

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 22-014**

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

**Calendar Year 2021 Vegetation Management Program  
Reconciliation and Rate Adjustment Filing**

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND HEARING**

On March 15, 2022, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) submitted its calendar year (CY) 2021 vegetation management program (VMP) reconciliation and rate adjustment filing, in which Liberty requested the Commission to approve a proposed rate adjustment, effective for service rendered on and after May 1, 2022, to reconcile its CY 2021 VMP costs. The filing consisted of the combined direct testimony of Heather Green, Liberty Utilities Service Corp. (LUSC) Manager of Vegetation Management, Heather Tebbetts, LUSC Manager of Rates and Regulatory Affairs, and Adam Hall, a LUSC Rates and Regulatory Affairs Analyst (Direct Testimony), as well as related attachments and proposed tariff pages. The initial filing 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 [www.puc.nh.gov/regulatory/Docketbk/2022/22-014.html](http://www.puc.nh.gov/regulatory/Docketbk/2022/22-014.html).

**I. BACKGROUND AND PROCEDURAL HISTORY**

As noted in the Direct Testimony, a certain portion of Liberty's operations and maintenance (O&M) expenses are allocated to its VMP, which serves to maintain the safety and reliability of Liberty's electric distribution system through vegetation management activities such as trimming vegetation along power lines and tree

removal. The settlement agreement that the Commission approved in Order No. 26,376 (June 30, 2020), issued in Docket No. DE 19-064, provided that:

The base rate increase agreed to in this Agreement includes an increase in the VMP spending to \$2,200,000 for 2020, which shall continue until changed in a future base rate case. The Company shall not recover any VMP expenses that exceed 10% of that amount, or in excess of \$2,420,000, through the annual reconciliation filing, or otherwise. The VMP spending shall be reconciled each year, with any under spending carried into the next program year or returned to customers, as determined by the Commission.

Docket No. DE 19-064, Exh. 37 at Bates 11. Pursuant to the settlement agreement, Liberty was required to maintain a 4-year cycle of tree trimming and vegetation management. Order No. 26,376 at 9.

The Direct Testimony explained the difference between Liberty's actual O&M spending for its CY 2021 VMP and its CY 2021 budgeted expenses. According to the Direct Testimony, Liberty's actual CY 2021 VMP expenditures totaled \$1,870,813, or \$549,187.49 less than its \$2,420,000 CY 2021 VMP budget. As stated in the Direct Testimony, Liberty is requesting to carry over the \$549,187.49 difference to its CY 2022 VMP budget.

In Docket No. DE 21-049, the Commission approved Liberty's reconciliation of costs and revenues associated with its CY 2020 reliability enhancement program (REP) and VMP and authorized Liberty to recover a REP/VMP expense adjustment factor<sup>1</sup> of \$0.00064 or 0.064 cents per kilowatt hour (kWh) to recover these costs. Order No. 26,478 at 7 (April 30, 2021). To recover its CY 2021 VMP costs, Liberty has proposed a VMP adjustment factor of \$0.00001 or 0.001 cents per kWh, a decrease of \$0.00063 or 0.063 cents, to be applied to all rate classes. If Liberty's proposed VMP expense

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<sup>1</sup> Under the settlement agreement approved in Order No. 26,376 (June 30, 2020) issued in Docket No. DE 19-064, Liberty's REP ended with the final order in the "Calendar Year 2020 Annual Report and Reconciliation and Rate Adjustment Filing" docket, which was Docket No. DE 21-049. Docket No. DE 19-064, Exh. 37 at Bates 10.

adjustment factor of 0.001 cents per kWh were approved, a residential customer using 650 kWh per month would see a decrease of \$0.41 or 0.26 percent in their monthly bill.

## **II. ISSUES PRESENTED**

The filing presents the following issues: whether Liberty's VMP activities during CY 2021 were consistent with the VMP goals and parameters authorized by the Commission; whether Liberty appropriately accounted for the CY 2021 costs of its VMP; whether Liberty appropriately calculated the proposed VMP expense adjustment factor; whether Liberty may carry forward into its CY 2022 budget the requested amount of \$549,187.49; and whether the rates resulting from the proposed VMP expense adjustment factor, if approved, would be just and reasonable, as required by RSA 374:2, RSA 378:5, and RSA 378:7. 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 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, RSA 374:2, RSA 378:5, and RSA 378:7, and the Commission's procedural rules; and it is

**FURTHER ORDERED**, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on April 19, 2022, at 9:00 a.m. Three hours shall be allotted for this hearing; 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 April 8, 2022. 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 on or before April 18, 2022; 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](mailto: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 desiring to be heard at this hearing 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 April 5, 2022. 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 twenty-third day of March, 2022.



Daniel C. Goldner  
Presiding Officer  
Chairman

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# : 22-014

Printed: 3/23/2022

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