

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

March 27, 2024 - 1:02 p.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: **DG 24-042**
LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP. d/b/a
LIBERTY-KEENE DIVISION:
Summer 2024 Cost of Gas.
(*Prehearing conference*)

PRESENT: Chairman Daniel C. Goldner, *Presiding*
Commissioner Pradip K. Chattopadhyay
Commissioner Carleton B. Simpson

Benjamin Martin-McDonough, Esq./Puc
Legal Advisor

Doreen Borden, Clerk

APPEARANCES: **Reptg. Liberty Utilities (EnergyNorth**
Natural Gas) Corp. d/b/a
Liberty-Keene Division:
Michael J. Sheehan, Esq.

Reptg. Residential Ratepayers:
Michael J. Crouse, Esq.
Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:
Molly M. Lynch, Esq.
Paul B. Dexter, Esq.
Faisal Deen Arif, Dir./Gas Division
Ashrafal Alam, Gas Division
Bruce Blair, Gas Division
(*Regulatory Support Division*)

Court Reporter: Steven E. Patnaude, LCR No. 52

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

I N D E X

PAGE NO.

SUMMARY OF THE DOCKET BY CHAIRMAN GOLDNER 3

STATEMENTS OF PRELIMINARY POSITION BY:

Mr. Sheehan 5

Ms. Lynch 8

Mr. Crouse 10

QUESTION BY CMSR. SIMPSON 10

QUESTION BY CHAIRMAN GOLDNER 11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good afternoon. I'm Chairman Goldner. I'm joined today by Commissioner Simpson and Commissioner Chattopadhyay.

The Commission convened this docket to review and approve the Liberty-Keene Division's proposed Cost of Gas Rate for the Summer of 2024, with rates effective May 1st, 2024, through October 30th [31st?], 2024. The Commission reviews the other components of the customers' gas bills, including the Monthly Charge, the Local Distribution Adjustment Charge, and the per therm Delivery Charge in separate dockets.

The Commission's jurisdiction over this matter is based on the just and reasonable ratemaking standard of RSA 374:2 and RSA 378:7. The Commission issued a Notice of Adjudicative Proceeding and notice of this prehearing conference on March 22nd, 2024. In that notice, the Commission approved an assented-to procedural schedule in this docket, that including a hearing on April 19th, 2024, and a request for a Commission order by April 30th, 2024.

1 In its cover letter to this Petition,
2 Liberty requested that the Commission hold a
3 prehearing conference in this docket. The
4 purpose of this conference is for the parties to
5 raise any issues that may arise in this docket
6 prior to the hearing on April 19th.

7 Let's take appearances, starting with
8 Liberty.

9 MR. SHEEHAN: Good afternoon,
10 Commissioners. Mike Sheehan, for the Keene
11 Division of EnergyNorth Natural Gas.

12 Thank you.

13 CHAIRMAN GOLDNER: And the Department
14 of Energy?

15 MS. LYNCH: Good afternoon,
16 Commissioners. My name is Molly Lynch. I am
17 here representing the Department of Energy, along
18 with Legal Director, Paul Dexter. We are also
19 joined by our Gas Director, Dr. Arif, and Utility
20 Analysts Ashraful Alam and Bruce Blair.

21 Thank you.

22 CHAIRMAN GOLDNER: Okay. Very good.
23 And the Office of the Consumer Advocate?

24 MR. CROUSE: Good afternoon,

1 Commissioners. My name is Michael Crouse, on
2 behalf of the OCA as their Staff Attorney,
3 representing residential customers in this
4 matter.

5 Thank you.

6 CHAIRMAN GOLDNER: Thank you. Before
7 we move to opening statements, are there any
8 other matters to discuss today?

9 *[No verbal response.]*

10 CHAIRMAN GOLDNER: All right. Seeing
11 none.

12 We'll now provide everyone with the
13 opportunity to make an opening statement,
14 starting with Liberty.

15 MR. SHEEHAN: Thank you. And we
16 appreciate the opportunity, hopefully, in this
17 case, there aren't odd things to talk about that
18 would warrant what we've done in past dockets,
19 carving issues off.

20 Our view of this rate case is -- this
21 cost of gas case is it is a fairly
22 straightforward application of the market prices
23 to the cost of gas. And, in communication with
24 DOE prior to today, a couple of things have

1 popped up.

2 One was a discussion over the
3 incremental difference between CNG and propane.
4 There's a mechanism from the last rate case
5 where, if one is higher than the other, the
6 Company shares the costs with customers or
7 refunds, *et cetera*. We have continued that
8 adjustment in this case. I understand DOE has
9 some questions about that, and we will walk
10 through that in a tech session we have scheduled
11 for Thursday.

12 Counsel reminded just now that we had
13 proposed removing that in the upcoming -- in the
14 pending rate case. And I still encourage we do
15 that. But, apparently, the rate case is probably
16 the best place to do that. The dollars of that
17 whole process are very small, five or ten or
18 twenty thousand dollars over six or seven hundred
19 thousand dollars.

20 So, again, that's sort of a side issue.
21 That's not really an issue for you today.

22 The other is, we made a editing mistake
23 in our filing. We have one paragraph that says
24 "prices are higher this year", the next paragraph

1 says "the prices are lower this year." And that
2 was simply somehow, in the revising and editing
3 and filing, we ended up with both paragraphs in.

4 So, we will make a formal correction
5 when the witnesses testify. But, if you go to
6 the bottom of Page 16 -- Bates 016, which is the
7 testimony, and it starts "What is the price
8 difference", this is at Line 14, "the price
9 difference between propane and CNG?" And it
10 starts saying "propane is anticipated to be more
11 expensive".

12 And, then, you go to the first question
13 and answer on the next page, and it says
14 "propane" -- it says the opposite.

15 So, it's the latter that's correct.
16 The first paragraph is the incorrect one. And we
17 will make that formal correction at hearing.

18 Otherwise, the other news here is we
19 have signed a new contract for CNG. The details
20 of that will come out in the hearing. It's
21 the -- the same supplier won the RFP. The costs
22 are similar. I can't recall if it's a slight
23 increase or a slight decrease. But it's the same
24 provider, under roughly the same terms.

1 Thank you.

2 CHAIRMAN GOLDNER: Okay. Thank you.

3 We'll turn now to the Department of Energy.

4 MS. LYNCH: Thank you.

5 Just to kind of reiterate some of the
6 points Attorney Sheehan brought up, is that, you
7 know, we have an agreed-upon procedural schedule.
8 Liberty, we have issued one set of data requests,
9 and the Company has timely responded to them.

10 We have a technical session tomorrow.
11 At the technical session, there are several
12 issues that we would like to address. One of
13 which being the CNG/LNG, you know, that mechanism
14 that came from the rate case, you know, kind of
15 just understanding it fully.

16 And, also, Liberty, in their Petition,
17 on, it was -- I believe it was on Bates Page 009,
18 in their footnote was asking for guidance on how
19 to address that for this particular year. So,
20 that's a topic we really would like to focus on.

21 In addition to that, you know, we also
22 want to kind of understand this year's increase
23 more. On Bates Page 017, the Company stated that
24 the typical residential customer will experience

1 an increase in their monthly bill of "\$56.28 or
2 39.6 percent". So, we just really kind of want
3 to understand what's driving that. We do realize
4 that there is an under-collection, but what other
5 factors, and how -- how much of an impact is that
6 under-collection causing?

7 We also want to discuss that further,
8 because also in the testimony there was another
9 reference, I believe it was on Bates Page 012,
10 where the Company stated that the increase was
11 only "8.93 percent" compared to last year. So,
12 we want to kind of really delve into those issues
13 further.

14 We also had questions on Schedule K.
15 And I'm referring to kind of the live *pdf*, I can
16 get the Bates page if needed. Kind of -- but
17 just kind of understanding what they did last
18 year to this year.

19 We also are going to talk about the
20 Propane Stabilization Plan, and the lost and
21 unaccounted-for gas. There was a decrease from
22 last year, which, you know, is good. But we just
23 wanted to have a few more questions on that.

24 And we also, as I already addressed a

1 little bit, there is an under-collection. And we
2 want to look at that further, and see if there's
3 any lingering issues related to SAP conversion.

4 CHAIRMAN GOLDNER: Okay. Thank you.
5 And we'll turn now to the Office of the Consumer
6 Advocate.

7 MR. CROUSE: Thank you.

8 The OCA shares and echoes a lot of the
9 interests that the Department has. I don't know
10 how much you want me to repeat what Attorney
11 Lynch has just explained. But I think it would
12 be fair to say we share those same interests.

13 Thank you.

14 CHAIRMAN GOLDNER: Thank you.

15 Okay. We'll turn now to Commissioner
16 questions, beginning with Commissioner Simpson.

17 CMSR. SIMPSON: I just have one
18 question for Attorney Sheehan.

19 Are there any related issues to revenue
20 decoupling that we should be mindful of at
21 hearing, in the Company's view?

22 MR. SHEEHAN: No. Because decoupling
23 is part of the LDAC, which is in those other
24 dockets, which are the EnergyNorth Cost of Gas,

1 and they simply get applied to Keene customers as
2 they are.

3 Yes. So, no decoupling issues here.

4 CMSR. SIMPSON: Thank you.

5 CHAIRMAN GOLDNER: Let's move now to
6 Commissioner Chattopadhyay?

7 CMSR. CHATTOPADHYAY: I do not have any
8 questions.

9 CHAIRMAN GOLDNER: All right. Let me
10 check real quick.

11 *[Chairman Goldner and Atty.
12 Martin-McDonough conferring.]*

13 CHAIRMAN GOLDNER: Yes. Just one
14 question, I guess.

15 One, is there a plan to file a joint
16 position statement prior to the 19th or do the
17 parties plan to file something separately, or
18 just come on the 19th and discuss then?

19 Can maybe -- maybe, Attorney Sheehan,
20 you could touch on that?

21 MR. SHEEHAN: Well, I can start.
22 Tomorrow, at our tech session, we'll discuss
23 whether there are any changes that would warrant
24 us to revise the filing. And I think we built in

1 a deadline of next week to do that, if necessary.

2 Otherwise, it's up to DOE whether they
3 intend to file something formally or not at that
4 time.

5 CHAIRMAN GOLDNER: Okay. Attorney
6 Lynch?

7 MS. LYNCH: The Department of Energy
8 would prepare a technical statement, if
9 necessary, prior to the hearing.

10 CHAIRMAN GOLDNER: Okay. So, just to
11 repeat back.

12 If there's no controversy, everything
13 looks -- the filing looks fine, then no filing
14 would be made. But, if the Department finds
15 something, they would file that prior?

16 MS. LYNCH: Yes. That's correct.
17 Thank you.

18 CHAIRMAN GOLDNER: Thank you. Because
19 I do think we've got, you mentioned it in your
20 opening, there's a couple of places where the
21 filing seems to contradict itself. So, it looks
22 like there will be some kind of at least minor
23 filing, if not something a little larger, just
24 because the numbers are little bit different in

1 different places.

2 Okay. Okay, any over questions from
3 the Commissioners?

4 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
5 *indication in the negative.]*

6 CHAIRMAN GOLDNER: Would anyone else
7 like to raise any additional issues before we
8 adjourn today?

9 MS. LYNCH: Not from the Department.

10 CHAIRMAN GOLDNER: Okay.

11 MR. SHEEHAN: No, sir.

12 MR. CROUSE: None from the OCA. Thank
13 you.

14 CHAIRMAN GOLDNER: All right. Thank
15 you.

16 Well, I'll thank everyone for their
17 time today. We'll issue a prehearing order in
18 due course. And we are adjourned. Thank you.

19 ***(Whereupon the prehearing conference***
20 ***was adjourned at 1:13 p.m.)***

21

22

23

24