

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

DE 16-383

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.

Order Suspending Proposed Tariff and Scheduling Prehearing Conference

ORDER NO. 25,899

May 10, 2016

On April 29, 2016, Liberty Utilities (Granite State Electric) Corp. (“Liberty” or “the Company”) filed a Petition for Permanent and Temporary Rates with the New Hampshire Public Utilities Commission (“Commission”). The petition and subsequent docket filings, other than 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/2016/16-383.html>.

Liberty’s petition requests that the Commission fix, determine, and prescribe: (1) a permanent increase in Liberty’s distribution rates effective with service rendered on or after July 1, 2016, designed to yield an increase of \$5,328,583 in distribution revenues annually; (2) temporary rates effective with service rendered on or after July 1, 2016, designed to yield an annual increase of \$3,180,666, in distribution revenues, pending the Commission’s final determination on the Company’s request for a permanent rate increase; (3) a step adjustment in distribution rates designed to yield an increase of \$2,420,717 annually to recover approximately \$14.2 million of capital costs incurred through December 31, 2016, to be effective no earlier than January 1, 2017.

Liberty’s filing includes direct testimony and exhibits in support of the proposed rates, and related supplemental information, including the proposed tariffs, in accordance with N.H.

Code Admin. Rules Puc 1600 *et seq.* Liberty also filed a “Motion For Waiver of Puc 1203.02(d), Customer Notice” requesting waiver of certain notice requirements of Puc 1600 and a “Motion for Protective Order and Confidential Treatment Regarding Compensation Information” to protect compensation information for its officers and directors from public disclosure.

Liberty’s filing proposes revised permanent rates for electric service that would increase the Company’s total annual distribution revenues by \$5.3 million. Liberty stated that for the year ended December 31, 2015, its overall earned rate of return was 5.93% and that, unless rate relief is granted, the Company will not earn a reasonable return on its property used and useful in the public service, resulting in a confiscation of the Company’s property. According to Liberty, the proposed permanent rates would result in a typical monthly bill increase of \$7.28 or 5.89% for residential customers.

Pursuant to RSA 378:27, Liberty also requested temporary rates to be effective with services rendered on and after July 1, 2016, and to stay in place until the Commission decides the permanent rate case. The temporary rates would increase distribution revenues by \$3.2 million annually and result in an approximate typical monthly bill increase in the total bill of 2.86% for residential customers. The temporary rates would apply to customers in accordance with the existing rate design and all customer class rates would increase by the same percentage.

With its request for permanent rates, Liberty also requested approval of the following additional measures: (1) increased spending for long-term reliability enhancement and vegetation management programs and continuation of related cost recovery provisions; (2) annual step adjustments to increase distribution rates to recover costs associated with several system capacity and reinforcement projects; and (3) a change to its service connection/activation fees, the

addition of an LED option for street lighting, and several other changes to the Company's tariffs and terms and conditions.

Liberty's filing raises, inter alia, issues related to whether the proposed temporary and permanent rates are just, reasonable and lawful as required by RSA 374:2 and 378:7, and whether the proposed increases will yield a just and reasonable rate of return on the prudent cost of plant, equipment and capital improvements used and useful in Liberty's provision of service to the public less accrued depreciation, as required by RSA 378:27 and 28. Under RSA 378:3, a tariff filed by a utility becomes effective 30 days after filing, unless the Commission suspends the tariff pending investigation as provided in RSA 378: 6, I(a). The increases requested by Liberty require a full investigation and thus suspension of the tariffs is appropriate.

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 the proposed tariff pages are hereby suspended pursuant to RSA 378:6, I(a), pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 23, 2016 at 1:00 pm at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, Liberty, the Staff of the Commission and any Intervenors hold a Technical Session to review the

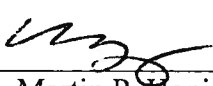
petition, discuss a procedural schedule and allow Liberty to provide any amendments or updates to its filing; and it is

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 May 13, 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 May 23, 2016; and it is

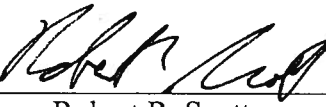
FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before May 18, 2016, 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 May 23, 2016.

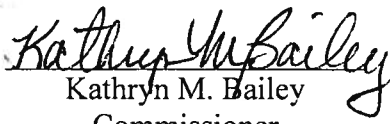
By order of the Public Utilities Commission of New Hampshire this tenth day of May, 2016.



Martin P. Honigberg
Chairman

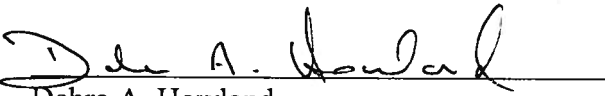


Robert R. Scott
Commissioner



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director

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 10, 2016

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
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- 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.