

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 14-180

**LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
D/B/A LIBERTY UTILITIES**

Rate Case

Order Suspending Proposed Tariff and Scheduling Prehearing Conference

ORDER NO. 25,711

August 28, 2014

On August 1, 2014, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (Liberty) made a delivery rate filing requesting permission to implement new permanent delivery rates for natural gas service and to implement temporary delivery rates, pursuant to RSA 378:27, effective with service rendered on and after September 1, 2014. Liberty also requested Commission approval for a step increase for investments made through March 31, 2015, to go into effect concurrent with the permanent rate increase. With its filing, Liberty moved for confidential treatment of certain salary information regarding its President and one of its directors.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://puc.nh.gov/Regulatory/Docketbk/2014/14-180.html>.

Liberty proposes new permanent delivery rates and a step increase designed to produce an increase in annual revenues of \$16,092,526 (\$13,442,972 and \$2,649,554, respectively). The permanent increase is based on a test year ending March 31, 2014. According to Liberty's filing, as updated with rate-impact information filed with the Commission on August 20, 2014, based

on its permanent rate increase proposal, a residential heating customer will experience an increase of approximately 7.86 percent in annual bills, while residential non-heating customers will see an increase of about 9.65 percent annually. Commercial and industrial customers will experience an increase of 0.26 to 4.09 percent. When combined with the requested step adjustment, the proposed increases will result in total annual bill increases for average residential customers of approximately \$131 or 9.64 percent (residential heating) and \$59 or 12.13 percent (residential non-heating). The total percentage increase for commercial and industrial customers will be 0.27 to 5.20 percent.

Regarding Liberty's temporary rate filing, Liberty seeks an increase of \$8,379,060 in annual operating revenues. Such temporary rates would result in an increase in customers' total bills on average by approximately half of that estimated for the proposed permanent rate increase and step increase combined.

In addition, Liberty has proposed a revenue decoupling mechanism intended to remove the link between revenues and the volume of natural gas delivered.

According to Liberty, the increase in rates is necessary because it is unable to earn the rate of return authorized by the Commission in its last rate case, Docket No. DG 10-017. *See EnergyNorth Natural Gas, Inc. d/b/a National Grid NH*, Order No. 25,202 (March 10, 2011). In particular, Liberty states that, for the test year ended March 31, 2014, its overall earned rate of return was 4.49 percent, as opposed to the 7.31 percent overall return authorized by the Commission.

The filing raises, *inter alia*, issues related to whether the proposed temporary and permanent rates, and the proposed step increase for investments made through March 31, 2015, are just, reasonable, and lawful as required by RSA 378:7; and whether the proposed increases

will yield a just and reasonable rate of return on the prudent costs of plant, equipment and capital improvements used and useful in Liberty's provision of service to the public less accrued depreciation, as required by RSA 378:27 and 378:28. Each party has the right to have an attorney represent the party at the party's own expense. Under RSA 378:3, rate changes take effect after 30 days' notice to the Commission and to the public, subject to the Commission's ability to suspend such changes when an investigation is appropriate, pursuant to RSA 378:6, I(a). Here, Liberty's rate requests require further investigation, so we suspend the proposed tariff pages filed by Liberty pending our investigation.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages for natural gas delivery service filed by Liberty, be and they hereby are suspended pursuant to RSA 378:6, I(a) pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a pre-hearing conference pursuant to N.H. Code Admin. Rules Puc 203.15 be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 1, 2014, at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition for temporary rates and any of the notice issues; and it is

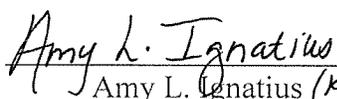
FURTHER ORDERED, that immediately following the pre-hearing conference, the Staff of the Commission and any intervenors hold a technical session to review the filing and allow Liberty to provide any amendments or updates to its filing and establish a proposed procedural schedule for this proceeding, including the scheduling of a hearing on temporary rates; and it is

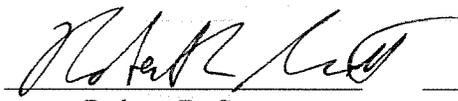
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this pre-hearing conference by publishing a copy of this Order of Notice no later than September 8, 2014, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or September 26, 2014; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before September 26, 2014, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rules Puc 203.17 and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make such objection on or before October 1, 2014.

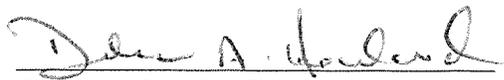
By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 2014.


Amy L. Ignatius (KMS)
Chairman


Robert R. Scott
Commissioner


Martin P. Honigberg
Commissioner

Attested by:


Debra A. Howland
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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