

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 19-064

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.

Petition for Permanent and Temporary Rates

Order Suspending Proposed Tariff and Scheduling Prehearing Conference

ORDER NO. 26,252

May 13, 2019

This order suspends Liberty's proposed tariffs for temporary and permanent rate increases pending further investigation. It also schedules a Prehearing Conference on May 30, 2019.

On April 30, 2019, 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 any information for which confidential treatment is requested of or granted by the Commission, are posted at www.puc.nh.gov/Regulatory/Docketbk/2019/19-064.html.

Liberty's petition requests that the Commission authorize: (1) an increase in permanent rates to be effective with service rendered on and after July 1, 2019, designed to yield an increase of \$5,683,102 in distribution revenues annually; (2) temporary rates effective with service rendered on and after July 1, 2019, designed to yield an increase of \$2,093,349 in distribution revenues annually, pending the Commission's final determination on the Company's request for a permanent rate increase; and (3) a step adjustment in distribution rates designed to yield an increase of \$2,293,431 annually to recover approximately \$15 million of capital investments projected to be made through December 31, 2019, to be effective no earlier than January 1, 2020.

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; a "Motion for Protective Order and Confidential Treatment Regarding Compensation Information, and for Waiver of Puc 203.02 and Puc 203.08" to protect compensation information for its officers and directors from public disclosure; and a "Motion for Waiver of Puc 1605.02, Clean Copy of Tariff" requesting waiver of the requirement that it file a clean and annotated version of its proposed tariff so that it may file only an annotated (red-lined) version.

Liberty's filing proposes revised permanent rates for electric service that would increase the Company's total annual distribution revenues by \$5.7 million. Liberty stated that in 2018, its overall earned rate of return was 6.43 percent and that, unless the Commission allows it to charge higher rates, the Company will not earn a reasonable return on its property that is used and useful in the public service, resulting in confiscation of the Company's property. According to Liberty, the proposed permanent rates would result in a typical monthly bill increase of \$7.75 or 6.27 percent for a residential customer using 650 kWh. The proposed step adjustment would increase a typical monthly bill by an additional \$2.63 for a total proposed monthly bill increase of \$10.38 or 8.40 percent.

Pursuant to RSA 378:27, Liberty also requested temporary rates to be effective with services rendered on and after July 1, 2019, and to stay in place until the Commission decides the permanent rate case. The temporary rates would increase distribution revenues by \$2.1 million annually and result in an approximate typical monthly increase in the total bill of \$2.48 or 2.01 percent 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 and cost recovery for vegetation management programs; (2) a revenue decoupling mechanism that would remove the link between Liberty's sales to its customers and its revenues; (3) increased fees Liberty charges larger customers to connect with its distribution system; (4) increased fees Liberty charges to extend its distribution lines; (5) changes to LED street lighting rates and terms; (6) a new electric vehicle charging rate; and (7) several other changes to the Company's tariffs, terms, and conditions.

Liberty's request involves a general increase in rates and requires further investigation. Pursuant to RSA 378:6, I(a), we suspend the proposed tariffs until the Commission has held a hearing and ruled on the merits of the proposed rates.

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; whether the proposed temporary 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; whether waiver of the customer notice requirements of Puc 1203.02(d) and the filing requirements of 1605.02 are in the public interest; and whether the protection of officer and director compensation information from public disclosure is appropriate.

Each party has the right to be represented by an attorney 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 30, 2019, at 10:00 am, 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

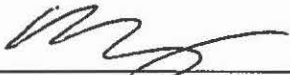
FURTHER ORDERED, that immediately following the Prehearing Conference, Liberty, the Staff of the Commission, and any Intervenors hold a Technical Session to review the petition, discuss a procedural schedule and allow Liberty to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at the Prehearing Conference by publishing a copy of this Order of Notice no later than May 16, 2019, 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 27, 2019; and it is

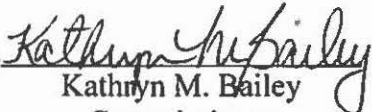
FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before May 27, 2019, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interest may be affected by the proceeding, consistent with N.H. Code Admin. Rules Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before May 30, 2019.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of May, 2019.



Martin P. Honigberg
Chairman

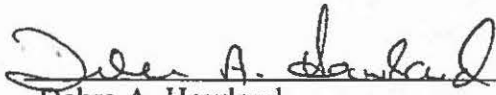


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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