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STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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May 4, 2018

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit St., Suite 10
Concord, NH 03301

NHPUC 4MAY18PM1:42

Re: Docket No. DE 16-383;
Liberty Utilities (Granite State Electric) Corp. d/b/Liberty Utilities,
Distribution Rate Case - Step Adjustment

Dear Ms. Howland:

By letter dated March 16, 2018, in the above captioned proceeding, Liberty Utilities (Granite State Electric) Corp. (Liberty) filed a rate adjustment effective May 1, 2018. Subsequently, Liberty requested that the effective date be moved to June 1. The proposed rate adjustment includes a step increase related to \$2,400,000 investments made to a substation in Pelham, NH and a final accounting of rate case expenses. Recovery of both items through a step increase was provided for in a Settlement approved in this case in Order No. 26,005.

Because this filing seeks a rate adjustment, the filing must include the documentation required by Puc 1605.02, "Service or Tariff Change, Filing Requirements." Liberty did not provide information required by this rule as follows:

- Pre-filed testimony. Liberty filed a cover letter. However, in this case, where significant capital investments have been made, testimony should be included in sufficient detail to allow the Commission to determine that the investments were prudently incurred and demonstrate that the resulting rates are just and reasonable. In a similar step increase approved last year, Liberty provided a multi-page spreadsheet detailing the capital investment made. Staff believes that Liberty, at a minimum, should file a similar spreadsheet in this case, along with explanatory testimony. *See* DE 16-383, Settlement of March 15, 2017 at 22-26.
- Typical bill impacts: Liberty did not indicate the impact its requested rate change would have on a typical customer's bill. Staff believes that such a demonstration is needed in order for the Commission to properly evaluate the proposed rate change.

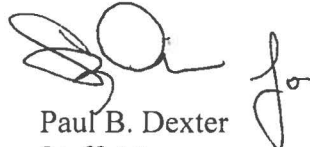
Additional information explaining whether or how these requested rates are reflective of the recent corporate income tax rate reductions (which Staff understands is the also subject of DE 18-050) would also be helpful.

Staff has discussed this issue with Liberty and the Office of Consumer Advocate (OCA). Based on these discussions, Staff recommends that the hearing in DE 18-050 be rescheduled from May 9, to 1:30 p.m. on May 17, 2018. Staff also respectfully requests that Commission require Liberty to provide the testimony and any additional supporting documentation no later than May 10, 2018. While Staff has discussed this matter with Liberty, the Company was not prepared to offer a position to be included in this letter.

Accordingly, Staff recommends that the Commission, pursuant to Puc 203.05(b), notify Liberty that its filing is deficient and direct Liberty to provide additional information consistent with Puc 1605.02 no later than May 10, 2018 to allow the Commission to evaluate the investments at issue and to assess the impact on customer bills. Staff also respectfully requests that Commission reschedule the hearing in this docket now scheduled for May 9 to May 17, 2018 at 1:30 p.m.

Thank you for your attention to this matter.

Sincerely,


Paul B. Dexter
Staff Attorney

cc: Service List

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 16-383-1 Printed: May 04, 2018

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.