

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-031

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

**Calendar Year 2022 Vegetation Management Program
Reconciliation and Rate Adjustment Filing**

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On March 15, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) submitted its calendar year (CY) 2022 vegetation management program (VMP) reconciliation and rate adjustment filing, in which Liberty requested the Commission to approve a proposed VMP-related rate adjustment, effective for service rendered on and after May 1, 2023, to reconcile its CY 2022 VMP costs. The filing consisted of the combined direct testimony of Heather Green, Heather Tebbetts, and Anthony Strabone, personnel at the Company's service company affiliate, Liberty Utilities Service Corp. (Direct Testimony), as well as related attachments and proposed tariff pages. The initial filing and subsequent 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/2023/23-031.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

As noted in the Direct Testimony, a certain portion of Liberty's operations and maintenance (O&M) expenses are allocated to its VMP, which serves to maintain the safety and reliability of Liberty's electric distribution system through vegetation management activities such as trimming vegetation along power lines and tree removal. The settlement agreement that the Commission approved in Order No. 26,376 (June 30, 2020), issued in Docket No. DE 19-064, provided that:

The base rate increase agreed to in this Agreement includes an increase in the VMP spending to \$2,200,000 for 2020, which shall continue until changed in a future base rate case. The Company shall not recover any VMP expenses that exceed 10% of that amount, or in excess of \$2,420,000, through the annual reconciliation filing, or otherwise. The VMP spending shall be reconciled each year, with any under spending carried into the next program year or returned to customers, as determined by the Commission.

Docket No. DE 19-064, Hearing Exhibit 37 at Bates Page 11. Pursuant to the settlement agreement, Liberty was required to maintain a 4-year cycle of tree trimming and vegetation management. Order No. 26,376 at 9.

The Direct Testimony explained the difference between Liberty's actual O&M spending for its CY 2022 VMP and its CY 2022 budgeted expenses. According to the Direct Testimony, Liberty's actual CY 2022 VMP expenditures totaled \$3,229,291, which incorporates a Commission-approved carryover figure of unspent VMP monies of \$329,187. See Order No. 26,620 at 4-5, 8 (April 28, 2022), in Docket No. DE 22-014; see also Direct Testimony at Bates Pages 7, 10, 12-13. Furthermore, the Company is allowed to apply \$220,000 as the approved VMP overage amount. See Order No. 26,620 at 5. As stated in the Direct Testimony, the Company is thereby requesting approval of \$2,749,187 in capped VMP expenditures. Direct Testimony at Bates Pages 12-13.

To recover its CY 2022 VMP costs, Liberty has proposed a negative VMP adjustment factor rate of \$0.00002 per kilowatt hour (kWh), to be applied as a refund to all Liberty customers, to account for a prior period (May 2022-April 2023) VMP overcollection of \$18,723. *Id.* at Bates Page 18. This refund will be made during the rate period of May 1, 2023 through April 30, 2024. *Id.* This is a decrease of \$0.00003 per kWh from the \$0.00001 per kWh VMP adjustment factor rate approved in Docket No. DE 22-014. *Id.* For a Liberty Energy Service residential customer using 650 kWh

per month, the impact of this VMP-related refund would be a monthly bill decrease of 2 cents or 0.01 percent. *Id.* at Bates Page 19.

In its March 15, 2023 letter, Liberty also requested the Commission to waive New Hampshire Code of Administrative Rules, Puc 1603.05(a)(1), which requires a utility proposing revisions to less than 50 percent of an existing tariff to file the entire page on which a revision occurs, because proposed tariff pages filed now in this docket may not be accurate given the Commission's review of Liberty's other pending tariff compliance matters. Liberty maintained that a waiver pursuant to Puc 201.05 would not disrupt the orderly and efficient resolution of the matters before the Commission and would serve the public interest, in that the purpose of Puc 1603.05(a)(1) would be satisfied through an alternative method, namely that Liberty would file clean and redlined tariff revisions following the Commission's order in this docket and the resolution of the pending tariff matters.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether Liberty's VMP activities during CY 2022 were consistent with the VMP goals and parameters authorized by the Commission; whether Liberty appropriately accounted for the CY 2022 costs of its VMP; whether Liberty appropriately calculated the proposed VMP expense adjustment factor and related prior period overcollection; and whether the resulting VMP expense adjustment factor rate, if approved, would be just and reasonable, as required by RSA 374:2, 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 Liberty's request to waive the requirements of Puc 1603.05(a)(1) is GRANTED, pursuant to Puc 201.05; and it is

FURTHER ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374:2, RSA 378:5 and RSA 378:7, and the Commission's 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 April 19, 2023, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy shall file its response to Liberty's VMP reconciliation and proposed VMP-related rate adjustment on or before April 12, 2023; 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 April 7, 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 April 17, 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

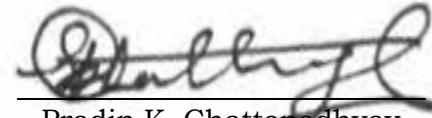
Commission on or before April 5, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

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

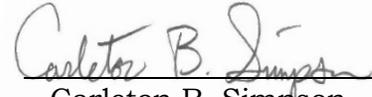
So ordered, this twenty-fourth day of March, 2023.



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#: 23-031

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