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

Docket No. DG 23-084

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty - Keene Division

**Winter 2023-2024 Cost of Gas (COG Supply)  
(Re: Winter 2023-2024 Cost of Gas - Reconciliation)**

Position Statement of  
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**October 4, 2024**

The New Hampshire Department of Energy (“DOE” or the “Department”) submits this position statement in compliance with the Public Utilities Commission (“PUC” or the “Commission”) Procedural Order dated August 28, 2024 in Docket No. DG 23-084. The purpose of this statement is to provide the Commission with DOE’s position on *Liberty Utilities (EnergyNorth Natural Gas) d/b/a Liberty-Keene Division’s Winter 2023-2024 Cost of Gas Reconciliation*. See Procedural Order re: DOE Recommendation (August 28, 2024).

As explained below, after review and analysis, the DOE finds Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty-Keene Division’s (“Liberty-Keene” or the “Company”) Winter 2023-2024 Cost of Gas Reconciliation filing to be accurate.

This position statement includes the following sections:

1. Background
2. DOE Analysis
3. DOE Recommendation

**1. Background**

Liberty-Keene filed its Winter 2023-2024 Cost of Gas reconciliation for the period November 1, 2023 to April 30, 2024 into this docket on August 15, 2024, pursuant to Commission Order No. 26,900 (October 31, 2023) approving Cost of Gas rates. Commission Order 26,900 was revised twice - first on November 1, 2023, revising the Residential FPO Gas Assistance Program (or GAP) rate, and again on November 13, 2023, revising the Residential GAP rate. Thus, the following rates were approved by the Commission for Winter 2023-2024 season:

**Table-1: Approved Rates for Winter 2023-2024 Season**

Rate Classes	Winter 2023-2024 Rates	Winter 2023-2024 Maximum Rates
Residential	\$1.4007	\$1.7509
Residential FPO	\$1.4207	
Residential (GAP)	\$0.7704	\$0.9630
Residential FPO (GAP)	\$0.7814	
C&I - LLF (High winter use)	\$1.4007	\$1.7509
C&I – HLF (Low winter use)	\$1.4007	\$1.7509
C&I FPO	\$1.4207	

**2. Filing Facts and DOE Analysis**

**Therm Sales**

The reported total sales for Liberty-Keene was 1,111,061 therms. The reported categorized sales figures are provided in the following table:

**Table-2: Reported Therm Sales**

Sales Category	Therm Sales
Billed FPO Sales (Current Month Rate) (Nov 2023 – Apr 2024)	44,794
Billed Low Income (GAP) FPO Sales (Current Month Rate) (Nov 2023 – Apr 2024)	622
Billed Non-FPO Sales (Prior Month) (May 2023 – Apr 2024)	328,617
Billed Non-FPO Sales (Current Month) (Nov 2023 – Apr 2024)	657,456
Billed Low Income (GAP) Non-FPO Sales (Prior Month) (May 2023 – Apr 2024)	10,046
Billed Low Income (GAP) Non-FPO Sales (Current Month) (Nov 2023 – Apr 2024)	16,640
Billed Sales from Other Prior Periods (May 2023 – Apr 2024)	52,885
<b>Total</b>	<b>1,111,061</b>

Please note that the Company included the full calendar year May 2023 to April 2024 in the reconciliation filing to accurately reflect the accounting period even though the winter period is from November 2023 to April 2024. Billed Non-FPO Sales Prior Month includes the May 2023 shoulder month sales and revenues that are from April 2023. Billed Low Income (GAP) Non-FPO Sales Prior Month in May 2023 represents shoulder month sales and revenues from April 2023. Billed Sales from Other Prior Periods represents small adjustments for billed sales and revenues from other periods.

**Total Revenue**

The reported total revenue is \$1,487,786 which can be summarized as the following:

**Table-3: Reported Total Revenue**

Revenue Components	Revenue Amount (\$)
Total Billed Revenues	\$1,701,440
Unbilled Revenues	(\$213,654) <sup>1</sup>
<b>Total Revenues</b>	<b>\$1,487,786</b>

**Total Gas Costs**

The total gas cost for Liberty-Keene over Winter 2023-2024 is [REDACTED], of which \$1,141,030 is attributed to total propane sendout and [REDACTED] is attributed to total CNG sendout. Other gas costs components are shown in the table below:

**Table-4: Reported Total Gas Costs for Winter 2023-2024**

Line	Gas Cost Components	Cost Amount (\$)
1	Total Propane Sendout (Nov 1, 2023 through Apr 30, 2024)	\$1,141,030
2	Indirect Costs from DG 20-105 <sup>2</sup>	\$208,129
3	Propane Cost Adjustments	(\$39)
<b>4</b>	<b>Total Propane Costs</b>	[REDACTED]
5	Total CNG Sendout (Nov 1, 2023 through Apr 30, 2024)	[REDACTED]
6	CNG Demand Charges <sup>3</sup> (May 2023 - April 2024)	[REDACTED]
7	Incremental Gas Costs <sup>4</sup> (Winter 2023-2024)	[REDACTED]
<b>8</b>	<b>Total CNG Costs</b>	[REDACTED]
<b>9</b>	<b>Accounting Adjustment</b>	<b>(\$3,680)</b>
<b>10</b>	<b>Gas Assistance Plan (GAP)</b>	<b>(\$25,026)</b>
	<b>Total Cost of Gas (Line 4 + Line 8 + Line 9 + Line 10)</b>	[REDACTED]

<sup>1</sup> A figure in parenthesis indicates a negative value.

<sup>2</sup> Commission Order No.26,505 in DG 20-105 approving the Settlement Agreement in section 11.2, that authorizes \$208,129 of approved production costs to be recovered.

<sup>3</sup> Commission Order No.26,505 in DG 20-105 approving the Settlement Agreement in section 7.1 (b) authorizes 75% of CNG demand costs to be allocated to the winter period. This 75% percent allocation represents [REDACTED] of monthly allocation during May 2023-April 2024.

<sup>4</sup> The Company is seeking recovery of 100% of the incremental CNG gas costs because CNG was cheaper than propane supply during the Winter 2023-2024 season. See the Settlement Agreement in section 7.1 (b), approved by Commission Order No.26,505 in DG 20-105.

**COG Reconciliation Summary**

The Company’s filing identified an April 30,2024 over-collection balance of (\$42,724) for the end of Winter 2023-2024. The summary calculation is shown in the table below:

**Table-5: Reconciliation Summary for Winter 2023-2024**

<b>Summary Components</b>	<b>Amount (\$)</b>
Prior Period Over-collection (April 30, 2023)	\$(124,094)
Total Revenues	\$(1,487,786)
Total Gas Costs	\$1,563,926
Return on Inventory	\$17,677
Interest	\$(12,448)
<b>Ending Balance on April 30, 2024</b>	<b>\$(42,725)<sup>5</sup></b>

Please note that, the Company’s winter deferral account has an April 30, 2023, GL ending balance of (\$114,671) while the filing reconciliation and winter 2022-2023 Final Audit Report has an April 30, 2023, ending balance of (\$124,094). The Company indicated that the \$9,423 difference is the result of a correcting entry done in July 2024 to correct the commodity cost difference between the winter deferral account and the balance indicated on the prior year audit report. DOE Audit reviewed the July 2024 correcting entry and found it to be accurate.

**Summary of Audit Issues**

The Department’s Division of Enforcement identified 2 issues regarding Liberty-Keene’s Winter 2023-2024 Cost of Gas Adjustment Reconciliation. They are:

- i. After reviewing the 2023-2024 Keene winter cost of gas accounts, changes were noticed to accounts the Company was using, beginning in January 2024. Audit suggested the Company use the existing PUC approved accounts in the tariff and wait for a Commission Order to change the Liberty-Keene cost of gas accounts.
  
- ii. Liberty-Keene used the incorrect billing rates in November 2023 and December 2023 for the fixed price option customers, an error that was fixed in January 2024. It was noted on the reconciliation filing schedule that the November 2023 and December 2023 FPO accounts did not have any billed amounts. Upon asking, the Company indicated that in December 2023, they discovered that the FPO billing indicators were not added to the FPO enrolled accounts, and so the FPO customers were billed the regular COG rate in

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<sup>5</sup> Value in parenthesis indicated an over-collection.

November and December. A new FPO billing indicator was added to these customer accounts, and all accounts were rebilled for November 2023 and December 2023. Audit was able to verify the therm volumes and billed amounts to the monthly billing reports, and the Company made the correction in January 2024. Audit advised the Company to verify that they are using the correct FPO billing rate, so an error using the incorrect blended billing rate does not happen in the future and a correction to the billing system has to be made.

### **3. DOE Recommendation**

Based on the review and analysis of the Company's Winter 2023-2024 Cost of Gas Reconciliation filing, the Department finds the relevant calculations to be accurate and concurs that the ending balance on the filing should be an over-collection of (\$42,724) on April 30, 2024

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