

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DE 22-039

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

Petition for Permanent Rates

Petition for Permanent and Temporary Rates

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or the “Company”), through counsel, respectfully petitions the New Hampshire Public Utilities Commission (“Commission”) pursuant to RSA 378:27 and RSA 378:28 to fix, determine, and prescribe (1) an increase in permanent rates to be effective with service rendered on and after July 1, 2023, (2) temporary rates to be effective on and after July 1, 2023, pending the Commission’s final determination on the Company’s request for a permanent rate increase, (3) approval of a , and (4) approval of other matters presented in this filing.

In support of this petition, Liberty states as follows:

1. On March 29, 2023, the Company filed a Notice of Intent to File Rate Schedules pursuant to Puc 1604.05.
2. Contemporaneous with this Petition for Permanent and Temporary Rates, the Company is filing proposed revised tariff pages, with supporting testimony and schedules, requesting changes to the Company’s permanent rates that are intended to yield an annual increase of \$15,487,002 in distribution revenues to be effective July 1, 2023, a temporary increase in distribution revenues of \$6,732,801 annually to be effective July 1, 2023, and approval of a three-year forward-looking multi-year rate plan (“MYRP”) for the rate years ending June 30, 2024, June 30, 2025, and June 30, 2026.

3. The Company files this case because, under the rates currently in effect, it is unable earn the rate of return authorized by the Commission in Docket No. DG 19-064. As set forth in the joint pre-filed testimony of Kristin Jardin, Daniel Dane, and Gregg Therrien in Support of Temporary Rates, for the historical 12 months ending December 31, 2022, the Company's earned return on rate base for the distribution portion of its business was 4.80%. This is less than the return on rate base of 7.60%, computed using the Company's authorized return on equity of 9.10% and capital structure established by the Commission in Docket No. DE 19-064, and Liberty's current cost of debt. After adjusting for certain items, the earned rate of return increases modestly to 4.99% but is still well below the 7.60% authorized return on rate base.
4. This under-earning is primarily the result of the Company's significant investment in non-revenue producing capital projects that are necessary for the provision of safe and reliable service as described in the Direct Testimony of Anthony Strabone. Unless rate relief is granted, the Company will not earn a reasonable return on the cost of its property that is used and useful in the public service, resulting in a confiscation of the Company's property. As this is a situation that worsens each year without recovery of new investments, the Company has proposed the MYRP that would provide for interim recovery between rate cases.
5. The Company is requesting that the Commission authorize an increase of rates on a temporary basis to generate an additional \$6,732,801 of annual distribution revenues. This proposed increase is consistent with the requirements of RSA 378:27, which provides that "temporary rates shall be sufficient to yield not less than a reasonable return on the cost of property of the utility used and useful in the public service less accrued depreciation, as shown by the reports of the utility filed with the commission." The temporary rate increase will prevent the

Company from substantially under-earning while the Commission considers the permanent rate increase. The requested temporary rates will also smooth the transition to permanent rates that the Commission may order in this docket.

6. To the extent necessary to support this request for temporary rates, the Company incorporates by reference the testimony and supporting materials filed in support of its request for permanent rate relief.
7. The impact on average monthly bill amounts for the temporary and permanent increases as compared to rates in effect today are shown in Attachment 1 to this petition.
8. The reports on file with the Commission and the supporting documents filed in this case demonstrate that the Company is entitled to the increases in rates outlined above in order to have an opportunity to earn a reasonable rate of return. RSA 378:27; RSA 378:28.
9. The rates requested by the Company in this proceeding are just and reasonable and in the public interest and should be approved by the Commission.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Grant the Company's request for temporary increase of \$6,732,801 in annual distribution revenue to be effective with service rendered on and after July 1, 2023;
- B. Order such temporary rates to remain in effect until a final determination of the Company's request for a permanent rate increase;
- C. Grant the Company's request for a permanent increase of \$15,487,002 in annual distribution revenue to be effective with service rendered on and after July 1, 2023;
- D. Approve the proposed three-year forward-looking multi-year rate plan as described in the attached testimony; and
- E. Grant such other relief as is just and reasonable and consistent with the public interest.

Respectfully submitted,
Liberty Utilities (Granite State Electric) Corp., d/b/a
Liberty

By its Attorney,



Date: April 28, 2023

By: _____

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Certificate of Service

I hereby certify that on April 28, 2023, a copy of this Petition has been forwarded to the service list.

A handwritten signature in cursive script, appearing to read "M. Sheehan".

Michael J. Sheehan