

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 26-045

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

Request for Change in Distribution Rates

**Order Suspending Proposed Tariffs and Commencing Adjudicative Proceeding,
and Notice of Prehearing Conference and Hearing**

O R D E R No. 28,254

October 23, 2026

On October 6, 2026, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) filed a petition asking the Commission to approve a permanent increase of approximately \$12.3 million in annual distribution revenues, which would result in an estimated 8.65 percent increase in the average residential customer's total monthly bill.¹ If the Commission were to suspend Liberty's proposed permanent rates tariff, Liberty requested a temporary increase in annual distribution revenues of approximately \$1.2 million, with temporary rates effective December 1, 2026, pending the Commission's decision regarding a permanent rate increase. Liberty requested that the Commission issue its order on permanent rates by October 1, 2027, for rates effective November 1, 2027.

In its petition, Liberty requested other relief, including authorization to implement three step adjustments, approval of new customer assistance programs, continuation of its Rate G-1 CPT as a pilot rate, revisions to its Vegetation Management Program (VMP), and changes to its

¹ Testimony of Jeff Faber at Bates page 396.

revenue decoupling mechanisms. Liberty also filed a motion for confidential treatment and a motion for waiver of New Hampshire Code of Administrative Rules, Puc 1603.06. All docket filings, other than any information subject to confidential treatment, are available on the Commission's website at [Docket No. DE 26-045](#).

I. BACKGROUND AND PROCEDURAL HISTORY

In Liberty's last rate case, filed in Docket No. DE 23-039, the Commission approved a settlement agreement resolving all issues regarding Liberty's requested permanent rate increase and outstanding issues in other dockets (Settlement Agreement).² Procedural Order dated March 25, 2025; Order No. 28,135 (April 24, 2025). Among other things, the Settlement Agreement provided that: (1) Liberty's return on equity would remain at 9.1 percent, *id.* at 12 (referring to Settlement Agreement, Subsection 4.1); (2) with some exceptions, Liberty's annual capital investments would be capped at \$20 million for project year 2024 and \$20 million for project year 2025, *id.* at 13 (referring to Settlement Agreement, Subsection 5.1); (3) Liberty's Vegetation Management Program (VMP) would be funded up to \$2.5 million with an additional \$500,000 per year cap for a total of \$3 million annually, *id.* at 15 (referring to Settlement Agreement, Subsections 8.1-8.3); (4) Liberty would not implement its Arrearage Management Program and Fee Free Payment Program but could propose them in its next base distribution rate case, *id.* at 16 (referring to Settlement Agreement, Subsection 10); (5) Liberty would propose a new or revised revenue decoupling mechanism in its next base distribution rate case, *id.* at 17 (referring to Settlement Agreement, Subsection 11.5); and (6) Liberty could propose step adjustments as part of its next base distribution rate case, *id.* at 17 (referring to Settlement Agreement, Subsection 12.2).

² The Settlement Agreement also resolved issues in Docket Nos. DE 22-035, DE 23-081, and DE 24-099. Order No. No. 28,135 at 5.

On August 7, 2026, Liberty filed a notice of intent to file rate schedules in the above-captioned docket. The Office of the Consumer Advocate (OCA) filed its appearance on September 1, 2026, and the New Hampshire Department of Energy (DOE) filed its appearance on October 1, 2026. Liberty submitted its petition and full rate case filing on October 6, 2026, which included the direct testimony of the following: Jeff Faber, President of Liberty (Faber Testimony); Steven Mullen, Liberty Utilities Service Corp. (LUSC) Director, Rates and Regulatory Affairs in East Region, and Felicia Midkiff, LUSC Senior Manager, Rates and Regulatory Affairs (Mullen and Midkiff Testimony); Matt Croft, Manager, Black and Veatch Corporation, and Felicia Midkiff (Croft and Midkiff Testimony); Nicole Cadek, LUSC Director, Voice of the Customer and Revenue Management (Cadek Testimony); Robert Garcia, LUSC Senior Manager, Rates and Regulatory Affairs (Garcia Testimony); and Heather Green, LUSC Manager of Vegetation Management, and J. M. Sparkman, Jr., a consultant with Arbormetrics Solutions, LLC (Green and Sparkman Testimony).

Liberty requested that the Commission waive its compliance with Puc 1603.06, which requires utilities proposing revisions to an existing tariff to file an original of the proposed tariff pages showing requested changes and a redlined version of the current tariff pages. *See* N.H. Admin. R., Puc 1603.06(a)-(b). It proposed filing illustrative tariff pages with updated temporary rate schedules prior to any hearing, maintaining that this would satisfy the purpose of Puc 1603.06 by giving notice of the proposed tariff revisions, and it would provide the Commission with more accurate information. No objections to Liberty's motion to waive Puc 1603.06 were filed.

Liberty requested the following relief in this docket:

A. Proposed Permanent Rate Increase

Liberty calculated a revenue deficiency of \$12,312,620 based on a historical test year ending December 31, 2025 and a rate base of \$227,438,728. Mullen and Midkiff Testimony at Bates page 451. It stated that its requested permanent rate increase of approximately \$12.3 million is required in large part by capital investments placed in service in 2023 to 2025, as well as increased operation and maintenance costs. Faber Testimony at Bates pages 392, 396. Liberty maintained that, based on the test year ending December 31, 2025, it earned less than the rate of return that the Commission authorized in Docket No. DE 23-039. Croft and Midkiff Testimony at Bates pages 412-413.³ Increasing Liberty's permanent rates to recover this deficiency would result in a 22.40 percent increase in distribution revenues, or a 9.80 percent increase in total operating revenues. *Id.*

B. Proposed Temporary Rate Increase

Until permanent rates become effective, Liberty requested a temporary rate increase that would generate an additional \$1,241,708 in annual gross distribution revenue, effective December 1, 2026. Croft and Midkiff Testimony at Bates page 413. If approved, the average residential customer using 650 kilowatt hours per month would see a monthly bill increase of \$1.61 or 0.87 percent. *Id.* at Bates pages 415-416. The additional \$1,241,708 would constitute a 2.3 percent increase in distribution revenues. *Id.* at Bates page 413.

C. Other Relief

In addition, Liberty requested other relief, including:

1. Step Adjustments

³ According to the Croft and Midkiff Testimony, Liberty earned a return of 7.26 percent on rate base during the test year ending December 31, 2025, which is less than the allowed rate of return it calculated using the 9.1 percent return on equity that the Commission authorized in Docket No. DE 23-039. Croft and Midkiff Testimony at Bates pages 412-13, 416. Croft and Midkiff testified on Bates page 412 that the authorized rate of return was 7.71 percent but stated on Bates pages 413 and 416 that it was 7.66 percent. The Mullen and Midkiff Testimony averred that the rate of return Liberty earned during the test year ending December 31, 2025 was 7.61 percent. Mullen and Midkiff Testimony at Bates page 453.

The Company proposed three step adjustments to recover investments in projects that will be completed and placed in service in 2026, 2027, and 2028. Mullen and Midkiff Testimony at Bates pages 451-452, 462. These step adjustments would take effect on October 1, 2027, October 1, 2028, and October 1, 2029, respectively. *Id.* at 451. The increase in revenues to be recovered by each step adjustment will be calculated according to the formula discussed in the Mullen and Midkiff Testimony at Bates page 452.

2. Implementation of New Customer Programs

The Company proposed offering two new customer programs: an Arrearage Management Program (AMP) and a Fee-Free Payment Program. The AMP would provide eligible low-income residential customers in arrears with arrearage forgiveness of \$100 per month for each timely payment, up to \$1200 per year, unless the remaining arrearage balance is less than \$100. Cadek Testimony at Bates page 633. To eliminate transaction or convenience fees and to support timely payments, Liberty proposed implementing a Fee-Free Payment Program consisting of a fee-free credit card, debit card, and electronic check payment option that would be available to both residential and non-residential customers. *Id.* at Bates pages 639, 642.

3. Changes to Tariff

Liberty proposed changes to its tariff that would affect the funding of its VMP, calculation of its Revenue Decoupling Adjustment Factor (RDAF), a rate adjustment mechanism, and its line extension policy. As part of the Commission's order on temporary rates, the Company requested approval to increase the base distribution rate recovery for VMP expenses from \$2.5 million to \$3 million and to eliminate the \$500,000 cap on incremental expenses. Garcia Testimony at Bates pages 993-994; Green and Sparkman Testimony at Bates pages 1911, 1923, 1935. Liberty would be able to recover or refund the actual costs that the

VMP incurs above \$3 million. Garcia Testimony at Bates pages 993-994. Such an increase in funding would enable Liberty to implement a trim cycle aligned with the five-year trim cycle required by the DOE's administrative rules, which the Company is currently unable to do. Green and Sparkman Testimony at Bates pages 1923-1924, 1937-1938, 1940-1941.

Liberty proposed changes to its RDAF that would allow the Company to defer amounts exceeding the current 3 percent cap for refund or recovery at a later time. Garcia Testimony at Bates page 994. Further, it proposed using data assigned to the month usage occurred, or "calendarized" data, rather than billing cycle data, which combines data from two months, to calculate components of its RDAF. *Id.* at Bates pages 994-996. In addition to other revisions to its tariff, Liberty proposed modifying its line extension policies to make them more uniform. *Id.* at Bates pages 1000-1002. The Company did not request any tariff revisions to modify Rate G-1 CPT, a pilot rate approved in Docket No. DE 23-039 but proposed continuing this rate as a pilot rate until the next base distribution rate case. *Id.* at Bates page 1004.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether the plant, equipment, or capital investments made by Liberty, for which it seeks recovery through the permanent rates proposed in this docket, were prudent, used, and useful, as required by RSA 378:28; whether Liberty correctly and appropriately calculated its revenue deficiency and revenue requirement based on the test year ending December 31, 2025 and authorized return on equity; whether the temporary and permanent rates proposed by Liberty will yield a just and reasonable rate of return on the prudent cost of plant, equipment, or capital improvements used and useful in Liberty's provision of service to the public, less accrued depreciation, as required by RSA 378:27 and RSA 378:28; whether the proposed temporary and permanent rates are just and reasonable, as

required by RSA 374:2, RSA 378:5, and RSA 378:7; whether the three proposed step adjustments will result in rates that are just and reasonable, as required by RSA 374:2, RSA 378:5, and RSA 378:7; whether Liberty's proposed AMP and Fee-Free Payment Program are necessary and likely to be effective, and whether they should be ratepayer, as opposed to shareholder, expenses; whether Liberty's proposed AMP and Fee-Free Payment Program are alternative forms of regulation and, if so, whether they meet the standards for approval in New Hampshire Code of Administrative Rules Part 206 and RSA 374:3-a; and whether Liberty's proposed revisions to its tariff, including those to its VMP, RDAF, and line extension policies, are fair, equitable, and lawful, and will result in just and reasonable rates, as required by RSA 374:2, RSA 378:5, RSA 378:7, and RSA 378:28. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting the prehearing conference and 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 five (5) days prior to the prehearing conference or 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 proposed tariffs are suspended for a period not to exceed twelve (12) months, or until October 6, 2027, pursuant to RSA 378:6, I(a), pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that Liberty's Motion for Waiver of Puc 1603.06 is GRANTED: 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 378:27, RSA 378:28, RSA 374:2, RSA 378:5, RSA 378:7, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a prehearing conference, pursuant to Puc 204.07, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on November 5, 2026, at 1:00 p.m., at which each party should be prepared to address any of the issues set forth in Puc 204.07; and it is

FURTHER ORDERED, that Liberty shall circulate a Structuring Statement to the parties and file the Structuring Statement with the Commission no later than November 2, 2026;

FURTHER ORDERED, that during the prehearing conference, the Commission will consider the matters listed in Puc 204.07(f), including the establishment of a procedural schedule governing the remainder of the proceeding. Parties and potential parties are encouraged to facilitate the development of a procedural schedule by conferring prior to the prehearing conference, so that the presiding officer can address any matters on which there is disagreement during the prehearing conference; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, Liberty shall make appropriate personnel available for the parties to hold a technical session to review the filing; 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 RSA 541-A:32, Puc 204.08, and Puc 203.06, 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 October 30, 2026. 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 Puc 204.08; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before November 4, 2026; and it is

FURTHER ORDERED, that the parties may submit a stipulation containing a discovery schedule, statement of any additional issues not identified in this order of notice, and at least three dates on which they would be available for a final hearing in this matter, including how much time will be required, with a pleading complying with the Commission's administrative rules which requests that the prehearing conference and technical session be cancelled, on or before November 3, 2026. The Commission may cancel the prehearing conference and technical session upon approval of such a stipulation; 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 in accordance with the Commission's administrative rules. 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

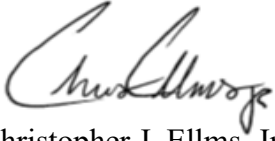
FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or www.puc.nh.gov/about-us/contact-us. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to Puc 204.04, 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 October 28, 2026. 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

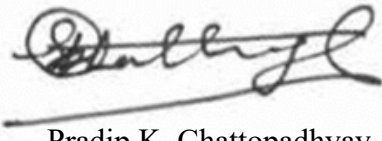
FURTHER ORDERED, that the Commission will hold a hearing on Liberty's request for temporary rates at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on November 19, 2026, at 1:00 p.m.; and it is

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

So ordered, this twenty-third day of October 2026.



Christopher J. Ellms, Jr.
Chairman



Pradip K. Chattopadhyay
Commissioner



Mark W. Dell'Orfano
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#: 26-045

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