

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Docket No. DG 20-105

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY

Petition for Permanent Rates

**Motion for Recovery of Rate Case Expenses**

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, through counsel, respectfully moves the Commission pursuant to Puc 1905.02 to approve recovery of rate case expenses incurred during and in support of this docket. Liberty requests recovery of the expenses incurred on its own behalf, as well as those incurred by the Commission Staff and the Office of Consumer Advocate (“OCA”), which were also paid by Liberty.

In support of this motion, Liberty states as follows:

1. On July 1, 2020, Liberty filed with the Commission a Notice of Intent to File Rate Schedules pursuant to Puc 1604.05 commencing this docket to adjudicate the Company’s request for temporary and permanent rate increases. The Company filed proposed tariffs and rate schedules, testimony, attachments, and other information supporting those requests on July 31, 2020.
2. Following discovery, a technical session, and a hearing, the Commission issued Order No. 26,412 (Sept. 30, 2020) approving temporary rates.
3. As directed by the Commission in Order No. 26,409 (Oct. 6, 2020), which was issued in Docket No. DG 17-198, Liberty supplemented its filing in this docket with testimony and

other evidence supporting its request to recover the costs incurred to investigate the Granite Bridge project.

4. After substantial discovery, technical sessions, and many settlement conferences, the Company, Staff, and the OCA reached a comprehensive settlement of all pending issues in this docket except for the request to recover Granite Bridge costs, which the parties agreed to litigate separately.
5. As to rate case expenses, Section 14.1 of the Settlement Agreement states as follows:

Subject to Staff audit and adjustment for the difference between estimated and actual expense, the Company shall recover over one year \$856,864.64 in rate case expenses commencing on November 1, 2021, through the LDAC mechanism, as shown on Appendix 9. The Company agrees to submit by August 1, 2021, an accounting of its rate case expenses, with appropriate supporting documentation, for review by Staff and the OCA and subsequent approval by the Commission. Staff shall provide its recommendation for rate case expense recovery to the parties as soon as reasonably possible, and the Company shall be authorized to recover the approved rate case expenses beginning with service rendered as of November 1, 2021. Any necessary adjustments to rate case expenses, including adjustments for any invoices received subsequent to the August 1, 2021, filing date, will be reviewed as part of the LDAC proceeding.

Exhibit 49 at Bates 021. The amount of rate case expense, which the parties agreed was prudently incurred and “shall” be recovered, was detailed on Attachment 9 to the Settlement Agreement. *Id.* at Bates 047.

6. The Commission held a hearing on the Settlement Agreement on July 13, 2021, and issued Order No. 26,505 (July 30, 2021) largely approving the settlement.
7. Specific to rate case expenses, the Order states as follows:

[W]e approve the Settlement Agreement subject to the following conditions:

1) With respect to the Settlement Agreement's provision for the recovery of rate case expenses, we understand the \$856,864.64 figure provided is an estimate that is subject to our review and approval. We emphasize that the Commission's approval of rate case expenses is based on the criteria identified in Puc Ch. 1900, and contingent on our independent finding that the expenses to be recovered are just and reasonable and in the public interest. See Puc 1901.01(b). Our approval of the Settlement Agreement is not a finding that Liberty has met its burden to prove that its rate case expenses have met this standard.

Order at 12. The relevant ordering clauses state as follows:

FURTHER ORDERED, that Liberty is authorized to recover just and reasonable rate case expenses over one year through the Local Distribution Adjustment Clause commencing on November 1, 2021, subject to audit and adjustment, as set forth herein above; and it is

\* \* \*

FURTHER ORDERED, that Liberty shall file all necessary documentation and reports in support of regulatory costs as noted above, and the step increases, as required by the Settlement Agreement and the conditions of this order ....

*Id.* at 15.

8. In compliance with Section 14.1 of the Settlement Agreement, quoted above, on August 2, 2021,<sup>1</sup> Liberty filed a summary of rate case expenses. The cover letter explained the content of the filing:

Consistent with the terms of the Settlement Agreement, enclosed is a summary of the rate case expenses incurred through August 1, 2021, and an estimate of the costs for which invoices have not yet been received. Also enclosed is an Excel file providing further details of the individual invoice amounts. In addition, copies of the invoices supporting the amounts have on this date been provided to the Department of Energy and the Office of the Consumer Advocate for their review. It is expected that following review the Department of Energy will submit a recommendation in the docket detailing the results of its review which then can be taken into consideration as part of the upcoming Local Distribution Adjustment Charge ("LDAC") proceeding prior to any recovery of rate case expenses

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<sup>1</sup> The filing was made on August 2, 2021, as August 1, 2021 was a Sunday.

commencing on November 1, 2021, as part of that proceeding. Please note that the total amounts included in this filing are only very slightly different from the total amount included in the Settlement Agreement due to small variations in actual costs vs. previous estimates.

August 2, 2021, cover letter (Docketbook entry #77) at 1–2

9. The total rate case expenses included in that August 2, 2021, filing were \$856,551.64 including \$741,517.64 of actual expenses and \$115,034.00 of additional estimated costs.
10. As described and shown in the attached materials, Liberty engaged experts and specialists to support this rate case and continued to rely on their work through the entire period of this proceeding, including this and other post-hearing matters. All the expenses incurred for these experts, in addition to other costs such as court reporter services and preparing and mailing customer notifications, qualify as allowed expenses under Puc 1906.01.
11. Consistent with Puc 1905.01, Liberty provided an initial estimate of rate case expenses when the case was filed and updated those expenses during the pendency of the case. Accordingly, the Commission has had up-to-date information on the service providers and the level of expenses throughout the case.
12. Attached are the materials required by Puc 1905.03, including information on the consultants, their invoices, descriptions of their services, the relevant contracts, and other supporting materials. *See* “Attachments to Motion for Recovery of Rate Case Expenses.” As required by Puc 1905.04, Liberty confirms that a competitive bid process was used to obtain each of the consultants, which resulted in services provided in an efficient and cost-effective manner.

13. Also filed this date is a motion for confidential treatment pertaining to the hourly rates charged by those service providers who asserted confidentiality of that information, which motion is intended to protect their competitive interests in the services they provide, as well as to protect certain banking and account information included in the materials of those experts.
  
14. Liberty also seeks recovery of the expenses incurred by Staff (now the Department of Energy) and the OCA. Pursuant to RSA 365:37, II, RSA 365:38-a, and RSA 363:28, III, the Commission is empowered to assess certain costs of the Staff and the OCA to Liberty, and Liberty is entitled to recover those costs. Accordingly, Liberty is requesting that the Commission include recovery of those costs through this same review. To that end, Liberty has included copies of all those invoices for review.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Review the rate case expenses described above and detailed in the attached documents, pursuant to Puc 1900;
- B. Find that the requested rate case expenses were prudently incurred;
- C. Allow Liberty to recover those rate case expenses through the LDAC commencing November 1, 2021; and
- D. Grant such further relief as is just and equitable.

Respectfully submitted,  
Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a  
Liberty

By its Attorney,



Date: August 24, 2021

By: \_\_\_\_\_  
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Certificate of Service

I hereby certify that on August 30, 2021, a copy of this Motion has been forwarded to the service list.

A handwritten signature in cursive script, appearing to read "M. Sheehan".

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Michael J. Sheehan

List of Attachments

<b>Attachment</b>	<b>Description</b>
A	Summary of Invoices
1	Invoices – Concentric Energy Advisors (Confidential)
2	Invoices – FTI Consulting (Confidential)
3	Invoices – Keegan Werlin (Confidential)
4	Invoices – ScottMadden (Confidential)
5	Invoices – Management Applications Consulting
6	Invoices – Court Reporter
7	Invoices – Customer Notice
8	Invoices – Legal Notice
9	Invoices - Printing
10	Invoices – Staff Consultant – Blue Ridge Consulting
11	Invoices – OCA Consultant – Exeter Associates
12	Procurement Policy
13	Engagement Letter – Concentric Energy Advisors (Confidential)
14	RFP – Revenue Requirement, Functional Cost of Service, marginal Cost of Service, Rate Design, Cost of Capital
15	Contract Documents – FTI Consulting (Confidential)
16	RFP – Legal Services
17	Contract Documents – Keegan Werlin (Confidential)
18	Contract Documents – ScottMadden (Confidential)
19	Contract Documents – Management Applications Consulting