

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-006

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
d/b/a LIBERTY**

Request for Storm Recovery Adjustment Factor Refund

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On January 20, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty) requested approval for a reduction in rates to refund an ongoing balance in its storm fund to its customers, with the reduction in rates to be effective March 1, 2023. In support of its request, Liberty filed the technical statement of James King. Liberty's initial request and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-006.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

In Order No. 24,777 in Docket No. DG 06-107, the Commission approved a settlement agreement that required Liberty to create a storm contingency fund (Storm Fund) to pay for operation and maintenance costs Liberty incurred as a result of major storms. The Storm Fund is funded at a fixed annual amount by ratepayers. Liberty is required to file annual Storm Fund reports detailing the collections credited to the fund, details of any qualifying major storm costs that were charged to the fund during the preceding calendar year, and a description of qualifying storm events including a summary of the damage to the distribution system and the number and length of outages.

On March 30, 2020, in Docket No. DG 06-107, Liberty filed its Calendar Year 2019 Storm Fund Report. On April 1, 2021, in Docket No. DE 21-073, Liberty filed its Calendar Year 2020 Storm Fund Report. Ultimately, the Commission scheduled a joint hearing on both the 2019 and 2020 Storm Fund Reports to be held July 21, 2022. As is relevant to the instant docket, the DOE represented at the hearing that Liberty had maintained a consistent over-collection balance in the Storm Fund since 2015. Transcript of July 21, 2022 Hearing at 222-28. The DOE represented that the over-collection balance totaled \$1,861,473 as of December 2020. *Id.* The DOE asked that the Commission direct Liberty to refund this amount to customers through a rebate mechanism in Liberty's tariff known as the Storm Recovery Adjustment Factor (SRAF). At the hearing, Liberty agreed to refund the over-collection balance identified by the DOE to customers through the SRAF, but represented that it would need to do so in a separate docket. *Id.* at 274-78.

On January 20, 2023, Liberty filed a request to adjust its rates through the SRAF to refund \$1,861,473, which represents the over-collection balance as of December 2020. Liberty proposed to refund the amount over a twelve-month period beginning on March 1, 2023 and ending on February 29, 2024. *See* Technical Statement of James King. Liberty proposed an SRAF rate of \$.00202, which it calculated by taking the refund balance of \$1,861,473 and dividing it by Liberty's forecasted kWh sale of 922,721,904 kWh for March 2023 through February 2024. *Id.* Under Liberty's plan, for the 12 months the reduced rates are in effect, Liberty will draw down the Storm Fund by the actual amounts refunded through the SRAF. *Id.* At the end of the twelve-month period, the proposed reduced rate will end. *Id.* There will be no reconciliation. *Id.*

In its initial filings, Liberty requested that the Commission issue an order approving the request by February 17, 2023 to provide it sufficient time to implement the rate reduction by March 1, 2023. On January 24, 2023, Liberty filed a letter requesting that the Commission approve the proposed SRAF through an order *nisi* without holding a hearing. On January 26, 2023, the DOE filed a letter objecting to Liberty's request to resolve this docket through an order *nisi* and requesting a hearing in this docket. As the DOE has filed a request for a hearing, the Commission does not believe this matter should be resolved by order *nisi*.

In the DOE's January 26, 2023, letter, the DOE went on to support the Commission's resolution of this matter in time for Liberty to implement the rate reduction by March 1, 2023. The DOE proposed that the Commission set a deadline of February 15, 2023 for the DOE and the Office of the Consumer Advocate to file technical statements, and that the Commission then schedule a brief hearing after that date to address Liberty's proposal.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty's proposed decrease in rates would result in rates that are just, reasonable, and in the public interest; and whether the proposed decrease is consistent with the purpose and requirements of the Storm Fund, as laid out in the settlement agreement in Docket No. DG 06-107 and the relevant tariff provisions on the Storm Fund. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual

would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission shall hold a hearing on this matter at its offices at 21 S. Fruit St., Suite 10, Concord New Hampshire, on February 21, 2023, at 9:00 a.m. Three hours shall be allotted for this hearing. The Commission will endeavor to issue its order in an expeditious manner after the hearing; and it is

FURTHER ORDERED, that a deadline for the DOE and any other interested parties to file technical statements on Liberty's proposal is established on February 13, 2023; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Liberty and any other parties on the service list, on or before February 13, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other

substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection by February 17, 2023; and it is

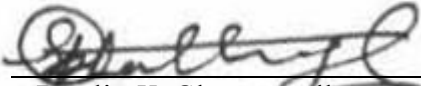
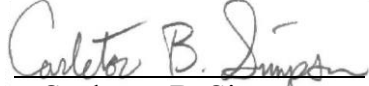
FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals with a potential interest in this matter by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before February 8, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this sixth day of February, 2023.


Pradip K. Chattopadhyay
Commissioner
Carleton B. Simpson
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the 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.

Service List - Docket Related

Docket#: 23-006

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