

Important Message for Customers Regarding Natural Gas Distribution Rates

Please be advised that **Liberty Utilities (EnergyNorth Natural Gas) Corp. (“Liberty EnergyNorth”)** is **seeking permission from the New Hampshire Public Utilities Commission (PUC) to adjust its distribution rates**. These rates comprise some but not all of the charges on each customer’s monthly natural gas bill. Distribution rates cover the cost of maintaining Liberty EnergyNorth’s facilities and infrastructure that are necessary in the delivery of natural gas to the homes and businesses of our customers. Distribution rates are separate from other charges customers incur, like the cost of the natural gas delivered to customers. Liberty EnergyNorth contracts with suppliers in the open market to purchase natural gas to serve our delivery customers and passes that cost directly on to customers. Cost of gas represents approximately 25 percent of a residential customer’s monthly bill.

The request, filed with the PUC on July 27, 2023, is commonly referred to as a “rate case.” Under applicable law, the rate case will consist of two phases: a request for a temporary rate increase and a request for new permanent rates. The PUC must complete the entire rate case within one year.

If granted in its entirety, **the request for new permanent distribution rates would increase Liberty EnergyNorth’s annual revenues by \$27.6 million** effective as of October 1, 2023. The PUC will not render its final decision in the rate case until well after that date, but the new rates will be reconciled back to October 1. The temporary rates requested by Liberty EnergyNorth are intended to lessen the magnitude of the future, permanent increase in distribution rates. The request for temporary rates would increase Liberty EnergyNorth’s annual revenues by 55.49 percent of the total permanent increase requested. We are asking that the temporary rates take effect on October 1, 2023 and remain in effect until we receive a final decision on the requested permanent rate increase.

For residential non-heating customers using 20.5 therms per month, the monthly bill impact of the requested permanent rates would be an increase of approximately \$6.83 or 27.49 percent as compared to the distribution rates in effect today. For residential heating customers using 63.7 therms per month, the monthly bill impact of the requested permanent rates would be an increase of approximately \$13.44 or 24.56 percent as compared to the distribution rates in effect today. Bill impacts for commercial and industrial customers will vary. For information regarding the specific rates proposed for each class of service, go to www.libertyenergyandwater.com.

In addition to its proposal to increase distribution rates, **Liberty EnergyNorth is also asking the PUC to approve a plan for three step adjustments to recover the cost of non-growth-related additions to the Company’s net plant made in 2023, 2024, and 2025**. Under the plan, Liberty EnergyNorth would file documentation demonstrating the change in its net plant between January 1 and December 31 each year, which if approved, would cause rates to increase in 2024, 2025, and 2026.

Each Liberty EnergyNorth customer has the right to participate in the rate case we have filed with the PUC. You may file written comments with the PUC, and, in some circumstances, you may have the right to participate as a full party to the rate case. The PUC has opened Docket No. DG 23-067 to consider our rate adjustment request. Documents associated with the rate case are available from the PUC’s virtual file room at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-067.html>. The PUC’s procedural rules are available at <https://www.puc.nh.gov/Regulatory/Rules/Puc200.pdf>. The Office of the Consumer Advocate maintains a guide to public participation PUC proceedings on its website <https://www.oca.nh.gov/get-help/participate-puc-proceeding>.

Details of the temporary and permanent rates we have requested are listed below. The numbers below are based on distribution rates in effect as of July 1, 2023, and a monthly-average of the typical annual volumes consumed. Due to fluctuations and variances in seasonal consumption, individual customers' actual monthly bills will be higher or lower than the average depending on their specific level of volumes consumed.

R-1 – Residential Non-Heating: Based on Liberty EnergyNorth's requested temporary rate increase, residential customers would see an average increase of approximately 15.85 percent on the distribution rate beginning October 1, 2023. The projected average increase in monthly bills at the conclusion of the rate proceeding for residential customers would be an additional increase of approximately 11.64 percent.

R-3 – Residential Heating: Based on Liberty EnergyNorth's requested temporary rate increase, residential customers would see an average increase of approximately 15.83 percent on the distribution rate beginning October 1, 2023. The projected average increase in monthly bills at the conclusion of the rate proceeding for residential customers would be an additional increase of approximately 8.73 percent.

G-41 – Commercial/Industrial Low Annual Use, High Winter Use: Based on Liberty EnergyNorth's requested temporary rate increase, commercial/industrial customers on Rate G-41 would see an average increase of approximately 15.83 percent on the distribution rate beginning October 1, 2023. The projected average increase in monthly bills at the conclusion of the rate proceeding for commercial/industrial customers on Rate G-41 would be an additional increase of approximately 7.39 percent.

G-42 – Commercial/Industrial Medium Annual Use, High Winter Use: Based on Liberty EnergyNorth's requested temporary rate increase, commercial/industrial customers on Rate G-42 would see an average increase of approximately 15.83 on the distribution rate beginning October 1, 2023. The projected average increase in monthly bills at the conclusion of the rate proceeding for commercial/industrial customers on Rate G-42 would be an additional increase of approximately 7.34 percent.

G-52 – Commercial/Industrial Medium Annual Use, Low Winter Use: Based on Liberty EnergyNorth's requested temporary rate increase, commercial/industrial customers on Rate G-52 would see an average increase of approximately 15.83 on the distribution rate beginning October 1, 2023. The projected average increase in monthly bills at the conclusion of the rate proceeding for commercial/industrial customers on Rate G-52 would be an additional increase of approximately 7.44 percent.