

REDACTED

**STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

Docket No. DG 24-100

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty-Keene Division
Winter 2024-2025 Cost of Gas (COG Supply)

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The New Hampshire Department of Energy (“DOE” or the “Department”) submits this technical statement in compliance with the Public Utilities Commission’s (“PUC” or the “Commission”) Order “Commencement of Adjudicative Proceeding and Notice of Hearing” dated October 3, 2024, in docket DG 24-100. The purpose of this statement is to provide the Commission with the required information and framework for understanding DOE’s position in advance of the Cost of Gas (“COG”) hearing scheduled for October 29, 2024, at 1:00 p.m.

As explained below, after review and analysis, the DOE recommends that the Commission approve Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty-Keene’s (“Liberty”, “Liberty-Keene”, or “the Company”) Winter 2024-2025 rates to be effective November 1, 2024, in this instant docket. This technical statement addresses the following areas:

- I. Background;
- II. Filing Facts and DOE Analysis;
- III. Fixed-Price Option (FPO);
- IV. COG Over/Under Collection Calculation;
- V. Incremental CNH Supply Costs;
- VI. Lost and Unaccounted For (LAUF) Gas Calculation; and
- VII. DOE Recommendations.

I. Background

On September 9, 2024, Liberty submitted its Winter 2024-2025 Cost of Gas filing for rates effective November 1, 2024, in Docket No. DG 24-100. The Department issued two sets of Data Requests (DRs), the first on September 13, 2024, and the second on October 1, 2024. The

Company responded to the DRs on September 23, 2024, and on October 8, 2024, respectively. The Company filed an updated Winter 2024-2025 COG filing on September 27, 2024. In addition, two technical sessions were held on September 26, 2025, and on October 10, 2025, in which the Company, the Department, and the Office of the Consumer Advocate (OCA) participated.

II. Filing Facts and DOE Analysis

Therm Sales Projection

The projected total sales over the Winter 2024-2025 (i.e., November 2023 to April 2024) period for Liberty-Keene is 1,109,098¹ therms, of which 245,254 therms or (22%) is for residential and 863,844 (or 78%) is for the C&I sector. The projected total sales are different from the total sendout, which is estimated to be 1,193,051² therms for the Winter period due to the inclusion of lost and unaccounted for (LAUF) and company use in the total sendout

Of the projected total therm sales, base load accounts for 277,350 terms (25% of total therms), heating load accounts for 804,192 therms (72.5% of total therms), and load due to weather normalization (the “normalization load”) accounts for 27,557 therm (2.5% of total therms). The normalization load calculation is driven primarily by a projected warmer winter.³

Proposed Rates

The proposed Winter 2024-2025 COG rates are as follows:

Table-1: Proposed Winter 2024-2025 Rates

Beginning Period (per therm rate)	Non-FPO Rates	Maximum Rates	FPO Rates
Residential R3 (excluding GAP)	\$1.5420	\$1.9275	\$1.5620
Residential R3 GAP Customers	\$0.8481	\$1.0601	\$0.8591
C&I G41 (Low Annual, High Winter Use)	\$1.5420	\$1.9275	\$1.5620

¹ See Updated Grant, Garcia, and Yusuf Testimony at Bates, p. 0009 line 15.

² See Updated Grant, Garcia, and Yusuf Testimony at Bates, p. 0009 line 21.

³ See Updated Grant, Garcia, and Yusuf Testimony at Bates, p. 0029, Schedule J, Line 7 and Line 18.

The Department reviewed the calculations for proposed Winter 2024/2025 rates as presented and concurs with the calculation methodologies used to devise the proposed COG rates.

Bill Impacts

The Department notes that the bill impacts submitted in the initial filing and the updated filing by the Company make a COG comparison that includes this year’s actual (Nov 24 – Jan 25) and proposed (Feb 25 – April 25) LDAC rates. For the purpose of comparing the impact of changes in COG on a typical customer’s bill, the Department believes that it is important to make the comparison as close to an apple-to-apple comparison as possible. For this reason, the bill impact presented below is the result of updating Schedule K-1, K-2, L-1, and L-2 to the currently approved LDAC rate for the months of Feb 25 – April 25).

Table-2: Bill Impact across Rate Classes

Rate Class	Therm Use 2024-2025	Total Bill 2024-2025	\$ Change (as compared to 2023-2024)	% Change
Residential R3 (excluding FPO and GAP)	447	\$1,178.84	\$60.56	5.4%
Residential R3 FPO	447	\$1,187.78	\$78.13	7.0%
C&I G41 (Low Annual, High Winter Use)	1,721	\$3,937	\$163.48	4.3%
C&I G41 FPO (Low Annual, High Winter Use)	1,721	\$3,972	\$236.79	6.3%

In comparison to Table 2, the Company indicated that the bill impact across rate classes with projected LDAC rates for February 25 – April 25 is 4.6% for R-3 non FPO and GAP, 6.2% for R-3 FPO, 4.1% for C&I G41 non FPO, and 6.1% for C&I G41 FPO.⁴

Proposed LDAC Rates

The Department acknowledges the filing of the proposed LDAC rates as submitted by the Company on August 20, 2024. Due to the bifurcation⁵ of adjustments to COG rates from

⁴ See Updated Grant, Garcia, and Yusuf Testimony at Bates, p. 0030 – 0033.

⁵ See DG 23-027, Order 26,872.

adjustments to LDAC rates, this technical statement does not provide the Department’s position on the proposed LDAC rates.

COG Components

Over the Winter 2024-2025 period, total projected direct and indirect supply cost of gas is \$1,710,266. The composition of this total projected cost is as follows:

Table-3: Cost of Gas Components

Category	Amount (\$)	% of Total
Total COG Direct Commodity Cost	\$1,532,844	85.33%
Indirect Cost from DG 20-105	\$208,129	11.59%
CNG Demand Charges		
Projected Incremental CNG Supply Cost		
Fuel Inventory Revenue Requirement	\$14,022	0.78%
FPO Premium	\$2,611	0.15%
Gas Assistance Program (GAP)	(\$18,293) ⁶	(1.02%)
Interest Adjustment	(\$1,947)	(0.11%)
Total	\$1,796,383	100.00%
Prior Period Balance from Winter 2023/2024	(\$86,118)	
Adjusted Total Projected Cost of Gas for Winter 2024-2025	\$1,710,266	

III. Fixed Price Option

A copy of the FPO letter that by now has been sent to Liberty-Keene customers was provided as Attachment 2 in the Company’s updated, filing in this docket. Bates p. 0044-0045. The letter includes an enrollment deadline of October 22, 2024. The FPO customer enrollments for the last three winter seasons for Liberty-Keene Division are shown in the following table:

⁶ A value in parenthesis indicates a negative value.

Table-4: FPO Enrollment⁷

COG Season	Liberty-Keene	
	No. of Customers	% of Total
Winter 2021-2022	128	10.6%
Winter 2022-2023	193	16.4%
Winter 2023-2024	99	7.5%

IV. COG Over/Under Collection Calculation

For the Winter 2024-2025 period, the Company identified a prior period over collection with interest of \$86,118 (Updated Summary Schedule and Schedule B at Bates p. 0021 and p. 0023).

On October 11, 2024, the OCA filed a Technical Statement in this docket, in which it recommends changing the method for calculating carrying charges on overcollections and under-collections. Consistent with Proposed Guidelines approved by the Commission in DG 23-027, this issue should be “carved out” in this docket. Therefore, this issue is not addressed in this Technical Statement.

V. Incremental CNG Supply Cost

Over the November 2024 – April 2025 period, the CNG supply cost is projected to be higher than the propane supply cost by \$35,537 (Schedule M at Bates p. 0034). As such, per section 7.1(a) of the Settlement Agreement in DG 20-105, the Company proposed to recover one half of the incrementally higher CNG supply cost and offers a refund of \$17,768 to the customers.

VI. Lost and Unaccounted For (LAUF) Gas Calculation

The Company reported LAUF gas percentage of 2.37% based on actual usage over the period July 2023 to June 2024. When asked to separate out the LAUF calculation by fuel type (i.e., CNG vs. propane), the Company was unable to provide this information, but indicated it hoped to be able to provide this information by the Summer COG filing.⁸

VII. Changes in Source and Transportation of CNG and Propane

⁷ See Attachment D: Liberty Response to DOE 1-11 in DG 24-98 (Set 1 COG). On October 2, 2024 the PUC bifurcated DG 24-098 and directed the Clerk’s Office to open a new proceeding to consider Liberty Utilities (EnergyNorth Natural Gas) Corp.’s 2024-2025 Winter COG filing.

⁸ See Attachment A, Liberty Response to DOE Data Response 1-2.

into effect on July 1, 2025. The Department asked the Company in DR 1-1 to provide an analysis of their current CNG contract as compared to the one that will go into effect on July 1, 2025. The changes do not impact the Winter 2025/2025 COG, and thus, the Department did not analyze the new contract for CNG in this docket.⁹

The Company has also changed its means of propane transportation. In previous COG seasons, the Company contracted with a supplier to ship propane from Mt. Belvieu, TX to Selkirk, NY via pipeline. For the Winter 2024/2025 season, the Company has instead chosen a supplier of propane that will transport propane from Mt. Belvieu, TX to Bellows Falls, VT via railroad transportation. The Department in DOE DR 2-2 asked the Company about any impact this change in supply transportation had on COG. Attachment C. In its response, Liberty Response to DOE Data Response 2-2a., the Company stated that “the overall impact of the ‘shift’ to railroad transportation is a lower cost of gas than if the Company had selected the supplier that use pipelines.” The Company provided an analysis of their contracted costs for propane to Keene, NH from Mt. Belvieu, TX for the last four years in the accompanying attachment to DOE 2-2a. Attachment C. The comparison shows that the proposed rates for the 2024-2025 COG season is the lowest in the last four years primarily due to the reduced cost of trucking from Bellows Falls, VT to Keene, NH when compared to trucking the propane from Selkirk, NY to Keene, NH.¹⁰

VIII. DOE Recommendations

The Department recommends that the Commission approve Winter 2024-2025 rates to be effective November 1, 2024, in this instant docket.

⁹ See Attachment B, Liberty Response to DOE Data Request 1-1 Public Version

¹⁰ See Attachment C, Liberty Responses to DOE Data Request 2-2 including Attachment 24-100 DOE 2-2a.xlsx