

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-028

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

Request for Step Adjustment

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On April 8, 2022, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty) submitted a filing requesting a revenue requirement increase to recover the costs of capital projects placed in service during calendar year 2021. In support of its request, Liberty filed the direct testimony of Catherine A. McNamara, a Rates Analyst, Erica L. Menard, Director of Rates and Regulatory Affairs, Robert A. Mostone, Director of Gas Operations, and Bradford R. Marx, Manager of Gas Engineering, all of whom are employed by Liberty Utilities Service Corp., which provides services to Liberty, as well as supporting attachments. 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/2022/22-028.html.

I. BACKGROUND AND PROCEDURAL HISTORY

In Order No. 26,505, issued on July 30, 2021 in Docket No. DG 20-105, the Commission approved, subject to certain conditions, the parties' settlement agreement filed on June 30, 2021 (Settlement Agreement), which authorized Liberty to recover two step increases for capital projects placed in service in calendar years 2020 and 2021. *Id.* at 6, 15. The Settlement Agreement placed a \$3.2 million cap on the second step adjustment based on projects closed to plant in 2021. Settlement Agreement, Subsections 5.1(b)(i) and (ii). In addition, the Settlement Agreement provided that the

second step adjustment “shall be subject to Staff audit and reconciliation based on the results of the audit, as approved by the Commission.” *Id.*, Subsection 5.4. Pursuant to Subsection 3.2 of the Settlement Agreement, Liberty was required to file an updated depreciation study by May 1, 2022 as part of the second step adjustment review.

The deadline for Liberty’s second step adjustment filing was April 8, 2022, for rates effective August 1, 2022. *Id.*, Subsection 5.2. In its April 8 initial filing, Liberty requested a revenue requirement increase in the amount of \$3.2 million. On May 2, 2022, Liberty submitted additional direct testimony of Catherine A. McNamara and Erica L. Menard, which presented the depreciation study and updated the second step adjustment calculation. As a result of Liberty’s proposed changes to depreciation rates, there would be a \$660,216 reduction to depreciation expense, so that Liberty now requests a revenue requirement increase in the amount of \$2,539,784. Direct Testimony of Catherine A. McNamara and Erica L. Menard, April 29, 2022, at Bates Page 9.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty’s second step adjustment is consistent with the terms of the Settlement Agreement; whether the capital projects Liberty constructed in calendar year 2021 were prudent, and used and useful, as required by RSA 378:28; whether Liberty appropriately calculated the proposed revenue requirement related to 2021 capital expenditures; and whether the resulting rates are just and reasonable, as required by RSA 374:2, and RSA 378:5 and :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 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, RSA 378:28, RSA 374:2, and RSA 378:5 and :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 July 12, 2022, at 1:30 p.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 June 24, 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 July 5, 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 in order to have the hearing on the scheduled date, the New Hampshire Department of Energy (DOE) shall file a report from DOE Audit Division Staff showing the results of an audit of the costs proposed for recovery in this proceeding by July 5, 2022; and it is

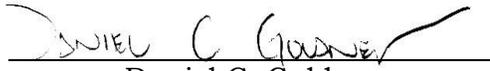
FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications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

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals 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 June 17, 2022. In addition, the Clerk shall publish this

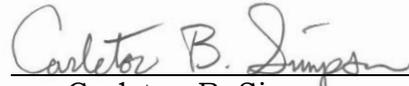
order of notice on the Commission's website no later than two business days after the date of issue; and it is

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

So ordered, this third day of June, 2022.



Daniel C. Goldner
Chairman



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# : 22-028

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