THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 16-814

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
d/b/a LIBERTY UTILITIES

2016/2017 COST OF GAS

ORDER OF NOTICE

On September 1, 2016 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty"), a public utility that distributes natural gas in south-central New Hampshire, and the City of Berlin in northern New Hampshire, filed a proposed Winter and Summer 2016-2017 cost of gas petition outlining its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2016 through April 30, 2017 and proposed local delivery adjustment clause (LDAC) charges for the period November 1, 2016 through October 31, 2017. Liberty also proposed to reduce the number of COG rate filings from two per year (for winter and summer rates) to a single annual COG filing implementing seasonal (winter and summer) COG rates. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-814.html

The proposed residential COG rate is $.7068 per therm (FPO rate $0.7268 per therm), a $0.1927 per therm increase compared to last winter's weighted average residential COG rate of $0.5141 per therm. The proposed changes to Liberty's residential COG rate and LDAC charges are expected to increase a residential heating customer's winter bill by approximately $93, or 30 percent.

The proposed commercial and industrial (C&I) high winter use COG rate is $0.7026 per therm and the proposed C&I low winter use is $0.7210 per therm. The changes in the COG rates for high and low winter users are expected to increase C&I customers' winter bills from 17 to 20 percent. The proposed firm transportation winter COG rate is $0.0006 per therm compared to the credit of ($0.0007) per therm currently in effect.

A variety of components make up the proposed LDAC charges of $0.0553 per therm for all residential customers and $0.0370 per therm for C&I customers, compared to the $0.1014 per therm and $0.0685 per therm rate, respectively, currently in effect. The proposed charge to recover environmental remediation costs is $0.0155 per therm, compared to the $0.0144 per therm rate currently in effect. The proposed energy efficiency and conservation charge for residential customers is $0.0402 per them for residential customers and $0.0219 for C&I customers, compared to the $0.0585 per therm and $0.0256 per therm rates, respectively, currently in effect. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is $0.0067 per therm, compared to the $0.0145 per therm rate currently in effect. On January 1, 2017 the Company will implement the Energy Efficiency Resource Standard (Order No. 25,932, Aug. 2, 2016) related to the Lost Revenue Adjustment Mechanism which will add $0.0011 per therm for Residential and $0.0006 for C&I to LDAC rates when implemented. The proposed rate case expense factor is a credit of ($0.0071) per therm, compared to the $0.0149 per therm rate currently in effect. The proposed credit will terminate on December 31, 2016.

Liberty is also updating its Company Allowance for Lost and Unaccounted for Gas percentage for the period November 2016 through October 2018, with a Company Allowance of

2.48%. Liberty is also proposing changes to its supplier balancing charges, peaking demand charges and capacity allocator percentages.

The filing raises, inter alia, issues related to RSA 378:3 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity/revenue projections related to transportation services and released capacity, the cause and treatment of over and under recoveries, the reconciliation of prior period cost and revenues, the prudence and recovery of environmental remediation costs and whether the proposal for a single COG filing will properly allocate winter and summer seasonal COG costs offer sufficient flexibility and responsiveness in COG rates. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 13, 2016 at 1:00 p.m. , and it is

FURTHER ORDERED, that, Liberty, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition on October 4, 2016 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 22, 2016, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 11, 2016; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission

seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before October 11, 2016, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 13, 2016.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of September, 2016.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.