



PARTIAL DECISION

IN THE MATTER OF an application by Liberty Utilities (Gas New Brunswick) LP for approval of its 2019 Regulatory Financial Statements, approval to change its distribution rates effective January 1, 2021, approval of an excess earnings sharing mechanism, and approval of variance accounts for income tax, pension and COVID-19.

(Matter No. 478)

December 16, 2020

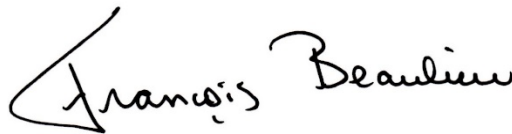
PARTIAL DECISION

- [1] This partial decision is in relation to an application by Liberty Utilities (Gas New Brunswick) LP, as represented by its general partner, Liberty Utilities (Gas New Brunswick) Corp. (Liberty).
- [2] Liberty applied to the New Brunswick Energy and Utilities Board (Board) on August 7, 2020 for approvals of its 2019 Regulatory Financial Statements, changes to its distribution rates effective January 1, 2021, an excess earnings sharing mechanism, and variance accounts for income tax, pension, and COVID-19.
- [3] This partial decision is being rendered to enable Liberty to put into effect its 2021 distribution rates in a timely fashion. The Board will issue its full decision with reasons at a later date. In the event that there is any difference between the final decision and this partial decision, the final decision shall govern.
- [4] At the commencement of the hearing, Liberty withdrew its request for a pension variance account.
- [5] With respect to the 2021 revenue requirement, the Board makes the following findings:
1. **Pension Variance Account – Accumulated Amortization:** The withdrawal of the pension variance account reduces the Amortization of Deferred Development Costs by \$211,000;
 2. **Operating and Maintenance Expenses – Computer and Telecom Services:** Transition expenses included in the 2020 forecast were erroneously included in the 2021 budget, resulting in a reduction to this expense of \$66,000;
 3. **Miscellaneous Revenues:** Liberty is directed to recalculate and file its forecast of the Late Payment Penalties and Other Interest Income revenues, using a five-year historical average; and
 4. **Income Tax Variance Account:** The request for an income tax variance account is denied. This increases the revenue requirement by \$586,309.
- [6] There are no other changes to the revenue requirement.

[7] In a Decision dated December 19, 2019 (Matter 453), Liberty was ordered to file an application in 2021, with all necessary documents for the Board to evaluate the appropriate capital structure, cost of debt, and return on equity. Liberty is directed to file that application with supporting evidence by March 31, 2021.

[8] Liberty is ordered to refile its 2021 test year budget that includes the above adjustments, cost of service study with adjustments, proof of revenue and the resulting rates. Subject to approval of these documents, the Board will issue an order, approving the distribution rates for each customer class, to be effective as of January 1, 2021.

Dated in Saint John, New Brunswick, this 16th day of December, 2020.



François Beaulieu
Acting Chairperson



Michael Costello
Member



Patrick Ervin
Member



John Patrick Herron
Member