

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 11-040

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. AND LIBERTY
UTILITIES (GRANITE STATE ELECTRIC) CORP. BOTH d/b/a LIBERTY UTILITIES

Joint Petition for Authority to Transfer Ownership of Granite State Electric and
EnergyNorth Natural Gas, Inc. to Liberty Energy Utilities Corp.

Order *Nisi* Approving Utility Reporting on Customer Service

ORDER NO. 26,115

March 27, 2018

In this order the Commission directs the two utilities acquired by Liberty Energy Utilities Corp., which were known prior to the acquisition as EnergyNorth Natural Gas and Granite State Electric, to report their respective performances against certain customer service metrics developed jointly by Commission Staff and the utilities. The Commission is delaying the effect of this order to allow interested persons to comment.

I. BACKGROUND

In Order 25,370, issued May 30, 2012, the Commission approved the acquisition by Liberty Energy Utilities Corp. of two New Hampshire utilities, an electric company and a gas company, under the terms of a settlement agreement (the "Acquisition Settlement"). Prior to the acquisition, the two companies were known as Granite State Electric and EnergyNorth Natural Gas, respectively. Today, they are Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities (EnergyNorth Natural Gas) Corp. Both companies do business as "Liberty Utilities."¹

¹ In this order, the companies individually will be referred to as "Granite State Electric" and "EnergyNorth." Together, they will be referred to as "Liberty" or "the Companies."

The terms of the Acquisition Settlement required the Companies to file customer service level reports with the Commission. In addition, the Acquisition Settlement provided for remedies, including financial penalties, for missing specified customer service targets after the transfer of ownership. Liberty and Staff agree that the financial penalties included in the Acquisition Settlement have expired. Liberty and Staff disagree on whether the settlement's reporting requirements continue.

Liberty filed a Motion for Rehearing ("Motion") of a September 26, 2017, Secretarial Letter concerning continuation of customer service reports. On December 8, 2017, Staff of the Commission ("Staff") filed a response requesting that the Commission deny Liberty's Motion. Liberty requested and was granted an opportunity to respond to Staff's filing. While the matter was pending, on February 8, 2018, the Companies and Staff filed a settlement agreement ("Agreement") that would resolve the issues raised by Liberty's Motion and Staff's response. The Office of the Consumer Advocate has assented to the Agreement.

The Motion and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.state.nh.us/Regulatory/Docketbk/2011/11-040.html>.

II. SUMMARY OF AGREEMENT

A. EnergyNorth Reporting Requirements

The Agreement sets customer service targets and requires periodic reporting on the achievement of those targets. Three customer service targets must be reported: the timely answering of incoming customer calls, the number and duration of bills held, and customer

satisfaction levels. No penalties are established for failure to meet the set targets. The targets and reporting requirement remain in effect until the filing of EnergyNorth's next rate case.²

B. Granite State Electric Reporting Requirements

The Agreement acknowledges and retains the reporting requirements and penalties established for Granite State Electric in its recent rate case, DE 16-383. *See* Order No. 26,005 (April 12, 2017). It permits a change of Granite State Electric's customer satisfaction survey vendor. It also narrows the list of recipients and requires electronic filing of the reports via the Commission's electronic filing system.

III. COMMISSION ANALYSIS

We encourage parties to settle issues through negotiation and compromise because it is an opportunity for creative problem solving, allows the parties to reach a result in line with their expectations, and is often a better alternative to litigation. *Granite State Electric Co.*, Order No. 23,966 at 10 (May 8, 2002); *see* RSA 541-A:31, V(a) ("informal disposition may be made of any contested case ... by stipulation [or] agreed settlement"). We analyze settlements to ensure that a just and reasonable result has been reached. *Id.*; *see* N.H. Code Admin. Rules Puc 203.20(b) ("commission shall approve a disposition of any contested case by stipulation [or] settlement ... if it determines that the result is just and reasonable and serves the public interest").

We find that the terms of the Agreement are just and reasonable and serve the public interest. EnergyNorth will continue to file specific customer service reports that are useful in keeping the Commission informed as to EnergyNorth's operations, consistent with our statutory duty under RSA 374:4. The reporting requirements have a specified end date thus preventing

² The term next rate case means a rate case following the conclusion of the pending rate case, Docket DG 17-048.

future disputes about their duration. Because the reporting end date is connected to EnergyNorth's next rate case, the parties are put on notice that the rate case is an appropriate venue for reviewing continuation of or changing the reporting requirements. Also, the Agreement puts EnergyNorth on a reporting schedule consistent with its sister company, Granite State Electric, whose reporting requirements were set in its last rate case.

We note that the targets and reports specified in the Agreement are directed at core utility and customer service-related functions, such as answering customer calls in a timely fashion, rendering timely bills, and maintaining adequate customer satisfaction. The targets in the Agreement for EnergyNorth are the same or very close to those established for Granite State Electric. Although the Agreement imposes no penalties on EnergyNorth for failing to meet the specified targets, we expect that EnergyNorth will nonetheless endeavor to meet those targets.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the Agreement presented in this case is approved; and it is

FURTHER ORDERED, EnergyNorth and Granite State Electric shall comply with all reporting and other requirements contained in the Agreement; and it is

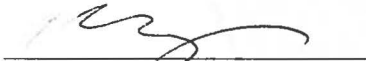
FURTHER ORDERED, that EnergyNorth and Granite State Electric shall cause a copy of a summary of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than April 6, 2018, and to be documented by affidavit filed with this office on or before April 24, 2018; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than April 13, 2018, for the Commission's consideration; and it is

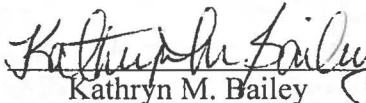
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than April 20, 2018; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective April 27, 2018, unless Liberty fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is


By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of March, 2018.



Martin P. Honigberg
Chairman

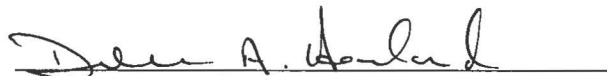


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director