

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION



Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Docket No. DG 17-048

Request for Change in Rates

Settlement Agreement Regarding Temporary Rates

This Settlement Regarding Temporary Rates (the “Settlement Agreement”) is entered into this 2nd day of June, 2017, by Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty” or the “Company”), the Office of Consumer Advocate (“OCA”), and the Staff of the Public Utilities Commission (“Staff”) (referred to collectively as the “Settling Parties”). This Settlement Agreement resolves all issues regarding Liberty’s request for temporary rates in this proceeding.

I. INTRODUCTION

On April 28, 2017, Liberty filed a distribution rate case requesting permission to implement new permanent distribution rates for natural gas service and to implement temporary distribution rates, which temporary rate request was supported by the joint testimony and supporting schedules of David B. Simek and Daniel S. Dane. The petition for temporary rates requested an increase of \$7,778,497 in annual operating revenues to be effective with service rendered on and after July 1, 2017, which represents an 11.01% increase in distribution revenue and a 6.48% increase in total revenue (based on the Company’s booked revenue for calendar year ended December 31, 2016)¹.

¹ This increase does not apply to customers in Liberty’s Keene Division because Liberty did not seek temporary rates for the Keene Division. *See Petition for Permanent and Temporary Rates*, at 2.

Staff conducted discovery on the Company's temporary rate filing, and the Settling Parties attended a technical session/settlement conference on temporary rates on May 26, 2017. This Settlement Agreement results from those discussions and includes an agreement on a total annual temporary distribution service revenue level of \$6,750,000 above the current revenue level effective with service rendered on and after July 1, 2017. Attachment 1 to this Agreement is a Report of Proposed Rate Changes – Temporary Rates showing the revenue impact by class of this Agreement.

II. SETTLEMENT OF TEMPORARY RATE REQUEST

The Settling Parties agree on a temporary annual distribution service revenue increase of \$6,750,000. The proposed temporary revenue increase will be collected by applying a uniform increase of 9.56% to all of Liberty's current distribution rates and charges and shall take effect for service rendered as of July 1, 2017. The annual distribution revenue for each class resulting from the temporary rate increase is shown on Attachment 1. Annual bill impacts for rate classes R-3, G-41, G-42, and G-52 are shown on Attachment 2. Distribution rates for each class are shown on Attachment 3. The difference between annual distribution revenues calculated at temporary rates and annual distribution revenues calculated at permanent rates as approved by the Commission will be fully reconciled in accordance with RSA 378:29. Any difference between distribution revenues at permanent rates and distribution revenues at temporary rates shall be reconciled as of July 1, 2017, through the date that permanent rates become effective.

The Settling Parties agree that the rates resulting from this Settlement Agreement are just and reasonable.

III. MISCELLANEOUS PROVISIONS

The Settling Parties agree to the following miscellaneous provisions:

- a. Binding on Parties.** Each of the Settling Parties agrees to support the terms and conditions contained in this Settlement Agreement, and understands that this Settlement Agreement is subject to Commission approval.
- b. Integrated Terms of Settlement.** This Settlement Agreement represents an integrated resolution of issues concerning Liberty's request for temporary rates. Accordingly, the effectiveness of this Settlement Agreement is conditioned on the Commission adopting this Settlement Agreement in its entirety, without condition or modification. If the Commission does not approve this Settlement Agreement in its entirety and without condition or modification, any of the Settling Parties has the opportunity to amend this Settlement Agreement on mutual written agreement of the Settling Parties, or any party may terminate the Settlement Agreement. If terminated, this Settlement Agreement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose.
- c. Procedure.** The Settling Parties shall cooperate in submitting this Settlement Agreement promptly to the Commission for approval so that it may be implemented on July 1, 2017. The Settling Parties shall request that the Commission consider this Settlement Agreement at the scheduled hearing on the merits to be held June 12, 2017, and shall make a witness or witnesses available as necessary to answer questions in support of this Settlement Agreement, or provide such other support as the Commission requests. The Settling Parties agree to cooperate in good faith in the development of such other information as may be necessary to support and explain the basis of this Settlement Agreement and to supplement the record accordingly.

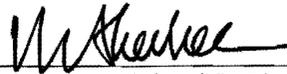
- d. No Precedent.** The Settling Parties enter into this Settlement Agreement to avoid further expense, uncertainty, and delay in undertaking the permanent rate phase of the case. By executing this Settlement Agreement, neither Liberty, nor OCA, nor Staff shall be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at the terms of the Settlement Agreement, and except to the extent expressly set forth here, the Settling Parties shall not be deemed to have agreed that such a Settlement Agreement is appropriate for resolving any issues in the permanent rate portion of this proceeding or in any other proceeding. Each of the Settling Parties is free to take different positions on any of the issues and adjustments included in this temporary rate settlement for purposes of determining permanent distribution rates or in other future proceedings.
- e. Confidentiality.** This Settlement Agreement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during the course of such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.
- f. Execution.** This Settlement Agreement may be executed by each of the Settling Parties in several counterparts, through original or facsimile signature, and as executed shall constitute one agreement.

WHEREFORE, Liberty, OCA, and Staff recommend that the Commission issue an order approving the terms and conditions of this Settlement Agreement in its entirety.

(signature page follows)

Dated: June 2, 2017

Liberty Utilities (EnergyNorth Natural Gas) Corp.
d/b/a Liberty Utilities



By its Attorney, Michael J. Sheehan

Dated: June 2nd, 2017

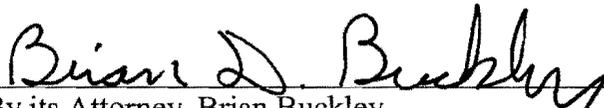
Staff of the New Hampshire Public Utilities
Commission



By its Attorney, Paul B. Dexter

Dated: June 2nd, 2017

Office of Consumer Advocate



By its Attorney, Brian Buckley