

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 23-067

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY

Request for Change in Distribution Rates

Petition for Permanent and Temporary Rates

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (“Liberty EnergyNorth” 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 October 1, 2023, (2) temporary rates to be effective on and after October 1, 2023, pending the Commission’s final determination on the Company’s request for a permanent rate increase, (3) approval to continue step adjustments as a mechanism to recover capital investments from 2023 through 2025 with rate adjustments on August 1, 2024, August 1, 2025 and August 1, 2026, (4) approval to convert its Keene system to natural gas including recovery of associated costs for such conversion; and (5) approval of other matters presented in this filing, including implementation of a new program to assist customers with arrearages, implementation of a fee free payment program, and updates to the Company’s Local Distribution Adjustment Charge tariff.¹

¹ As set forth in the Regulatory Testimony of Witness Culbertson, the Company is proposing to add a Regulatory Reconciliation Adjustment, Residential Assistance Factor, and Fee Free Adjustment to its LDAC tariff. The Company has also proposed certain edits to its tariff to improve readability and updates to certain miscellaneous charges to more accurately reflect the Company’s actual costs incurred for connections, reconnections, and meter tests.

In support of this petition, Liberty states as follows:

1. On June 26, 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 \$27,549,837 in distribution revenues to be effective October 1, 2023, a temporary increase in distribution revenues of \$15,287,114 annually to be effective October 1, 2023, and approval for three step adjustments to recover capital investments made during 2023, 2024, and 2025 with rate adjustments effective August 1, 2024, August 1, 2025, and August 1, 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 20-105. As set forth in the joint pre-filed testimony of C. Drew Cayton and Tyler J. Culbertson 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 4.99%. This is less than the return on rate base of 7.1%, computed using the Company's authorized return on equity of 9.3% and capital structure established by the Commission in Docket No. DG 20-105, and Liberty's current cost of debt.
4. Since the Company's last rate case (Docket No. DG 20-105), the Company has invested over \$179.1 million in its distribution system, of which \$123.1 million is not reflected in current rates. This significant investment, of which a substantial portion is for non-revenue

producing capital projects, is necessary for the provision of safe and reliable service as described in the Direct Joint Testimony of Tracy A. Musto and Bradford R. Marx. 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 also proposed continuing step adjustments as a mechanism to 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 \$15,287,114 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 the testimony and attachments of Kenneth A. Sosnick.

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 \$15,287,114 in annual distribution revenue to be effective with service rendered on and after October 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 \$27,549,837 in annual distribution revenue to be effective with service rendered on and after October 1, 2023;
- D. Approve continuation of step adjustments to recover capital investments during 2023, 2024, and 2025 as described in the attached testimony;
- E. Approve conversion of the Company's Keene system to a natural gas system, including associated cost recovery;
- F. Approve the Company's proposed arrearage management program;
- G. Approve the Company's fee free program;
- H. Approve proposed revisions to the Company's Local Distribution Adjustment Clause tariff; and

- I. Grant such other relief as is just and reasonable and consistent with the public interest.

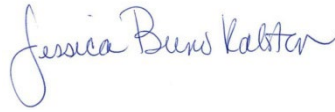
Respectfully submitted,
Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a
Liberty

By its Attorneys,



Date: July 27, 2023

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Certificate of Service

I hereby certify that on July 27, 2023, a copy of this Petition has been electronically forwarded to the service list.



Michael J. Sheehan