



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARING, AND PROCEDURAL CONFERENCE

D.P.U. 18-GSEP-04

November 13, 2018

Petition of Liberty Utilities (New England Gas Company) Corp. d/b/a Liberty Utilities for Approval of its 2019 Gas System Enhancement Plan, pursuant to G.L. c. 164, § 145, for rates effective May 1, 2019.

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On October 31, 2018, Liberty Utilities (New England Gas Company) Corp. d/b/a Liberty Utilities (“Liberty” or “Company”) submitted to the Department of Public Utilities (“Department”) its 2019 gas system enhancement plan (“GSEP”) to replace aging natural gas pipeline infrastructure. The Company seeks approval to collect \$9,606,030 through the gas system enhancement adjustment factor (“GSEAF”) to recover the cost to replace eligible leak-prone infrastructure through the end of calendar year 2019. The Company states that its 2019 revenue requirement of \$7,485,983 exceeds the 1.5 percent revenue cap, and it seeks a waiver of the cap for 2019. The Company also seeks a waiver of the revenue cap for 2020. The Department has docketed this matter as D.P.U. 18-GSEP-04.

Additionally, Liberty has proposed a method for the recovery of the allowance for funds used during construction (“AFUDC”) for GSEP projects. The proposed AFUDC recovery method is a three-part test jointly developed by Liberty and the other gas local distribution companies (“LDCs”). Liberty has also filed its first five-year update of the GSEP, in which it provides a summary of the progress the Company has made to date replacing leak-prone infrastructure, a summary of the work to be completed under its GSEP for the next five years, and a discussion of GSEP issues that Liberty and the other LDCs have identified as impacting the continued effectiveness of their GSEPs.

According to the Company, its proposed 2019 GSEP is consistent with the requirements of G.L. c. 164, § 145, which allows gas distribution companies to accelerate the replacement of eligible infrastructure in order to improve public safety or infrastructure reliability and to reduce or potentially reduce lost and unaccounted for natural gas. In addition to the 2019 revenue requirement of \$7,485,983, the Company seeks to recover the deferred revenue requirement of \$2,120,046 from its 2018 GSEP filing. Thus, the Company seeks to recover a total of \$9,606,030 through the GSEAF. The Company states that

approval of the proposed GSEAFs will result in a monthly bill increase of \$13.04 or 8.55 percent for the average residential heating customer using 122 therms per month during winter months, and a monthly bill increase of \$3.15 or 7.70 percent for the average residential heating customer using 29 therms per month during summer months. Pursuant to G.L. c. 164, § 145, on May 1, 2020, the Company will submit to the Department the amount recovered through the GSEAF for reconciliation with actual 2019 calendar year GSEP costs. The Company proposes that the following rates for each customer class take effect on May 1, 2019:

Residential	\$0.1719 per therm
Low-Load Factor Commercial and Industrial (“C&I”)	\$0.1102 per therm
High-Load Factor C&I	\$0.0819 per therm

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a notice to intervene in this matter pursuant to G.L. c. 12, § 11E(a). Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a notice of intent to retain experts and consultants to assist in her investigation of the Company’s filing, and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company’s rates. Any person who desires to comment on the Attorney General’s notice of intent to retain experts and consultants in this matter may submit written comments to the Department not later than the close of business (5:00 p.m.) on **Tuesday, November 27, 2018**.

The Department will conduct a public hearing to receive comments on Liberty’s petition. The hearing will take place on **Wednesday, December 5, 2018, at 2:00 p.m.**, at the Department’s offices, One South Station, 5th Floor, Boston, Massachusetts, 02110. A procedural conference will take place immediately following the public hearing. Any person who desires to comment may do so at the time and place noted above, or submit written comments to the Department not later than the close of business (5:00 p.m.) on **Wednesday, December 5, 2018**.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on **Tuesday, November 27, 2018**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. All responses to petitions to intervene must be filed by the close of business (5:00 p.m.) on the second business day after the petition to intervene was filed.

An original and one (1) copy of all written comments or petitions to intervene must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts, 02110, not later than the close of business (5:00 p.m.) on the dates noted above. One copy of all written comments or petitions to intervene should also be sent to the Company's attorney, Matthew S. Stern, Esq., Keegan Werlin LLP, 99 High Street, Suite 2900, Boston, Massachusetts, 02110.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dpu.efiling@state.ma.us](mailto:dpu.efiling@state.ma.us) and to Kerri DeYoung Phillips, Hearing Officer, [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov) or (2) on a CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding D.P.U. 18-GSEP-04; (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "18-GSEP-04").

Copies of the Company's petition are on file at the Department's offices, One South Station, Boston, Massachusetts, 02110, for public viewing during business hours, and on the Department's website. A copy is also on file for public viewing at the office of the Company's attorney, Matthew S. Stern, Esq., Keegan Werlin LLP, 99 High Street, Suite 2900, Boston, Massachusetts, 02110. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or 617-305-3642. Any person desiring further information regarding Liberty's petition should contact counsel for the Company, Matthew S. Stern at 617-951-1400. Any person desiring further information regarding this notice should contact Kerri DeYoung Phillips, Hearing Officer, Department of Public Utilities, at 617-305-3500.

Reasonable accommodations at public or evidentiary hearings for people with disabilities are available on request. Include a description of the accommodation you will need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. Contact the Department's ADA coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or 617-305-3642.