

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-044

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

2023 Default Service Solicitations (Class III-2020 REC Issue)

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On June 30, 2023, the Commission issued Order No. 26,854 in this docket, approving Liberty's petition for August 1, 2023 to January 31, 2024 default service rates. As part of Order No. 26,854, the Commission ruled that it would issue a final ruling on Liberty's cost-recovery request relating to certain 2020 vintage, Class III renewable energy credits as part of a later, August 2023 hearing in this proceeding. This Order schedules this later phase of this proceeding. Order No. 26,854, and docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-044.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) conducts its energy solicitations for its default service customers pursuant to the process established in the settlement agreement approved by the Commission in Order No. 24,577 (January 13, 2006), as modified by Order No. 24,922 (December 19, 2008), Order No. 25,601 (November 27, 2013), and Order No. 25,806 (September 2, 2015). According to that process, to meet its Renewable Portfolio Standard (RPS) obligations under RSA 362-F:3, which arise from the Company's procurement of energy to meet its default service load, the Company first attempts to purchase qualifying renewable energy certificates (RECs), where one REC represents one

megawatt hour of power produced by a qualified renewable generation source. In turn, Liberty includes an RPS compliance adder with power supply costs in its calculation of the default service rates charged to its customers. *See* Order No. 26,854 (June 30, 2023), at 4-5.

In the default service filing made for the current August 2023-January 2024 rate cycle, Liberty indicated that it has unused Class III RECs from 2020, which, Liberty asserted, were “stranded” by recent legislative changes and concurrent Commission decisions, the costs for which the Company sought recovery. *Id.* at 5. The amount of costs in question was \$864,640, and was included for recovery by the Company in its default service rate proposal. *Id.* at 7.

At the June 28, 2023, hearing for consideration of the Company’s default service rate proposal, the New Hampshire Department of Energy (DOE) and the Office of the Consumer Advocate (OCA) recommended that the Commission consider the matter of “stranded” Class III RECs, and any associated cost recovery by the Company, in a separate August 2023 hearing. *Id.* at 6-7. The Commission accepted the DOE and OCA joint recommendation, and ruled accordingly in Order No. 26,854, allowing the Company to recover the \$864,640 through its default service rates on an interim basis, pending the outcome of the August 2023 adjudication of this issue, with this separate procedural Order effectuating this ruling. The Commission reiterates that if any cost reconciliation will arise from the Commission’s determination of this issue, it will be applied to next year’s (2024) Energy Service Reconciliation calculations by the Company. *Id.* at 7-9.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty is, or is not, entitled to \$864,640 of final cost recovery, through default service rates, for the 2020

vintage Class III RECs at issue, pursuant to the terms of RSA Chapter 362-F, the Commission Orders governing default service and REC procurements for Liberty, and RSA Chapters 374 and 378; and, if final cost recovery were approved, whether the resulting rates would be just and reasonable as required by RSA 374:2, and RSA 378:5 and RSA 378:7. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA Chapter 541-A, RSA Chapter 362-F; RSA Chapter 374, including, but not limited to, RSA 374:2; and RSA Chapter 378, including, but not limited to, RSA 378:5 and RSA 378:7; and the Commission's relevant Orders and procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on August 31, 2023, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Liberty and any other parties on the service list, on or before August 17, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before August 24, 2023; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written

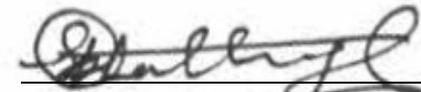
pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Liberty shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before August 16, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this tenth day of August, 2023.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket#: 23-044

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