THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 16-277

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

Calendar Year 2015 Reliability Enhancement and Vegetation Management Plan Results and Reconciliation

SUPPLEMENTAL ORDER OF NOTICE[1]

On March 15, 2016, 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 2015. With its report, Liberty also filed proposed tariff pages with supporting testimony and related exhibits. 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). The settlement agreement provides that, on an annual basis, prior to the commencement of a calendar year, Liberty will supply a proposed REP and VMP operation and maintenance ("O&M") budget to Commission Staff that assumes spending for the next calendar year. The settlement agreement sets the annual base amount of $1,360,000 in rates for REP/VMP O&M, but Liberty may spend more or less on O&M in any calendar year, and reconcile any differences in the subsequent calendar year when it files the REP/VMP annual report, subject to Commission approval.

On March 30, 2016, Liberty submitted a Technical Statement which updated and corrected the filing made on March 15, 2016. The original and updated filings contain (1) a

[1] In Order No. 25,876 (March 31, 2016), the Commission suspended Liberty's proposed tariffs, scheduled a hearing for April 20, 2016, and required Liberty to publish said Order. Liberty neglected to publish the Order as directed, necessitating cancellation of the April 20 hearing and the issuance of this Supplemental Order of Notice.

report on the actual spending on REP/VMP O&M and REP capital investment for 2015, including explanations of the differences between the actual amounts and the budgeted amounts reviewed by Commission Staff, (2) a request to recover from customers $346,184, the incremental O&M spending over the base amount of $1,360,000, for program years 2014 and 2015, (3) a request to recover $204,854 of revenue associated with a total of $1,321,456 in capital investments for program years 2014 and 2015, and (4) a summary of reliability performance for calendar year 2015.

Liberty asserts that the proposed 2015 O&M budgets include $288,115 that Liberty would bill to FairPoint pursuant to a September 30, 2007, memorandum of understanding ("MOU") between the two companies. As of the date of the filing and update, FairPoint had not paid Liberty for sums owed for 2015, 2014, or 2013. Liberty says that it is pursuing payment from FairPoint consistent with the process set forth in the MOU. Liberty excludes the amounts owed by FairPoint from the amount it is requesting to be recovered through rates. Based on its calculation, Liberty proposes an increase to the REP/VMP adjustment factor, from a credit of $0.00017 cents per kilowatt hour (kWh) to a charge of $0.00032 cents per kWh. The primary reason for the change is increased spending on vegetation management.

In addition to the REP/VMP adjustment factor change, Liberty is requesting the recovery of the revenue requirement of $204,854 associated with capital investment of $1,321,456.

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://www.puc.nh.gov/Regulatory/Docketbk/2016/16-277.html.

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 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 a Hearing, pursuant to N. H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 South Fruit St., Suite 10, Concord, New Hampshire on May 10, 2016 at 2:00 p.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 of Notice no later than April 27, 2016, 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 May 5, 2016; 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 May 5, 2016, 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. 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 make said Objection on or before May 10, 2016.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of April, 2016.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, 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.