

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-006

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

Request for Approval of Storm Recovery Adjustment Factor Refund

Order Approving Storm Recovery Adjustment Factor Refund

ORDER NO. 26,777

February 23, 2023

In this order, the Commission approves tariff changes to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty's (Liberty) Storm Recovery Adjustment Factor, to credit ratepayers an accumulated balance of \$1,861,474 from Liberty's storm contingency fund. This credit will be in effect from March 1, 2023 through February 29, 2024. A typical residential customer's rates will decrease by approximately \$0.00202 per kilowatt hour (kWh); for an average residential customer using 650 kWh each month, this will result in a monthly bill decrease of approximately \$1.31.

I. BACKGROUND

As recited in the Commission's February 6, 2023, Commencement of Adjudicative Proceeding and Notice of Hearing, in Order No. 24,777 in Docket No. DG 06-107, the Commission approved a settlement agreement that required Liberty to create a storm contingency fund (Storm Fund) to pay for operation and maintenance costs Liberty incurred as a result of major storms. The Storm Fund is funded at a fixed annual amount by ratepayers. Liberty is required to file annual Storm Fund reports detailing the collections credited to the fund, details of any qualifying major storm costs that were charged to the fund during the preceding calendar year, and a

description of qualifying storm events including a summary of the damage to the distribution system and the number and length of outages.

On March 30, 2020, in Docket No. DG 06-107, Liberty filed its Calendar Year 2019 Storm Fund Report. On April 1, 2021, in Docket No. DE 21-073, Liberty filed its Calendar Year 2020 Storm Fund Report. Ultimately, the Commission scheduled a joint hearing on both the 2019 and 2020 Storm Fund Reports to be held July 21, 2022. As is relevant to the instant docket, the DOE represented at the hearing that Liberty had maintained a consistent over-collection balance in the Storm Fund since 2015. Transcript of July 21, 2022 Hearing at 222-28. The DOE represented that the over-collection balance totaled \$1,861,473 as of December 2020. *Id.* The DOE asked that the Commission direct Liberty to refund this amount to customers through a rebate mechanism in Liberty's tariff known as the Storm Recovery Adjustment Factor (SRAF). At the hearing, Liberty agreed to refund the over-collection balance identified by the DOE to customers through the SRAF, but represented that it would need to do so in a separate docket. *Id.* at 274-78.

On January 20, 2023, Liberty initiated this docket by filing its request to adjust the SRAF rate to refund \$1,861,473 to its retail delivery service customers. Liberty proposed to refund the amount over a twelve-month period beginning on March 1, 2023 and ending on February 29, 2024. *See* Technical Statement of James King. Liberty proposed an SRAF rate of (\$0.00202), which it calculated by taking the refund balance of \$1,861,473 and dividing it by Liberty's forecasted kWh sales of 922,721,904 kWh for March 2023 through February 2024. *Id.* Under Liberty's plan, for the 12 months the reduced rates are in effect, Liberty will draw down the Storm Fund by the actual amounts refunded through the SRAF. *Id.* At the end of the twelve-

month period, the proposed reduced rate will end. *Id.* There will be no reconciliation. *Id.*

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 <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-006.html>.

II. COMMISSION ANALYSIS

RSA 378:7 authorizes the Commission to determine the just, reasonable, and lawful rates to be charged by public utilities. RSA 374:2 requires that all charges made or demanded by any public utility for any service rendered by it shall be just and reasonable and not more than is allowed by law or by order of the Commission. Unless precluded by law, informal disposition by stipulation may be made of any contested case at any time prior to the entry of a final decision or order. RSA 541-A:31, V(a). Pursuant to Puc 203.20(b), the Commission shall approve the disposition of any contested case by stipulation "if it determines that the result is just and reasonable and serves the public interest." As memorialized by Order No. 26,074 at 4 n. 1 (November 18, 2022), Liberty and the DOE resolved an issue related to an accumulated balance in the Storm Fund by agreement, an agreement which the Commission memorialized without disturbing. The Commission's review of Liberty's proposed tariff change is therefore limited to reviewing the implementation of the agreement to credit Liberty's customer's \$1,861,474 from the storm fund between March 1, 2023 and February 29, 2024 for accuracy, justness, and reasonableness.

The record before us, consisting of the testimony of witnesses King and Eckberg, as well as their respective pre-filed materials, supports the following facts: Liberty agreed to credit its customers \$1,861,474 from the Storm Fund; Liberty agreed

to return this amount over one year, through the SRAF; Liberty anticipates that it will deliver approximately 922,721,904 kWh of electric energy between March 1, 2023 and February 29, 2024; Liberty calculated a uniform rate of (\$0.00202) by dividing the agreed-upon credit amount by its anticipated load; if Liberty's actual credit amount varies based on load, that difference will be reflected in the Storm Fund balance; and a typical residential customer using 650 kWh each month will experience a monthly bill decrease of approximately \$1.31 while this credit is in effect.


We therefore find that Liberty's proposal accurately calculated a credit rate and that implementing this credit is lawful, just and reasonable. We approve Liberty's proposed tariff, as filed January 20, 2023, for effect March 1, 2023.


Based upon the foregoing, it is hereby

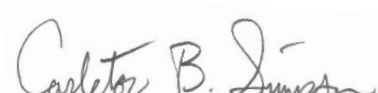
ORDERED, that Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty request to credit its retail delivery service customers \$1,861,474 through the Storm Recovery Adjustment Factor credit in the amount of (\$0.00202) per kWh between March 1, 2023, and February 29, 2024, as proposed in its January 20, 2023 filing, is approved; and it is

FURTHER ORDERED, that Liberty shall file properly annotated tariff pages for these rates in compliance with this order no later than 20 days from the issuance date of this order, as required by N.H. Code Admin. Rules, PART Puc 1603.

So ordered, this twenty-third day of February, 2023.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 23-006

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