

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 15-087

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

**Calendar Year 2014 Reliability Enhancement and Vegetation
Management Plan Results and Reconciliation**

Order Suspending Tariff and Scheduling Hearing

ORDER NO. 25,771

April 1, 2015

In this Order, the Commission suspends Liberty's proposed tariff that would recover its expenses for reliability enhancement and vegetation management programs for 2014, and schedules a hearing on April 14, 2015 at 10:00 a.m.

On March 13, 2015, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Liberty) filed the results of its reliability enhancement plan (REP) and vegetation management plan (VMP) for calendar year 2014. The filing was made pursuant to the requirements of a settlement agreement that was approved by the Commission in Order No. 25,638 (March 17, 2014). Liberty also filed proposed tariff pages with supporting testimony and related exhibits. The filing contains (1) a report on the actual spending on REP and VMP operation and maintenance ("O&M") and REP capital investment for 2014, including an explanation of the difference between the actual amounts and the budgeted amounts reviewed by Commission Staff, (2) a request to recover from customers \$35,166, the incremental O&M spending over the \$1,360,000 base amount for 2014, (3) a request to recover the revenue requirement associated with \$971,298 of 2014 capital investment and \$1,230,601 of 2013 capital investment placed in service in 2014, and (4) a summary of reliability performance for 2014.

On an annual basis, prior to the commencement of a calendar year, Liberty provides an REP and VMP O&M budget to Staff that assumes spending for the following year. The base amount in rates for REP/VMP O&M is \$1,360,000. Actual spending for REP/VMP for 2014 was less than budgeted, but exceeded the base amount by \$35,166. Liberty seeks to recover the \$35,166 difference in rates.

Liberty created its O&M budget assuming that FairPoint would make a contribution to vegetation management pursuant to a September 30, 2007, memorandum of understanding between the two companies. Liberty reported that, as of the date of the filing, FairPoint had not paid Liberty for maintenance trimming expense of \$298,691 for 2013 or \$245,751.19 for 2014. Those amounts were excluded from the amounts Liberty proposed for recovery through rates; however, primarily as a result of FairPoint's failure to pay, the company is proposing a REP/VMP adjustment factor of \$0.00006 per kilowatt hour (kWh), an increase from a credit of \$0.0030 per kWh. Had FairPoint paid the amounts owed, the Company would be crediting customers \$0.00017 per kWh.

In addition to the REP/VMP amounts, the revenue requirements to support the 2013 and 2014 capital investment is \$381,523, or an increase of 0.09% to distribution rates. The bill impact of the REP/VMP program costs on an average residential customer using 655 kWh per month is an increase of \$1.21 per month.

In Order No. 25,745, the Commission ordered the Company to implement an increase in its transmission and stranded cost charges on May 1, 2015. The Company proposes to implement the change along with the REP/VMP rate adjustments. The overall bill impact of the REP/VMP reconciliation, the addition of \$382,523 in revenue requirement, and the

implementation of the revised transmission and stranded cost charge on a residential customer using 655 kWh per month is an increase of \$9.15 per month.

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 www.puc.nh.gov.

The filing raises, *inter alia*, issues related to whether Liberty has appropriately accounted for the costs of its REP and VMP and whether the resulting rates are just and reasonable as required by RSA 378:5 and RSA 378:7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that pursuant to RSA 378:6, I(b), the Commission hereby suspends Liberty's proposed tariff to allow the filing to be investigated; and it is

FURTHER ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203 be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 14, 2015, at 10:00 a.m.; 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 hearing by publishing a copy of this Order no later than April 7, 2015, 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 before April 10, 2015; 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 April 10, 2015, demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene shall file an Objection on or before April 14, 2015.

By order of the Public Utilities Commission of New Hampshire this first day of April, 2015.

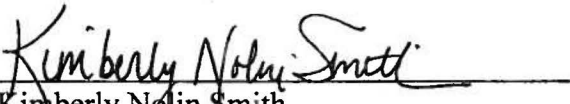


Martin P. Honigberg
Chairman



Robert R. Scott
Commissioner

Attested by:



Kimberly Nolin Smith
Assistant Secretary

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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Smith, Kim

From: Smith, Kim
Sent: Wednesday, April 01, 2015 4:19 PM
To: 'sarah.knowlton@libertyutilities.com'; 'Regulatory.NH@libertyutilities.com'; Amidon, Suzanne; Carmody, Jody; Siwinski, Grant; Stachow, Leszek; Frantz, Tom; Noonan, Amanda; PUC - OCA Litigation; Brennan, James J; Jortner, Wayne R
Subject: DE 15-087, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities - Order Issued
Attachments: 25-771.pdf

An Order was issued today in Docket No. DE 15-087, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, Calendar Year 2014 Reliability Enhancement and Vegetation Management Plan Results and Reconciliation. It is an Order Suspending Tariff and Scheduling Hearing. A hearing is scheduled for April 14, 2015 at 10:00 a.m.

A copy of Order No. 25,771 is attached.

Kim Smith
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