

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 18, 2015

AT (OFFICE): NHPUC

NHPUC 18FEB'15PM2:58

FROM: Grant W. Siwinski *GWS*
Utility Analyst III

SUBJECT: DE 15-050, New England Power Company 2014 Reconciliation of Contract Termination Charge to Granite State Electric Company

TO: Commissioners
Debra A. Howland, Executive Director

On November 25, 2014, Granite State Electric Company d/b/a Liberty Utilities (Liberty or Company) filed a request for approval of retail rate adjustments related to its stranded cost charge and transmission service charge for effect with service rendered on and after January 1, 2015. In its filing, Liberty proposed to decrease its average stranded cost charge from 0.080 cents per kWh to (0.150) cents per kWh. The stranded cost charge permits Liberty to recover Contract Termination Charges (CTC) billed to it by New England Power Company (NEP)—a National Grid company—in connection with the termination of NEP's all-requirements power contracts upon the advent of retail competition. The CTC is a holdover component from National Grid's former ownership of the Company. The proposed CTC rate is an average rate; the stranded cost charge also includes class-specific adjustment factors to reflect class-specific reconciliations, where necessary. At the time of Liberty's filing, NEP had not filed a final CTC calculation for 2014.

The Commission conditionally approved Liberty's Stranded Cost Charge of (0.150) cents/kWh in DE 14-340, Order No. 25,745, dated December 30, 2014, subject to Staff's recommendation on the final CTC calculation.

NEP filed its CTC reconciliation report and calculations on February 6, 2015. Pursuant to the Commission's Order, Staff has reviewed the details supporting NEP's final proposed stranded cost charge and notes the following item. Due to the Department of Energy's (DOE) failure to remove the spent fuel stores at the former Connecticut Yankee, Maine Yankee and Yankee Atomic nuclear plants as required by the Nuclear Waste Policy Act of 1982, NEP received or will receive final payments of \$73.2 million. In 2014, \$61.4 million was received, which contributed to the overall reduction in the CTC charge. Of the remaining \$11.8 million, Maine Yankee plans to disburse its remaining \$3.9 million during 2015, and Yankee Atomic plans to continue to credit its remaining \$7.9 million by reducing ongoing decommissioning charges to NEP. Liberty's share of the proceeds is 3.0%.

Based on Staff's review of the filing, NEP's calculation of (0.150) cents/kWh for the stranded cost charge is correct. Therefore, no changes are needed and Staff recommends that the Commission close this docket.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.