

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-035

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

Request for Step Adjustment

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On April 6, 2022, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty) submitted a filing requesting a step adjustment, which would result in a decrease in distribution rates, related to the cost of capital projects placed in service during calendar year 2021. In support of its request, Liberty filed the direct testimony of Anthony Strabone, Senior Manager of Electrical Engineering, and Heather M. Tebbetts, Manager of Rates and Regulatory Affairs, both 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/2022/22-035.html.

I. BACKGROUND AND PROCEDURAL HISTORY

Pursuant to the settlement agreement filed on May 26, 2020, which the Commission approved without modification in Order No. 26,376 (June 30, 2020), issued in Docket No. DE 19-064 (Settlement Agreement), Liberty was permitted to recover three step adjustments in rates for certain capital additions in service as of December 31, 2019, December 31, 2020, and December 31, 2021. *Id.* at 11, 13; Settlement Agreement, Subsection II(B). The Settlement Agreement placed a cap of \$1.8 million on the third step adjustment, which was to take effect with service

rendered on and after July 1, 2022. Settlement Agreement, Subsection II(B). However, the Settlement Agreement stated that “if the actual cost of the capital additions is less than the budgeted amounts, the actual amounts shall be used to calculate the step adjustments.” *Id.*

The deadline for Liberty’s third step adjustment filing was April 6, 2022. *Id.* In its April 6, 2022 initial filing, Liberty requested a decrease in distribution rates, effective July 1, 2022. Due to the current unavailability of a June 2022 hearing date on the Commission’s hearings calendar, a hearing will be scheduled on the first available date in July 2022, so that any step adjustment in this docket would be approved for effect on August 1, 2022.

According to the testimony of Mr. Strabone and Ms. Tebbetts, Liberty did not reach the \$1.8 million cap, because the actual spending on some of the projects placed in service during calendar year 2021 was less than the budgeted amounts. Direct Testimony of Anthony Strabone and Heather M. Tebbetts, April 6, 2022, at Bates Pages 9 and 31. If Liberty’s proposed third step adjustment were approved, a residential customer using 650 kilowatt-hours per month and taking Liberty’s default energy service would see a decrease to their monthly bill of \$0.84 or 0.55 percent, with their monthly bill being reduced from \$155.00 to \$154.16. *Id.* at Bates Page 32.

In its April 6, 2022 letter, Liberty also requested the Commission to waive New Hampshire Code of Administrative Rules, Puc 1603.05(a)(1), which requires a utility proposing revisions to less than 50 percent of an existing tariff’s pages to submit the entire page on which any revision occurs. Liberty maintained that a waiver pursuant to Puc 201.05 would not disrupt the orderly and efficient resolution of the matters before the Commission and would serve the public interest, in that the purpose of Puc 1603.05(a)(1) would be satisfied through an alternative method. Liberty averred that

any proposed tariff pages filed now would be out of date before the hearing in this matter, because they may be affected by the changes proposed in Docket Nos. DE 22-014 and DE 22-018, and it requested permission to file “illustrative tariff pages” showing the changes proposed in this docket, as well as those in Docket Nos. DE 22-014 and DE 22-018, as the alternative method of complying with Puc 1603.05(a)(1). Liberty noted that the Commission had authorized it to do something similar in Docket No. DE 22-018. *See* Procedural Order in Docket No. DE 22-018 dated April 1, 2022.

Liberty’s waiver request is GRANTED. Liberty shall file illustrative tariff pages and rate schedules reflecting the August 1 effective date by the close of business on Friday, July 8, 2022.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty’s third 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 Liberty's request to waive the requirements of Puc 1603.05(a)(1) is GRANTED, pursuant to Puc 201.05; and it is

FURTHER 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 19, 2022, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that Liberty shall file illustrative tariff pages and step adjustment schedules for this step adjustment request incorporating an effective date of August 1, 2022 no later than the close of business on July 8, 2022; 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 July 1, 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 12, 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

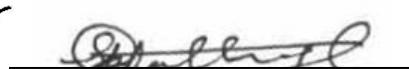
FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications 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 21, 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 second day of June, 2022.


Daniel C. Goldner
Chairman


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# : 22-035

Printed: 6/2/2022

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