in the same excel file).

For the illustrative month of August 2022, and for "AugAdj 2022" tab, please confirm that the tab references true-up data over April 2022 to August 2022 and not data over August 2022 to December 2022. If unable to confirm this understanding, please explain further, and provide an illustrative example and please provide any missing data.

Reference: Excel file "Aug22 57. 46-Decoupling Entry -August 2022 & Tru Up EO review.xlsx"). Please indicate where the final trued-up equivalent bills can be found for any given month (i.e., for example, for the month of August 2022, in which month will the true up equivalent bills show up?) Please provide all true-up data for all relevant months spanning Decoupling Year 3 and Year 4 (i.e., data related to creating final trued-up equivalent bills for the time period spanning September 1, 2020 to August 31, 2022).

RESPONSE:

At each month end, the initial decoupling calculation is performed based on the best information available during our 5-workday month-end close. As a result of cycle billing, most revenue pertaining to the month being closed is included in unbilled revenue, an estimate of the revenue not yet billed. In the subsequent months, the number of equivalent bills for that period is determined and is no longer estimated. The true up calculation is performed to record the results using the benefit of hindsight and true up the estimates initially recorded.

In the example of August 2022, the "AugAdj 2022" tab includes the estimates for unbilled revenue in Columns E ("# of Cust," number of equivalent bills in the estimated unbilled revenues recorded) and Column F ("Revenue," the Revenue Per Customer (RPC) as approved multiplied by the number of equivalent bills in Column E). This estimate is then carried into the "August

Docket No. DG 22-045 Request No. DOE TS 1-1

Tru Up” tab to be compared to the actual results that pertain to August as determined in subsequent months.

As discussed in the May 9, 2023, technical session, the “August Tru Up” tab in the file provided was a placeholder. This Excel file was provided in September 2022 and we did not have the actual results for August at that time. If an earlier example is used, for example, the “Aug22 entry 56. 42-Decoupling Entry -April 2022 & Tru Up” file, you will see this represents the April 2022 calendar month decoupling results, for which we recorded the final true up in August 2022. In this example, the unbilled revenue estimates are brought into Columns C and D of the “Apr Tru Up” tab. You will see that these match Columns E and F of the “Apr Adj 2022” tab (those columns are discussed above). Then, the actuals are recorded in subsequent columns. If you scroll down to row 40 and below of the “Apr Tru Up” tab, you will see the actual results for April coming through in the May, June, July, and August equivalent bill data. As discussed, the first two months following include the bulk of the information. We have determined that four months is an appropriate adjustment period to capture the actual results in a reasonable amount of time (rather than extending this to pick up smaller adjustments that are not material).

As discussed above, the “Aug Adj 2022” tab includes the information available during the August close (i.e., through September 8, 2022, workday 5). The “August Tru Up” tab is a placeholder for the company as these are our working files. At the time this file was provided (September 2022), the data through December was not yet available. An illustrative example is included in (a) above.

The four months of true ups for May, June, July, and August 2022 (recorded in September, October, November, and December 2022, respectively) are included in Attachment DOE TS 1-1.zip

The final trued up bills will be found in the fourth month following the calendar month. As discussed above, the April 2022 true ups were finalized in August. When these files were provided in September 2022, the information for true ups available at that time were provided. As a result of timing of the filing, the May, June, July, and August 2022 true ups were not yet complete. They have since been completed and are included in Attachment DOE TS 1-1.zip as noted above.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Technical Session Data Requests - Set 1

Date Request Received: 5/19/23
Request No. DOE TS 1-2

Date of Response: 5/30/23
Respondent: Erin O'Brien

REQUEST:

Reference: Excel file “Aug22 57. 46-Decoupling Entry -August 2022 & Tru Up EO review.xlsx”). Please provide source data that identify calculation of the Equivalent Bills for Decoupling Year 3 (DY3) and Year 4 (DY4) (i.e., time period spanning September 1, 2020 to August 31, 2022). Due to Liberty Gas’s accounting practice that take multiple (i.e., four or more) months to true-up an estimated number of equivalent bills for any given month, please include all appropriate data that would clearly identify verifiable data (i.e., source data) for all months within the DY3 and DY4 timeframe.

RESPONSE:

Please refer to the “Monthly Delivery Sheets” files provided for EnergyNorth and Keene for DY4. Please note these files have multiple tabs and each month is layered on. Therefore, if you look at the August 2022 Monthly Delivery Sheet, it will include Calendar Month Delivery Service Bills by Month for all periods from September 2020 through August 2022.

As discussed, the Monthly Delivery Sheets are based on bills sent. Therefore, due to cycle billing, the current month will not capture most customer bills related to that month. This can be seen on each tab as the prior month’s bills are consistently larger due to the timing of cycle billing weighting to early in each month.

Please see Attachment DOE TS 1-2.xlsx for Delivery Sheets not previously provided (September 2022 through December 2022).

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Technical Session Data Requests - Set 1

Date Request Received: 5/19/23
Request No. DOE TS 1-3

Date of Response: 5/30/23
Respondent: Erin O'Brien

REQUEST:

Reference: excel file “Aug22 57. 46-Decoupling Entry -August 2022 & Tru Up EO review.xlsx”), Tab “AugAdj 2022” and Tab “Low Income Aug”. For Decoupling Year 3 and Year 4 time period (i.e., time period spanning September 1, 2020 to August 31, 2022), please identify Gas Assistance Program (GAP) data that clearly separates revenues collected through the GAP component of LDAC into the following two categories – revenues collected from base distribution rates, and revenues collected from Cost of Gas (COG) passthrough. Please provide supporting documentation.

RESPONSE:

Please refer to Attachment DOE TS 1-3.xlsx. The “Back up” tab includes details from the Bills and Volumes report derived from the revenue system. This report is sorted for GAP customers (R-4 and R7, as applicable) and components of revenue are broken down into fixed, variable and gas supply (pass-through). The “Journal Entry” tab of this attachment is the support provided in the “Low Income Aug” tab of the Excel file “Aug22 57. 46-Decoupling Entry -August 2022 & Tru Up EO review.xlsx.” The decoupling calculation only picks up the fixed and variable portions of the journal entry for the purposes of decoupling.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Technical Session Data Requests - Set 1

Date Request Received: 5/19/23
Request No. DOE TS 1-4

Date of Response: 5/30/23
Respondent: James Bonner

REQUEST:

Re: RDAF

- a) Reference: Docket DG 22-041, Liberty Gas’s Response to DOE DR 3-6. Liberty Gas’s response to DOE 3-6 indicates that the Company ran rate reviews in June 2019, June 2020 and July 2021 resulting in customer migrations between rate classes. In the context of Decoupling Year 3 (spanning September 1, 2020 to August 31, 2021), please explain how such migration would impact the monthly decoupling revenue targets and the corresponding actual revenues. Please also explain how migration impacts the target and actual revenues when true-up process is completed after multiple (i.e., four or more) months.
- b) Reference: Liberty Gas’s Response to DOE 6-8. In its response to DOE 6-8 in Data Request Set 6 (part two), Liberty Gas indicated that the Company did not perform a rate review in 2022. Please explain why not.

RESPONSE:

- a) Migration—meaning the movement of customers from one rate class to another—has no effect on the monthly decoupling target revenues (a.k.a. allowed revenues) or actual revenues. An individual customer’s contribution to both is determined by the customer’s rate class at the time the calculation is made. For example, a customer is not a Rate G-42 customer for the target revenue calculation and Rate G-43 customer for the allowed revenue calculation; they are in the same rate class for both. This is true even if the rate change takes place in the middle of the month. The customer’s total equivalent bills and billed volume will be correctly apportioned between the two rates in the billing system. For the same reason, migration has no effect on the true-up process. The true-up process simply substitutes an actual measurement of the equivalent bills for a given month for the estimate originally used for the target revenue calculation at the time the decoupling entry was made.
- b) In the late spring of 2022, the Company’s available billing resources were heavily engaged in both the later stages of the Customer First SAP billing conversion design and testing processes as well as operating the current Cogsdale billing system. Although it

Docket No. DG 22-045 Request No. DOE TS 1-4

was not intentional, the existing Rate Review process was simply overlooked during this extremely busy period.

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

DG 22-045

Winter 2022–2023 and Summer 2023 Cost of Gas

Department of Energy Technical Session Data Requests - Set 1

Date Request Received: 5/19/23
Request No. DOE TS 1-5

Date of Response: 5/30/23
Respondent: Erica Menard

REQUEST:

Reference: Review of ENNG’s Revenue Decoupling Mechanism (Concentric Report by Gregg Therrien from August 8, 2019) in DG 22-041 Attachment of ELM-1 at Bates 1574; also found at DG 20-105, Exhibit 39. The Report states “The large RDM credit is unanticipated because the “real time” WNA is billed monthly on each customer’s bill, thereby eliminating the largest anticipated variance component of the RDM, weather.” Given this statement, please provide Liberty Gas’s understanding of the reasons for decoupling adjustments in DY4 in excess of \$3 million.

RESPONSE:

As filed on December 8, 2022, the revenue decoupling adjustment factor for the residential class includes a prior period under-recovery associated with the previous LDAC year’s RDAF rate of \$0.3 million plus a revenue deficiency of \$2.6 million for the current decoupling year 4. The revenue decoupling adjustment factor for the commercial class includes a prior period under-recovery associated with the previous LDAC year’s RDAF rate of \$0.4 million plus a revenue deficiency of \$0.2 million for the current decoupling year 4.

The reasons for the decoupling year 4 revenue deficiency of \$2.6 million for the residential group and \$0.2 million for the commercial group are generally attributable to factors such as energy conservation, economic effects, and other variables. As described in the Company’s previous response to DOE 1-4 (b) and DOE 2-3 (b), the methodology for comparing actual revenues to allowed revenues does not explicitly quantify the under-recovery into the various categories.

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

DG 22-045

Winter 2022-2023 Cost of Gas Reconciliation

Department of Energy Technical Session Data Requests - Set 2

Date Request Received: 9/22/23
Request No: DOE TS 2-2

Date of Response: 10/2/23
Respondent: James Bonner

REQUEST:

Provide the generic cream, green, and blue chart shown at Technical Session that shows actual and unbilled revenue over a two-consecutive calendar month period that captures one full billing cycle. Explain why the chart does not represent Liberty's actual billings.

RESPONSE:

Attachment DG 22-045 DOE TS 2-2.pdf, titled "Unbilled Energy Diagram.pdf", is the generic cream, green, and blue chart shown at the technical session that shows actual and unbilled revenue over a two-consecutive calendar month period. The chart captures the effect of all billing cycles for a hypothetical calendar month. The chart was taken from the paper "Using Models to Estimate Unbilled Energy" by Dr. J. Stuart McMenamin, ITRON, Inc., p. 4 (2005) and has been used a teaching tool by Mr. Bonner in explaining the relationship between actual billing data on a billing cycle basis to the calendar month in which it occurs and the purpose of estimating unbilled revenue. It is purely a simplified hypothetical illustration for teaching purposes.

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

DG 23-076

Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

Department of Energy Data Requests - Set 1 (LDAC)

Date Request Received: 9/8/23
Request No: DOE 1-2 (LDAC)

Date of Response: 11/9/23
Respondent: Tyler Culbertson

REQUEST:

Reference: Liberty's August-September 2023 filing, Dkt. No. 22-045 Exhibit 26, Attach 3 and 4

- a. Did Liberty perform any "rate review" with regard to reclassification a/k/a "customer migration" or "inter-class migration" for the period (Sept 1, 2021 through August 31, 2023). Please identify each instance of proposed re-classification including the name of the customer, the date and reason for the reclassification, and associated the rate classes. If no rate reclassification review was done, please explain why not. If one was done, please explain why. See, e.g., Dkt. No. DG 22-045, Exhibit 26, Attachments 3 and 4.
- b. Please explain what a "manual review" of rate review proposed re-classification means. For each re-classification recommended by the rate review for the period identified above, please indicate whether the re-classification actually occurred, and if not, why not.
- c. Did the Company perform any other individual rate re-classifications or customer migrations or inter-class migrations based upon customer-request or for some other reason during the identified period? If yes, please identify each instance of customer re-classification including the name of the customer, the date and reason for the re-classification and the rate classes at issue.
- d. Does Liberty assert that rate re-classification or rate migration "has no effect on the true up process" and/or no effect on the allowed revenue Liberty collects for the customers who are re-classified?
- e. Please complete a table, such as the table provided in Dkt. No. 22-045, Ex 26, Attachment 3 for the period described above.
- f. Please identify the over/under-collection Liberty seeks for Decoupling Year 5, apportioned during the time period identified above.

RESPONSE:

- a. The rate review for this period would normally have been performed in May 2022, which occurred in the months leading up to Liberty's SAP system conversion in October 2022. Available resources were focused on critical design and testing tasks associated with the conversion and the rate review was not performed at that time.

- b. Since the rate review process was not performed, there was no manual review of results.
- c. At times, Liberty does receive customer initiated and internally initiated requests to change a customer's rate classification. A customer-initiated request is normally reviewed by a Company Customer Care Representatives and if the change request is appropriate, a notification is sent to the Billing department to change the rate. Internally initiated requests from authorized Company personnel are normally sent directly to the Billing department to change rates. A list of customers who have changed rates during Decoupling Year 5 is shown in Attachment 23-076 DOE 1-2 (LDAC).xlsx. Unfortunately, there isn't a systematic way to easily identify the reasons behind these specific situations our current and prior systems.
- d. Although Liberty does assert that rate re-classification or rate migration "has no effect on the true up process" per se, it does not assert that such rate re-classification or rate migration has no effect on the true-up dollar amounts. Both the true-up and allowed revenues are affected by the net change in equivalent bill values among the rate classes over time due to rate re-classification or rate migration.
- e. Rate Review was not done. No table available.
- f. As reported in the Company's September 22, 2023 updated filing, Schedule 4, Page 1, lines 2 and 7, the Company's under-collection for Decoupling Year 5 is \$4,135,581 for residential customers and \$1,415,858 for commercial customers.

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

DG 23-076

Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

Department of Energy Data Requests - Set 1 (LDAC)

Date Request Received: 9/8/23
Request No: DOE 1-3 (LDAC)

Date of Response: 9/22/23
Respondent: Tyler Culbertson

REQUEST:

Reference: Liberty's August-September 2023 filing, Dkt. 22-045, Exhibit 31 and 32

- a. Please provide the source data for the equivalent bill (EB) calculaton(s) for Decoupling Year 5 (September 1, 2022 to August 31, 2023). Please also provide a chart showing the EB process (used by Jim Bonner in a meeting held on September 1, 2023 re. Dkt. No. DG 22-045).
- b. Please provide all monthly data necessary for Decoupling Years (DY) 4 and DY5. Please provide both raw data and the weather-normalized data. [Please note that the State of NH uses the FTP (File Transfer Protocol) site to securely exchange data. For Liberty to send the requested information, we need: the Full Name of the person who will be sending the data; his/her email address; and his/her full business designation.]
 - o While the equivalent bill (EB) source data includes weather normalized information for revenue, Liberty explained it does not include weather normalized information for what Liberty references as "billing determinants." Please confirm that Liberty will provide weather normalized determinants in the data it provides.

RESPONSE:

- a. The complete source data for the period September 2022 through August 2023 are in the following three confidential compressed folders:

Confidential Attachment 23-076 DOE 1-3.1 (LDAC).zip
Confidential Attachment 23-076 DOE 1-3.2 (LDAC).zip
Confidential Attachment 23-076 DOE 1-3.3 (LDAC).zip

The first two folders were also provided in response to Docket DG 22-045 DOE TS 2-1 on September 20, 2023.

The source files are Microsoft Access databases which in uncompressed form are approximately 20 times larger. The first folder is Cogsdale data. For the Cogsdale data, legacy EnergyNorth and Keene are in separate databases and cover the period January through September 2022. The last two folders are SAP data. For SAP, legacy

Docket No. DG 23-076 Request No. DOE 1-3 (LDAC)

EnergyNorth and Keene are in a single database and cover the period October 2022 through August 2023.

Complete weather-normalized raw data—that is, consumption values and revenues on a weather-normalized basis—do not exist in the raw data files and are not readily available. However, the normal weather adjustment revenues are separately stated in both the Cogsdale and SAP data. Thus, both weather-normalized and non-weather-normalized revenues can be readily calculated from the raw data, but the weather-normalized consumption cannot. For consumption values, only the actual values are present in the data.

The chart showing the EB process (used by Jim Bonner in a meeting held on September 1, 2023, re. Dkt. No. DG 22-045) was provided in the Response to Docket DG 22-045 DOE TS 2-2 on October 2, 2023.

The above three confidential compressed folders contain customer names and account numbers which is “individual customer data ... that can identify, singly or in combination, that specific customer,” RSA 363:37, I, and is thus protected from disclosure by RSA 363:38 and RSA 91-A:5, IV. Therefore, pursuant to Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket. The above confidential compressed folders have this date been uploaded to the FTP site generated by NH DOIT for this purpose and are located in the NH DOIT generated folders named “/Distribution/Energy/Discovery/Liberty”.

- b. See part a above.

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

DG 23-076

Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

Department of Energy Data Requests - Set 1 (LDAC)

Date Request Received: 9/8/23
Request No: DOE 1-5 (LDAC)

Date of Response: 11/9/23
Respondent: Tyler Culbertson

REQUEST:

Reference: Liberty's August-September 2023 filing, Dkt. 22-045, Exhibit 31 and 32

- a. For each month in DY5, please provide information on equivalent bill (EB) counts in the same format that Liberty provided in Dkt. No. DG 22-045 in response to DOE DR 3-1 and 3-2. See email from DOE to Liberty in Dkt. No. DG 22-045 dated September 5, 2023. (Attachment provided upon request in Live Excel format).
- b. For each month in DY5, please provide equivalent bill (EB) counts by each rate class and by time. See email from DOE to Liberty in Dkt. No. DG 22-045 dated September 5, 2023. (Attachment provided upon request in Live Excel format).
- c. For each month in DY5, please provide therm consumption by each rate class and by time. See email from DOE to Liberty in Dkt. No. DG 22-045 dated September 5, 2023. (Attachment provided upon request in Live Excel format).
- d. For each month in DY5, please provide Actual Revenue by each rate class and by time. See email from DOE to Liberty in Dkt. No. DG 22-045 dated September 5, 2023. (Attachment provided upon request in Live Excel format).

RESPONSE:

- a. For the period September 2022 through December 2022, see Response to DOE TS 2-2 in Docket DG 22-045 submitted on October 2, 2023.

See Attachment 23-076 DOE 1-5 (LDAC).zip for the EnergyNorth and Keene equivalent bill, consumption, and actual revenue tables in Excel file format for the period January through August 2023 based on SAP billing data. Legacy EnergyNorth and Keene are in separate tabs in the Excel files based on SAP data.

- b. See part A.
- c. See part A.
- d. See part A.

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

DG 23-076

Winter 2023/2024 Cost of Gas and Summer 2024 Cost of Gas

Department of Energy Data Requests - Set 1 (LDAC)

Date Request Received: 9/8/23
Request No: DOE 1-4 (LDAC)

Date of Response: 1/11/24
Respondent: Tyler Culbertson

REQUEST:

Reference: Liberty's August-September 2023 filing, Dkt. 22-045, Exhibit 31 and 32

- A. Please complete the Excel spreadsheet provided in Dkt No DG 22-045 as an attachment to Exhibit 32 for DY4 and DY5.
- B. Please provide a separate analysis for the said Excel spreadsheet for January 2023 and February 2023.

RESPONSE:

- A. This request was modified in Docket DG 22-045. In that docket, the Company responded that it was impractical and/or impossible to provide the requested data in the format requested for the following reasons;

The Company customer and billing information systems are designed to provide detailed information on an individual customer-by-customer basis to customer service and billing personnel and to provide only summary information using predefined reports for large groups of customers such as a rate class or general ledger accounts to all other users including regulatory and finance personnel. Although some billing transaction detail data at a level sufficient to enumerate the variance between expected billing determinants and revenues is available, it is insufficient to explain the reasons therefore, except by examining each customer contributing to the variance one at a time using the same tools as customer service and billing personnel. Given that there would be hundreds of customers to examine each month for ten separate RPC rate classes for twenty-four months, such a procedure would be impractical and unduly burdensome. Thus, the requested data cannot be provided.

An alternative analysis was provided in Docket DG 22-045 for a similar request. Should the DOE find the substituted analysis provided therein to be an acceptable substitute, the Company is open to providing that analysis as a substitute here.

- B. See Part A.