

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Distribution Service Rate Case

Docket No. DE 16-383

Technical Statement of David B. Simek

March 12, 2019

A. Purpose of Technical Statement.

The purpose of this technical statement is to adjust the Company's Domestic Service Rate D rate design to a flat kWh charge effective May 1, 2019.

B. Reason for Domestic Service Rate D rate design change to a flat kWh charge.

This rate adjustment is pursuant to Section II, subsection G.1 of the Settlement Agreement in Docket No. DE 16-383, as approved in Order No. 26,005 (April 12, 2017). Under the Settlement Agreement the Domestic Service Rate D blocked kWh charge was to be phased out in equal annual steps beginning on May 1, 2017, with a flat rate being effective May 1, 2019.

For the kWh charges effective May 1, 2017, the rates were calculated using two different assumptions: (a) a flat kWh is implemented on that date; and (b) that both blocks of the kWh charges that were in effect at the time were increased by the same percentage sufficient to recover the amount of revenue remaining after the implementation of the reduced customer charge. The kWh charge for the first 250 kWh per month determined under (b) above was then increased by one-third of the difference between the calculated amount and the kWh charge calculated under (a) above. The additional revenue resulting from that increase was used to reduce the kWh charge for usage in excess of 250 kWh per month.

For kWh charges effective May 1, 2018, rates were calculated using the same methodology, except that the kWh charge for the first 250 kWh per month were increased by one-half the difference between the calculated amount in (b) above and the kWh charge calculated under (a) above.

For kWh charges effective May 1, 2019, the blocked rate design will be eliminated and a flat energy charge will become effective. The demonstration of the resulting calculation is shown in Attachment C of the Tebbetts/Strabone testimony. This adjustment, and the two described above, were previously approved by the Commission and this submittal is to demonstrate compliance with the terms of the Settlement Agreement. See Settlement Agreement at Bates 8-9; Order No. 26,005 at 8-9.