

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 23-076

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

Winter 2023-2024 and Summer 2024 Cost of Gas and LDAC Filing

**Order Removing Provisionality from RDAF Rates Approved in Order No. 26,940
(Decoupling Years 3, 4, and 5)**

ORDER NO. 27,079

November 22, 2024

In this order, the Commission removes the condition of provisionality relating to the Revenue Decoupling Adjustment Factor (RDAF) rates for Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty), as provisionally approved by the Commission in Order No. 26,940 (January 31, 2024) in this instant docket, for Liberty's Decoupling Years 3, 4, and 5. This decision is rendered following the supportive recommendations of the New Hampshire Department of Energy regarding the issues involved.

I. BACKGROUND

On January 31, 2024, the Commission issued Order No. 26,940 in this instant docket DG 23-076; this order generally approved adjustments to Liberty's Local Delivery Adjustment Clause (LDAC) for Liberty's customers effective for services rendered on and after February 1, 2024, until January 31, 2025. However, due to "ongoing uncertainties" regarding the RDAF rate component of the LDAC proposed by Liberty, voiced by the New Hampshire Department of Energy (DOE) with the support of the Office of the Consumer Advocate (OCA), as adjudicated at that time in the Commission's Docket No. DG 22-045 and related dockets, the Commission approved the RDAF component on a provisional basis. Order No. 26,940 at Pages 4 and 5.

(These RDAF rates arose from Liberty's Decoupling Years 3, 4, and 5, which were September 1, 2020 to August 31, 2021; September 1, 2021 to August 31, 2022; and September 1, 2022 to August 31, 2023, respectively).

Following the issuance of Order No. 26,940, the consideration of Decoupling Years 3 and 4 proceeding in Docket No. DG 22-045, and the consideration of Decoupling Year 5 proceeded in Docket No. DG 23-076.

In Docket No. DG 22-045, the DOE filed a Technical Statement of Dr. Faisal Deen Arif and Mr. Ashraful Alam, and the Supplemental Technical Statement of Mr. Mark Thompson, a DOE consultant with Forefront Economics, Inc., on April 3, 2024, offering an analytical conclusion in support of the Commission removing the condition of provisionality from the RDAF rates associated with Decoupling Years 3 and 4. (See Docket No. DG 22-045, Hearing Exhibits 36 and 37).

A hearing was also held in Docket No. DG 22-045 on May 14, 2024 regarding Decoupling Years 3 and 4, at which representatives of Liberty and the DOE attended, and at which the DOE supported the removal of the condition of provisionality from the RDAF rates associated with those decoupling years. See Transcript of May 14, 2024 Public Hearing, Docket No. DG 22-045, *passim*. The total decoupling under-collection associated with Decoupling Years 3 and 4, to be recovered through RDAF rates, amounted to \$3,813,298. Hearing Exhibit 35, Docket No. DG 22-045, at Bates Page 1.

In this instant Docket No. DG 23-076, the DOE filed a Technical Statement from Dr. Arif and Mr. Alam pertaining to Decoupling Year 5, Hearing Exhibit 22, Docket No. DG 23-076, on April 15, 2024, recommending that the Commission remove the provisionality from the RDAF rates associated with this Decoupling Year, which resulted in an under-collection claimed by Liberty of \$5,439,023. (This Technical

Statement also presented a series of critiques regarding Liberty's RDAF\decoupling structure, without altering the ultimate recommendation of approval). *Id.* A hearing regarding the Decoupling Year 5 matters was held on June 5, 2024, at which representatives of Liberty, the DOE, and the OCA attended, and at which the DOE and OCA supported finalization of the RDAF rates in question. See Transcript of June 5, 2024 Public Hearing, Docket No. DG 23-076, *passim*, and Page 87.

Liberty's technical statements, DOE's responsive filings, and related docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-076.html>; case materials filed in Docket No. DG 22-045 are available at <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-045.html>.

II. COMMISSION ANALYSIS

The burden is on Liberty to prove the necessity of any increase to its rates. RSA 378:8. The standards applicable to these requests are the public interest and just and reasonable rates standards, as well as all other applicable requirements of utility-initiated rate increases. See RSA 374:2, RSA 378:5; see also *Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty*, Order No. 26,748 (December 16, 2022), at 4. In Order No. 26,505 (July 30, 2021), the Commission approved the settlement agreement applying the current RDAF decoupling rate structure.

As such, in determining whether rates are just and reasonable, the Commission evaluates whether the under-collection amount, the proposed recovery amount, and the rate mechanism or mechanisms to collect the proposed recovery amounts were properly calculated, are consistent with the operative settlement agreement and

Commission orders, and are otherwise just and reasonable under applicable statutory standards.

In this instance, the Commission has provisionally approved the RDAF rates arising from Decoupling Years 3, 4, and 5, which are currently in place until January 31, 2025. The DOE has engaged in its thorough follow-up review, and has rendered its recommendations for final Commission approval for the RDAF rates in question; in the case of Decoupling Year 5, with the additional support of the OCA.

The Commission finds the DOE arguments for the finalization of the RDAF rates provisionally approved by Order No. 26,940 persuasive, and incorporates them by reference. Therefore, the Commission hereby REMOVES the provisionality of the RDAF rates approved in this instant docket by Order No. 26,940, and which are in place until January 31, 2025, pertaining to Liberty Decoupling Years 3, 4, and 5, and ORDERS Liberty to make any compliance tariff filings, or any other filings regarding these matters discussed herein in this order, into the currently-active LDAC review proceeding for Liberty, Docket No. DG 24-098.

Based upon the foregoing, it is hereby

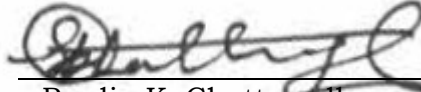
ORDERED, that the provisionality of the Liberty RDAF rates provisionally-approved in Order No. 26,940 in this instant docket, for collection from February 1, 2024 through January 31, 2025, and pertaining to Decoupling Years 3, 4, and 5, is hereby REMOVED; and it is

FURTHER ORDERED, that Liberty shall make any compliance tariff filings, or any other filings regarding these matters discussed herein in this order, into Docket No. DG 24-098.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 23-076

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