

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 23-076

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

2023-2024 Cost of Gas

Assented-to Petition to Authorize Lump Sum Credit to Customers

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, through counsel, respectfully moves the Commission pursuant to its general authority under RSA 374 to authorize the Company to provide all non-transportation customers remaining from the Summer 2023 season with a lump sum credit on their September or October bills to promptly return an approximate \$5 million overcollection from that season.

In support of this petition, Liberty states as follows:

Background

1. In March 2023, Liberty incorrectly booked an adjustment of \$6.1M when allocating gas costs between the summer and winter cost of gas (“COG”) deferral accounts. The \$6.1M in costs were booked to the summer period when they should have been booked to the winter period. As a result, the summer under-collection was improperly increased by that amount.
2. The Company accordingly increased the summer 2023 COG rates through the approved “trigger” filing process in an attempt to reduce the Summer 2023 under collection.

3. Liberty identified and corrected the accounting error in October 2023. This correction flipped the Summer 2023 balance from a large under collection to a large overcollection. The Company presented this information to the Commission and parties during the October 19, 2023, hearing in this docket and the Company proposed a Summer 2024 COG rate based on the then known over collected amount.
4. The Commission approved the proposed, and very low, Summer 2024 residential COG rate of \$0.0187/therm (and similarly low rates for the commercial classes). *See* Order No. 26,898 (October 31, 2023).
5. As the Company entered the Summer 2024 season, with the additional over recoveries stemming from the higher than necessary Summer 2023 rates, it became apparent that the approved rates would not return the over-collected amount over the course of the Summer 2024 period, at least not without the rate going negative. More specifically, the overcollection had grown to approximately \$10 million. The rate approved in Order No. 26,898 was only calculated to return roughly half of this amount over the course of the summer. In order to return the full amount over the summer period, the Company calculated that a rate of approximately *negative* \$0.25 per therm would have been necessary.
6. Liberty contacted the Department of Energy to discuss various options. The Office of the Consumer Advocate subsequently joined these discussions. After several discussions and preparing and analyzing several scenarios, the Company has determined that the following proposal is the best course for quickly and fairly returning the over collected amount to customers.

Proposal

7. The Company will keep the approved rate of \$0.0187 in effect for the remaining summer months because following the standard trigger filing process to fully return the overcollection would result in a negative cost of gas rate. As mentioned above, the existing \$0.0187 rate will roughly cut the actual overcollection in half. As of this date, and assuming the \$0.0187 rate stays in place through the end of the summer period (October 31, 2024), the Company projects a final and remaining over-collected balance of \$5.8M.
8. The Company proposes to return roughly \$5.8M through a lump sum on-bill credit to those remaining customers from the Summer 2023 season based on their rate class and individual usage during that period, calculated as described in Technical Statement of Alyssa Maston.
9. Those customers who became Liberty customers after November 1, 2023, will not receive a lump sum credit.
10. This calculation leaves a small portion of the \$5.8M that is attributable to customers who have moved out since Summer 2023 and are unable to receive a refund. This amount will remain in the Summer deferral account and will be rolled forward to Summer 2025, inclusive of carrying charges.
11. The Company projects that this process will leave a balance of approximately \$382,000 in the summer deferral account to be rolled forward to Summer 2025.
12. The attached Technical Statement of Alyssa Maston confirms the above facts, with supporting details and spreadsheets.

13. The Company is able to provide a customer-specific on-bill credit representing each customer's share of the over collected amount. That is, the Company is reasonably able to return to customers now the over-collected dollars the same customers over-paid last summer. As the over-collected balance also includes interest, the customer credits will also include a proportionate share of the interest that has accrued.

Request for Relief

14. The Company seeks specific Commission authority to provide the refunds described above because the Company's existing and standard authority to adjust COG rates (the trigger filings) does not include the authority to provide credits to a subset of individual Summer 2023 customers as proposed here. Thus, the Company asks the Commission to provide such authority.
15. The Company submits that no hearing is required to grant the relief sought in this petition. Hearings are generally required in COG proceedings because they involve changes in rates. Here, there is no proposed rate change. The Commission thus has the authority to approve this proposal by order.
16. Of course, the Company has no objection to a hearing should the Commission wish to explore these issues. The Company simply asks the Commission to be mindful of the schedule and consider the Company's request to issue the on-bill credits in September, before the close of the Summer 2024 period. The Company can perform the billing processes to implement the credits in a matter of days after a Commission order and the credits will appear on customer bills throughout the following month. Since the Summer

period closes on October 31, Liberty requests an order soon as possible so the credits can be issued in the summer period.

Assent of the Department and the OCA

17. As referenced above, this proposal is the result of in-depth collaboration with the Department and the OCA, and both the Department and the OCA have reviewed a draft of this petition and of the attached technical statement. As a result, the Department and the OCA have authorized Liberty to state that they support the relief sought in this petition and they support the statement that a hearing is not required to grant that relief.
18. Note that the Department's support is contingent on Liberty providing the Company's proposed bill explanation and format for the Department's review and comment prior to implementation. Liberty intends to provide a sample bill and proposed bill language for review by the parties by August 9, 2024. Liberty will supplement this filing with the sample bill after the parties agree on language.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Grant this petition and authorize Liberty to provide the customer-specific credits to Summer 2023 customers based upon their usage during that period, (with the remainder of the overcollection in the Summer deferral account) as described above and in the Technical Statement of Alyssa E. Maston; and
- B. Grant such further relief as is just and equitable.

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

By its Attorney,


By: 

Date: August 2, 2024

Michael J. Sheehan, Esq. #6590
114 North Main Street
Concord, NH 03301
Telephone (603) 4255-8085
Michael.Sheehan@libertyutilites.com

Certificate of Service

I hereby certify that on August 2, 2024, a copy of this Motion has been electronically forwarded to the service list.



Michael J. Sheehan