

**BEFORE THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-028

Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty

Request for Step Adjustment

**New Hampshire Department of Energy
Motion To Extend Time for Audit Report**

The Department of Energy (“Department”) pursuant to New Hampshire Code Admin. Rules Puc 203.07 and 202.04, hereby moves the Public Utilities Commission (Commission) to extend the date by which a report of an audit of the proposed step adjustment be provided by the Department’s Audit Division, as set by the Commission in its Procedural Order dated June 3, 2022.

In support of this Motion, the Department states as follows:

1. In a Procedural Order dated June 3, 2022, the Commission scheduled a hearing in this matter for July 12, 2022 and stated that “in order to have the hearing on the scheduled date, the New Hampshire Department of Energy (DOE) shall file a report from DOE Audit Division Staff showing the results of an audit of the costs proposed for recovery in this proceeding by July 5, 2022.”
2. This proceeding involves a step adjustment where Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty (Liberty) requests recovery for return on investment, depreciation, and property taxes for capital additions Liberty made in 2021. Liberty filed its step adjustment request on April 8, 2022 with a rate effective date of August 1, 2022.
3. Step adjustments are common in New Hampshire utility ratemaking and the Department’s Audit Division prepares audit reports in step adjustment proceedings in the ordinary course of business. However, the Audit Division generally does not issue the reports

during the pendency of the step adjustment proceedings due to the volume and complexity of the costs under review (many capital projects) and the short review time allotted to step adjustments (generally 45-90 days). Also, the workload of the Audit Division plays a significant role in the timing of audit reports, with general base rate cases taking top priority in scheduling.

4. In this proceeding, the Audit Division began its review in typical fashion by requesting detailed accounting records from Liberty. The audit is on-going and Audit Division information requests and Liberty responses continue to be exchanged. The Audit Division projects that it will complete its work on this matter and issue a report by the end of July, 2022, which is after the date ordered by the Commission.
5. In past proceedings, the Commission has issued orders stating that its findings are subject to adjustment or reconciliation based on the outcome of an audit. *See, e.g.*, Order No 26,494, *Liberty Utilities (Granite State Electric) Corp.*, 2020 Step Adjustment at 1,5 and 8 (July 1, 2021); Order No. 26,123, *Unitil Energy Systems, Inc.*, Petition for Step Increase at 5 (April 30, 2018).
6. In this instance, the Department requests that the Commission extend the time to file an audit report until August 1, 2022 and that any order issued in this case be made subject to adjustment pending review of the audit report. If the audit reveals that adjustments to the step adjustment rates are warranted, rates can be adjusted prospectively to account for these adjustments.
7. The Department has contacted Liberty about this Motion and Liberty does not object to this Motion and requests that parties agree to work together to address any audit issues and inform the Commission if any adjustment to rates is needed. The Department agrees with

this request. The Office of the Consumer Advocate has not filed a Notice of Participation in this proceeding.

8. Under Puc 202.04, the Commission shall grant an extension of time if the party making the request has demonstrated that circumstances would cause undue hardship or inconvenience unless the request were granted; and the extension would not unduly delay the proceeding or adversely affect the rights of any party. In this instance, the Audit Division cannot complete an audit of the proposed step adjustment by July 5, given current workload, staffing, and scheduling. The extension will not cause undue delay or adverse effects on parties because the results of the audit can be accounted for after this proceeding has been completed, as has been done in other step adjustment cases and Liberty does not object to the request.

WHEREFORE, the Department respectfully requests that the Commission extend the time by which an audit is required in this case to August 1, 2022 and make any findings and orders in this case subject to adjustment or reconciliation pending completion of that audit.

Respectfully submitted,

New Hampshire Department of Energy

By its Attorney,

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