

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-035

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

2022 Annual Storm Fund Report

Order on Report

ORDER NO. 26,979

March 22, 2024

In this order the Commission approves the Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Annual Storm Fund Report for 2022.

I. BACKGROUND AND POSITIONS

On March 23, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) filed a request for an extension of time for the filing of the Company's 2022 Annual Storm Fund Report from April 1 to May 15, 2023. The Commission granted the Company's request for an extension by a procedural order issued on March 27, 2023. On May 15, 2023, the Company timely filed its Annual Storm Fund Report for calendar year 2022. Liberty explained that the filing was made pursuant to the Company's rate case settlement approved by the Commission in Docket No. DE 06-107, as approved by the Commission in Order No. 24,777 (July 12, 2007). The Company's storm program was subsequently modified by the Commission in Order No. 25,638 (March 17, 2014), issued in Docket No. DE 13-063, to permit recovery of certain of the Company's pre-staging costs related to storms with qualifying weather forecast criteria. The May 15, 2023 filing included the pre-filed testimony of Mr. Anthony Strabone and Ms. Heather Tebbetts, personnel employed by Liberty Utilities Service Corp., Liberty's service-company affiliate, and supporting attachments.

On June 8, 2023, the Commission issued a procedural order requesting that the New Hampshire Department of Energy (DOE) provide an audit report and DOE's recommendation, or provide a request for additional time to investigate this matter, on or before August 1, 2023. The DOE filed a request on July 31, 2023 to extend this recommendation deadline to November 30, 2023, and to provide a joint recommendation with the Company on whether a hearing, or other further process, would be necessary by December 18, 2023. The Commission approved this request for an extension of these deadlines in a procedural order issued on August 3, 2023.

On November 30, 2023, the DOE filed the Technical Statement of its Utility Analyst, Mr. Stephen Eckberg, and Final Audit Report regarding this matter with the Commission. The DOE stated in this filing that no further process would be required in this docket. Subsequently, Liberty filed, on December 18, 2023, a letter indicating that the Company agreed to make the adjustments recommended in the DOE's Audit Report, that the Company had no objections to the Commission accepting DOE's recommendations, and that the Company concurred with the DOE that no further process or hearing would be required in this Docket No. DE 23-035.

No further substantive filings or interventions have been made in this proceeding. The Company's 2022 Annual Storm Fund Report, and other docket filings made in this proceeding, are posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-035.html>

In summary, the Company's storm-resilience program is primarily funded through its Major Storm Fund (MSF), which, pursuant to Orders No. 24,777 and 25,638, is funded through Liberty's distribution rates at the level of \$1.5 million per calendar year. See Order No. 25,638 at 12. In its filing made for this proceeding, Liberty reported six storm-related events (four storm pre-staging events, and two

qualifying storm events with associated restoration costs), and reported the total costs of these six events to be recovered from the MSF as \$2,485,539.79. The Company's 2022 Report provides weather forecast details, storm-event-specific discussion, event qualification criteria, and financial reconciliation details on the Company's MSF for that year. There is no rate adjustment triggered by this filing as the Company's collection of \$1.5 million annually for the MSF is included in Liberty's base distribution rates, and any over/under spend of that amount is recorded in appropriate MSF-related accounts. Likewise, the Storm Recovery Adjustment Factor (SRAF), which is designed to refund over-collections of the MSF when appropriate, remains unchanged at Zero (\$0.0000) per kWh at this time, and has remained at Zero since November 1, 2015 (see below).

The DOE's Audit Division recommended, and the Company accepted, two adjustments to its MSF accounting for 2022 which result, when netted against the 2022 Base Rate MSF contribution of \$1,500,000, and interest income on the MSF, in an ending MSF balance for 2022 of (\$1,886,068.07), that is, an overcollection balance of \$1.886 million, which can be used to cover the costs of storms in subsequent calendar years.

II. COMMISSION ANALYSIS

The Commission is authorized to fix rates after a hearing, upon determining that rates, fares, and charges are just and reasonable. RSA 378:7. In circumstances where a utility seeks to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. In determining whether rates are just and reasonable, the Commission must balance the customers' interest in paying no higher rates than are required against the investors' interest in obtaining a reasonable

return on their investment. *See Eastman Sewer Company*, 138 N.H. 221, 225 (1994); *see also Unitil Energy Systems, Inc.*, Order No. 26,889 (Sept. 27, 2023), at 3-4.

In this case, the rates (the MSF) have been established by prior Commission decisions, *i.e.*, Orders Nos. 24,777 and 25,638. (The SRAF rates were set by successive Orders, with the rate of Zero being set by Order No. 25,819 (Sept. 28, 2015), in Docket No. DE 15-010). As a result, we review the annual Storm Fund Reports presented by Liberty, and the DOE audit and recommendation, to confirm that the resulting rates and fund balances have been correctly calculated according to the standards the Commission has established for recovery of these storm costs.

We find that the 2022 Report for the MSF and SRAF, with the Company's committed incorporations of the DOE-recommended modifications, results in correct calculations. We have already found that these rate calculations result in just and reasonable rates, and we therefore approve the Company's 2022 Annual Storm Fund Report.

Based upon the foregoing, it is hereby

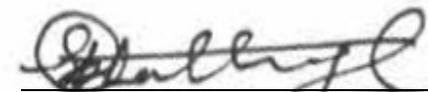
ORDERED, that the 2022 Liberty Annual Storm Fund Report for the MSF and SRAF is APPROVED; and it is

FURTHER ORDERED, that the ongoing rate of \$0.0000 (Zero) per kWh is approved for the SRAF.

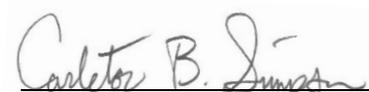
By order of the Public Utilities Commission of New Hampshire this twenty-second day of March, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 23-035

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