

**Mid-Term Modification Request for Liberty Utilities (New England Natural
Gas Company) Corp. d/b/a Liberty**

Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty (“Liberty” or the “Company”) is committed to securing energy savings consistent with its portfolio level savings goals for the period 2022 through 2024, as endorsed by the Energy Efficiency Advisory Council (“EEAC” or “Council”) and approved by the Department of Public Utilities (the “Department”) in Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, D.P.U. 21-123 (2022) (“D.P.U. 21-123”). Liberty has experienced greater than anticipated demand for services that is reasonably expected to lead to expenditures exceeding 100 percent of approved term budgets for the Income Eligible program.

The currently effective Guidelines were promulgated in D.P.U. 20-150-A, on May 3, 2021. Additional and supplanting directives on Mid-Term Modifications (“MTM”) were provided in D.P.U. 21-120 – D.P.U. 21-129, as issued on January 31, 2022, in which the Department ordered that “a Program Administrator may not exceed its planned program budget without approval by the Department.” See Order D.P.U. 21-120-D.P.U. 21-129, at 224. Further, the Department ordered that “[i]f a Program Administrator projects it will exceed a program-level budget, the Program Administrator shall simultaneously submit any proposed budget change (1) for review by the Council and (2) for review and approval by the Department.” *Id.* at 225. Accordingly, Liberty has submitted this proposal simultaneously to the EEAC and the Department.

I. Income Eligible Sector

Existing Buildings Program

The Income Eligible Existing Buildings Program is designed to serve residential customers whose income is at or below 60 percent of the state median income. The Company works with multiple Community Action Agencies, including Citizens for Citizens (“CFC”), Self Help, and South Middlesex Opportunity Council (“SMOC”) to provide comprehensive weatherization services to income eligible residential customers living in 1-4-unit buildings and multifamily buildings with five or more units. A variety of non-energy saving services as well as energy efficiency measures are provided to this vulnerable, energy burdened population with no out-of-pocket cost to the customer.

While Liberty expects some unplanned activity from heat pumps within the Income Eligible Program, the driver for this MTM request is the rapid increase in the pipeline of single-family projects expected to be completed during the term. The Company seeks approval of a proposed increase of \$1,136,000, which would result in a total authority to spend up to \$6,814,009, or 40 percent, more than the budget approved for the Income Eligible Program in D.P.U. 21-123, and a 20 percent increase over the approved budget in Liberty’s previously approved MTM, Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, D.P.U. 23-91 (2024) (“D.P.U. 23-91”).

Natural Gas Savings

The Company requires the increased expenditures to meet the demand for greater than anticipated services in the single-family sector to increase natural gas savings. Specifically, the Company estimates a 17 percent increase in annual natural gas savings over the term compared to Plan, a 17 percent increase in lifetime savings of natural gas compared to Plan, and a 17 percent increase in CO₂e emissions reductions compared to Plan.

II. Performance Incentives

The Company does not propose any changes to the Department-approved performance incentive (“PI”) model or payout rates as a result of these proposed changes, and will maintain the threshold, design, and exemplary levels of performance as approved in the PI model submitted to the Department in D.P.U. 21-123. The Company intends to compare actual results for the programs to the original Department-approved budgets and goals as part of the Company’s Plan Year and overall Term performance reporting.

III. Summary

The Company seeks approval to exceed previously approved program budgets as described above for the following natural gas program:

1. Income Eligible Existing Buildings

The Company will continue to monitor all initiatives and programs closely, as well as market and environmental factors related to program delivery with a commitment to continuing to serve its customers in all sectors. Should the need arise, the Company will notify and work with the EEAC and the Department to request additional adjustments through the mid-term modification process to ensure that all efforts are made to continue program offerings in a cost-effective manner that serves common interests.

The slides that will be relied upon by the Company for its presentation to the EEAC on June 12, 2024 are appended to this Exhibit LU-4.