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DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
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August 3, 2023

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DE 23-039 Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Request for Change in Distribution Rates – DOE Response to Liberty’s July
Filings

Dear Chairman Goldner:

On May 5, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) filed their complete rate filing with the Public Utilities Commission (Commission), including proposed tariff pages. In Order No. 26,829, the Commission commenced this adjudicative proceeding and suspended Liberty’s proposed tariffs for a period of 12 months.

On June 21, 2023, the Commission held a public hearing on Liberty’s request for temporary rates. At that hearing, the Commission directed Liberty to file updated schedules and customer rate impacts as Exhibit 3 by June 26, 2023. The parties to the above referenced docket were given a deadline of June 28, 2023 to review this filing and provide feedback to the Commission. After normal business hours on June 26, 2023, the Company filed, as Exhibit 3, revised temporary rate schedules and supporting attachments including bill impacts with the new proposed net distribution rates.

On June 28, 2023, the Department of Energy (Department) filed a letter to the Commission requesting an additional day to review these materials as the Department had requested more information from the Company. Subsequently, on June 29, 2023, the Department filed its position stating that after review, the revenue requirement and temporary rate schedules filed on Monday, June 26, 2023, appeared to be consistent with the terms of the parties’ settlement agreement. The Department therefore recommended approval of the temporary rates as reflected in the June 26, 2023 revised schedules. On June 30, 2023, the Commission issued Order No. 26,855, *Fixing, Determining, and Prescribing Temporary Rates* which temporarily increased Liberty’s annual revenue requirement and approved the distribution rates, based on the record presented at hearing; the Department’s June 29, 2023 recommendation; and the supplemental schedules in Liberty’s June 26, 2023 filing; including the total monthly bill impacts and the percent

increase in the total distribution portion of the bill as cited in the Order. *See* Order No. 26,855 (June 30, 2023).

On July 5, 2023, Liberty filed revisions to the June 26 filing and included additional schedules and attachments. On July 14 Liberty filed compliance tariff pages, then subsequently submitted another compliance tariff on July 20 with corrections to the July 14 tariff pages.¹ In a procedural order dated July 24, 2023, the Commission gave the parties an opportunity to file responses to Liberty’s July 5, 14, and 20 filings, with responses due on or before August 3, 2023. The Department files this letter in response to these filings.

The Department has reviewed the three July filings and is concerned that several tariff provisions do not align with the Company’s revenue requirement and temporary rate schedules filed on June 26, 2023. Several of these concerns are outlined below:

- Revenue Decoupling Adjustment Factor – The schedules filed on July 5 and tariff pages filed on July 14 list a Distribution Charge; a Revenue Decoupling Adjustment Factor (RDAF) and a Reliability Enhancement/Vegetation Management); and a total net distribution rate. For example, see Exhibit 3 Bates page 46 filed on July 5 and Liberty’s Eleventh Revised Page 90 filed on July 14. However, neither the proposed temporary rate schedules in the May 5 filing nor the revised schedules filed on June 26 include any reference to RDAF. *See* Attachment KMJ/DSD/GHT-TEMP-2 at Bates page II-083 (May 5, 2023 filing), and Attachment KMJ/DSD/GHT-TEMP-2(Settlement) at Bates page II-083 (June 26, 2023 filing). Furthermore, in the Company’s proposed tariff pages filed in their full rate case filing on May 5, the Company listed the RDAF as “\$0.00000” throughout the entirety of the Summary of Rates. *See* Proposed Tariffs at Bates pages II-118 to II-130.
- Total Net Distribution Charges – The total net distribution charges in the tariff pages filed on July 14 do not match the total net distribution charges in the June 26 filing, which were the approved rates in Order No. 26,855.
- Revenue Decoupling Information and Targets – The Department also would note that Liberty added a new attachment with their July 5 filing that included revenue decoupling information and targets in Attachment KMJ/DSD/GHT-TEMP-5(Settlement) that was not part of the June 26 filing reviewed by the Department.
- G-1 Customer Charge – The G-1 customer charge included in the July 14 tariff does not match the G-1 customer charge in the June 26 filing as approved by Order No. 26,855. In Liberty’s July 5 filing, they indicate that the starting customer charge had a typographical error. Liberty states that it will not affect the overall percent increase, but they do indicate that it will decrease the base distribution revenues by \$7,804 (\$47,150,711-

¹ The July 20 filing notes that the D-11 customer charge is corrected to \$14.74. This revised customer charge of \$14.74 matches the June 26 filing as approved by Order No. 26,855.

\$47,142,907). The Department is not able to verify how an increased customer charge would result in a decrease to base distribution revenues.

To summarize, in Order 26,855 the Commission approved the temporary rates presented at the hearing on temporary rates and in Liberty's supplemental schedules filed on June 26, 2023, which did not include any of the aforementioned changes. The Commission also ordered Liberty to submit properly annotated revised tariff pages consistent with Order 26,855. It is the Department's position that Liberty's July 14 tariff filings are not consistent with Order 26,855 because they include several changes not contemplated in that Order. The Department had not reviewed these changes in connection with temporary rates in this proceeding. The Department is concerned by these post-order revisions made by Liberty without prior notice to the docket parties or the Commission and encourages the Commission to consider these issues when deciding whether to approve the proposed tariff with these changes included. Based on the above concerns, the Department recommends the total net distribution rates as agreed to in the settlement, presented in the June 26 filing, and approved by Order No. 26,855.

Sincerely,

A handwritten signature in cursive script that reads "Matthew C. Young".

Matthew C. Young
Hearings Examiner/Staff Attorney

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A A A

Service List - Docket Related

Docket# : 23-039

Printed: 8/3/2023

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