

STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 23-006
Storm Recovery Adjustment Factor Refund
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty

Technical Statement of Stephen R. Eckberg
Department of Energy, Division of Regulatory Support

February 13, 2023

On January 20, 2023, Liberty Utilities Corp. (“Liberty” or “Company”) filed the Technical Statement of James M. King providing details of Liberty’s proposed refund of \$1,861,474 from the Company’s Major Storm Fund to customers through its approved Storm Recovery Adjustment Factor¹. Mr. King stated that this refund was the result of an agreement with the Department of Energy (DOE) which occurred during the July 21, 2022 hearing in DG 06-107 and DE 21-073 regarding the Company’s Major Storm Fund annual reports.

The DOE has reviewed Mr. King’s Technical Statement and Attachments which present details of the proposed refund of \$1,861,474 via the Company’s Storm Recovery Adjustment Factor tariff element. DOE agrees with the refund amount as stated, the refund rate that the Company proposes, and the tariff page adjustments presented in Attachment to Mr. King’s Technical Statement.

Background

The record demonstrates that the Storm Fund balance as of December 31, 2020 is (\$1,861,474) representing an overcollection. See, for example, the Commission’s Virtual File Room for docket DE 21-073 at Tab 14 dated June 16, 2022 for the “Attachment” included with the DOE’s “Report and Recommendation”². That Attachment is the DOE Enforcement Division’s Final Audit Report of Liberty’s 2020 Storm Fund Report, dated January 20, 2022, which, at page 3, states, in the final paragraph “The reported ending balance at 12/31/2020 of an (over) collection of \$(1,861,474) was reconciled [to] general ledger balances...” Further, at hearing in DE 21-073 and DG 06-107 held on July 21, 2022, the Company agreed to refund this amount to customers. See Transcript at page 274, comment by Mr. Sheehan. The Company will continue to collect additional funds for its Major Storm Fund included in its base distribution rates as approved by the Commission.

The Company explains that it does not intend to perform a reconciliation of this amount. DOE agrees that this is an appropriate approach and understands that due to the difference between actual and forecast annual energy sales over the twelve month period that the proposed SRAF rate will be in effect that the exact amount refunded to customers will vary from the planned total refund amount. That variation will be reflected in the Company’s ongoing reported balance of its Major

¹ See Liberty Original Tariff Page 26 for description of its Storm Recovery Adjustment Factor.

² <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-073.html>

Storm Fund. The Major Storm Fund balance is generally reported annually in the Company's Major Storm Fund Report such as that filed on April 1, 2022 and docketed as DE 22-019.

Conclusion

DOE recommends that the Commission approve Liberty's proposal to implement a Storm Recovery Adjustment Factor (SRAF) rate of (\$0.00202) per kWh in accordance with its already approved SRAF tariff element for the twelve month period beginning on March 1, 2023.