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February 26, 2021
Via Electronic Mail

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit St., Suite 10
Concord, NH 03301-2429

Dear Ms. Howland:

**Re: DE 19-064; Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Certification of Exogenous Events**

The Stipulation and Settlement Agreement Regarding Permanent Rates (the "Settlement"), approved by the Commission in Order No. 26,376 (June 30, 2020), contains a provision relating to Exogenous Events. In particular, the Settlement provides, at Section III.A, that Liberty Utilities ("Liberty") may file to request an adjustment to its distribution rates upward or downward as a result of certain defined Exogenous Events. Those events fall into five categories, specifically:

- III.B.1 State Initiated Cost Change
- III.B.2 Federally Initiated Cost Change
- III.B.3 Regulatory Cost Reassignment
- III.B.4 Regulatory Cost Reassignment
- III.B.5 Externally Imposed Accounting Rule Change

Section III.C requires Liberty to file with the Commission, no later than the last day of February of 2021 and 2022, a Certification of Exogenous Events for the prior calendar year. In the event that an Exogenous Event has occurred and it exceeds the threshold level of impact to distribution revenue specified in the Settlement, Liberty is required to provide sufficient detail supporting the change to its revenue requirement to the Commission, Staff, and OCA. The Settlement further specifies that any adjustment to Liberty's revenue requirement due to Exogenous Events shall be subject to review and approval by the Commission and shall be implemented for service rendered on or after May 1 of that year.

After review, Liberty has determined that, subject to the following paragraph, there were no Exogenous Events related specifically to the above sections of the Settlement that impacted



distribution revenue above the threshold amount and would trigger a rate adjustment filing. This filing meets the certification obligation for the 2020 calendar year.

Liberty notes, however, that there were two events that occurred during 2020 that, by their nature, would fall under the determination of Exogenous Events related specifically to the above sections of the Settlement. The first of those events is the ongoing impacts of the COVID-19 pandemic, specifically in relation to Executive Orders issued by the Governor and rulings made by the New Hampshire Public Utilities Commission. Those impacts, however, are the subject of a separate docket, IR 20-089, and, therefore, will not be the subject of a separate Exogenous Events filing. The second event relates to the changes to RSA 72:8-d and RSA 72:8-e that were enacted in 2019 and implicated recovery for changes in property taxes effective beginning with the April 1, 2020, property tax year. Liberty's experience during 2020 was that municipalities were inconsistent with their implementation of the changes brought about by the changes to the property tax statutes and, as a result, the financial impacts to Liberty during 2020 were not as significant as they will be during 2021 and subsequent years. As a result, Liberty is making the Commission aware that it will be submitting a petition for recovery of changes in property tax amounts for 2021 in the near future.

Thank you for your attention to this matter. Please do not hesitate to call if you have any questions.

Sincerely,

Steven E. Mullen

Enclosure

Cc: Paul Dexter, Esq.

D. Maurice Kreis, Consumer Advocate