

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 17-149

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

**Changes to Tariff to Allow for Company Ownership
of Newly Installed Underground Service**

Order Approving Tariff Amendments

ORDER NO. 26,161

July 25, 2018

APPEARANCES: Michael J. Sheehan, Esq., on behalf of Liberty Utilities (Granite State Electric) Corp. d/b/a/ Liberty Utilities; and Paul B. Dexter, Esq., on behalf of Commission Staff.

In this order, the Commission approves amendments to Liberty's tariff allowing for its ownership of newly installed residential and commercial underground service.

I. PROCEDURAL HISTORY

On September 29, 2017, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Liberty or the Company) filed a request for approval of tariff changes that would provide for Liberty's ownership of newly installed residential and commercial underground service. This request arose out of a settlement agreement approved in Docket No. DE 16-383, in which Liberty and the Commission Staff (Staff) agreed that the Company should own all new residential underground service. *See Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities*, Order No. 26,005 at 9 (April 12, 2017). In support of its request, Liberty filed the direct testimony of Heather M. Tebbetts, Senior Analyst for Liberty Utilities Service Corp., including revised tariff pages.

On February 28, 2018, the Commission issued Order No. 26,106, in which it suspended the proposed tariff amendment until May 27, 2018, and scheduled a technical session on

March 16, 2018, as well as a hearing on March 27, 2018. Prior to the technical session, Liberty filed Ms. Tebbetts' technical statement and amended tariff pages containing revised language developed by Liberty in conjunction with Staff. On March 23, 2018, the Company filed another revised version of the tariff to incorporate additional changes recommended by Staff.

At the hearing, Liberty presented testimony from Ms. Tebbetts and Mark Parker, Liberty's Area Manager of Electric Operations. Liberty had requested that the Commission approve its proposed tariff effective March 1, 2018, so that Liberty would have time to implement the amendments before construction season began. *See* Direct Testimony of Heather M. Tebbetts, Hearing Exhibit 1 (Exh. 1) at 12. Liberty subsequently filed a request that its proposed tariff take effect on January 1, 2019. By Secretarial Letter issued May 23, 2018, the Commission approved the requested modification of Liberty's filing and further suspended the tariff.

Liberty's initial filing and subsequent 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 <http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-149.html>.

II. POSITIONS OF THE PARTIES AND STAFF

A. Liberty

Liberty proposed taking ownership of newly installed residential and commercial underground service. Exh. 1 at 4. According to Liberty, residential and commercial underground service is currently owned and maintained by the customer. *Id.* at 4, 8. Liberty's existing policy is to connect the customer's underground primary distribution line extension to the Company's distribution system. *Id.* The Company and Staff agreed that Liberty's new policy regarding underground service should include new commercial underground installations

as well, so that the two linemen Liberty would be required to hire to install and maintain new residential underground service could be utilized as efficiently as possible. *Id.* at 4, 10.

Liberty proposed charging residential customers for underground service a per-foot cost reflected in the amendments to its tariff. *Id.* at 5. Liberty would provide residential customers with 300 feet of underground service at no additional charge, akin to Liberty's policy of providing customers with 300 feet of overhead service at no additional charge. *Id.* at 7.

Residential customers who replaced failed underground service would also be charged a per foot cost. *Id.* at 7-8. There would be no change to the manner in which commercial customers are charged for underground service. *Id.* at 9. Commercial customers would continue to pay the estimated cost weighted against estimated revenue based on load, with each underground installation engineered separately. *Id.*

During the hearing, Ms. Tebbetts testified that Liberty worked closely with Staff, both before filing its request for approval of tariff amendments and after its initial filing, to ensure that the new tariff would be easily understood by its customers. Transcript of March 27, 2018, Hearing (Tr.) at 7-8. Liberty stated that the final proposed tariff, Exhibit 3, reflected Staff's comments and suggestions and was consistent with the settlement agreement approved in Docket No. DE 16-383. *Id.* at 8.

Also at the hearing, Ms. Tebbetts reiterated that Liberty's proposed tariff would only apply to new underground service. *Id.* at 9. She explained that, if a residential customer wanted to install underground service, then Liberty would provide the customer with the same 300-foot credit given to overhead customers. Tr. at 16-17. For example, a customer installing more than 300 feet of underground service would receive a credit of \$3,540, equivalent to 300 feet multiplied by the current overhead rate of \$11.80 per foot, toward the cost of the underground

installation. Tr. at 17-18. Ms. Tebbetts testified that a residential customer replacing existing, failed underground service would be given the same 300-foot credit. Tr. at 19.

Liberty asked the Commission to approve the final version of the tariff language contained in Exhibit 3. Tr. at 5-6, 27. Once approved, Liberty's new underground service policy would be consistent with the underground service policies of other New Hampshire electric utilities. *Id.* at 24.

B. Staff

Staff worked with Liberty to develop the final proposed tariff. Staff stated that the proposed tariff is in the public interest and requested that the Commission approve the tariff as filed. *Id.* at 26-27.

III. COMMISSION ANALYSIS

We find that the proposed tariff's terms, conditions, and charges are just and reasonable under RSA 378:7. Liberty's proposed tariff treats new and existing customers fairly by providing both new and existing residential customers the same 300-foot credit for underground service. It does not change how Liberty charges commercial customers for underground service. By taking ownership of new residential and commercial underground facilities, Liberty will be adopting the same policy that all other New Hampshire electric utilities now have. Liberty's final proposed tariff complies with the settlement agreement in Docket No. DE 16-383. Furthermore, it resulted from a close collaboration with Staff and took into account Staff's comments and concerns. We therefore approve Liberty's final proposed tariff contained in Exhibit 3, effective January 1, 2019, the effective date requested by Liberty and supported by Staff.

Based upon the foregoing, it is hereby


ORDERED, that the following Liberty tariff pages contained in Exhibit 3 are approved:

NHPUC No. 20 Electricity Delivery Tariff, First Revised Pages 3, 6, 7, 11, 12, 15, 17, 58 through 78; and it is

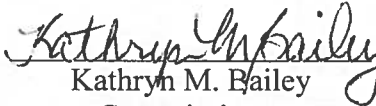
FURTHER ORDERED, that the above tariff pages shall be effective as of January 1, 2019; and it is

FURTHER ORDERED, that Liberty shall file a properly annotated compliance tariff with the Commission no later than 20 days from the date of this order, in accordance with N.H. Code Admin. Rules Puc 1603.

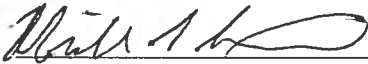
By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of July, 2018.



Martin P. Hongberg
Chairman




Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director