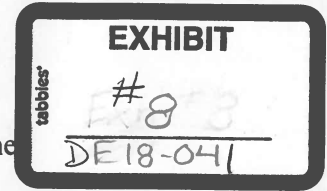


Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

DE 18-041

Energy Service Rates for the Period February 1, 2019 – July 31, 2019, for the
Large Customer Group and the Small Customer Group



Record Request

Record Request Received: 12/12/18
Request No. Record 1-1

Date of Response: 12/12/18
Respondent: David Simek

REQUEST:

Please confirm that the correct loss factors were used to calculate the requested rates and, if the correct loss factors were not used, please revise the calculation to include the proper loss factors and indicate the revised proposed rates.

RESPONSE:

The Company used the incorrect loss factors when calculating the proposed rates contained in the Company's December 10, 2018, filing, marked as Exhibits 5 and 6.

Attached are revised versions of the Technical Statement of David B. Simek, with revised schedules, labeled Bates 119R through Bates 123R, that use the correct loss factors and calculate revised proposed rates that the Company asks the Commission to approve.

Note that using the correct loss factor in calculating the rate for the Small Customer Group resulted in such a small change that it did not affect the proposed rate of \$0.08299.

Using the correct loss factor to calculate the rate for the Large Customer Group caused a slight decrease in the proposed rates.

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

Liberty Utilities (Granite State Electric) Corp.
d/b/a Liberty Utilities

Energy Service for the Period of February 1, 2019 – July 31, 2019

Docket No. DE 18-041

Revised Technical Statement of David B. Simek

December 12, 2018

A. Purpose of Technical Statement

On September 26, 2018, Liberty Utilities (Granite State Electric) Corp. (“Liberty” or “the Company”) filed its proposed timeline for the RFP for the Energy Service rate period of February 1, 2019 – July 31, 2019.

On December 4, 2018, the Company received final bids, as is discussed in John D. Warsaw’s testimony that is simultaneously being filed with this Technical Statement.

B. Rate Proposal

Liberty is proposing a fixed six-month Energy Service rate for the period of February 1, 2019 – July 31, 2019, for the Small Customer Group¹ based on a weighted average of the six monthly contract prices contained in the supply agreement with the winning Energy Service supplier for the Small Customer Group.

The Company is also proposing monthly Energy Service rates for the Large Customer Group² based on the six monthly contract prices contained in the supply agreement with the winning Energy Service supplier for the Large Customer Group.

1. RPS

The adder for RPS compliance will change effective February 1, 2019, from \$0.00557 per kWh to \$0.00290 per kWh for both the large and small customer classes. Mr. Warsaw further discusses the changes to RPS adder in his testimony.

2. Small Customer Group Total Rate

The Energy Service rate for the period of February 1, 2019 – July 31, 2019, for the Small Customer Group is \$0.08299 per kWh, as calculated on Revised Schedule DBS-2.

¹ Customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited Commercial Space Heating Rate V of the Company’s Retail Delivery Tariff.

² Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of the Company’s Retail Delivery Tariff.

3. Large Customer Group Total Rate

The Energy Service rates for the period of February 1, 2019 – July 31, 2019, for the Large Customer Group are calculated on Revised Schedule DBS-1 and are as follows:

	<u>Large Customer Group</u>					
	<u>February-19</u>	<u>March-19</u>	<u>April-19</u>	<u>May-19</u>	<u>June-19</u>	<u>July-19</u>
Base ES Rate	\$0.13775	\$0.10977	\$0.08453	\$0.07656	\$0.06340	\$0.06877
ESAF	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)
ESCRAF	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)
<u>RPS</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>
Total	\$0.12864	\$0.10066	\$0.07542	\$0.06745	\$0.05429	\$0.05966

C. Bill Impacts

As shown in Revised Schedule DBS-3, for a residential customer taking Energy Service using 650 kWh per month, the total bill impact of the proposed rate in this filing is no change to the rates effective today, leaving the total monthly bill at \$123.44.

**Large Customer Group
Rates G-1 and G-2
Illustrative Weighted Average Energy Service Rates For Comparison Purposes Only
February 2019 - July 2019**

Section 1: Percentage of Medium and Large C&I kWhs Attributable to Energy Service

1	September 2018 Medium and Large C&I Energy Service kWhs	10,154,464
2	September 2018 Total Medium and Large C&I kWhs	<u>51,608,850</u>
3	Percentage of Medium and Large C&I Energy Service kWhs to Total Medium and Large C&I kWhs	19.68%

Section 2: Projected Medium and Large C&I Default Service kWhs, February 2019 - July 2019

	February	March	April	May	June	July	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
4	Projected Total Company Medium and Large kWhs	39,007,394	40,115,796	40,269,405	44,131,276	46,002,663	52,108,033	261,634,567
5	Percentage of Medium and Large C&I Energy Service kWhs to Total Medium and Large C&I kWhs	<u>19.68%</u>	<u>19.68%</u>	<u>19.68%</u>	<u>19.68%</u>	<u>19.68%</u>	<u>19.68%</u>	
6	Projected Medium and Large C&I Energy Service kWhs	7,675,024	7,893,112	7,923,335	8,683,190	9,051,401	10,252,682	51,478,744

Section 3: Medium and Large C&I Default Service Load Weighting for February 2019 - July 2019

	February	March	April	May	June	July	Total	
7	Projected Medium and Large C&I Energy Service kWhs	7,675,024	7,893,112	7,923,335	8,683,190	9,051,401	10,252,682	51,478,744
8	Loss Factor							
9	Wholesale Contract Price (\$/MWh)							
#	Base Energy Service Rate (\$/kWh)	\$0.13775	\$0.10977	\$0.08453	\$0.07656	\$0.06340	\$0.06877	
#	Energy Service Reconciliation Adjustment Factor (\$/kWh)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	
#	Energy Service Cost Reclassification Adjustment Factor (\$/kWh)	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)	(\$0.00231)	
#	<u>Renewable Portfolio Standard Adder (\$/kWh)</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	
#	Total Estimated Medium and Large C&I Energy Service Price per kWh	\$0.12864	\$0.10066	\$0.07542	\$0.06745	\$0.05429	\$0.05966	
#	Projected Medium and Large C&I Base Default Service Cost, February 2019 - July 2019	<u>\$ 1,057,235</u>	<u>\$ 866,427</u>	<u>\$ 669,760</u>	<u>\$ 664,785</u>	<u>\$ 573,859</u>	<u>\$ 705,077</u>	<u>\$ 4,537,142</u>
#	Weighted Average Medium and Large C&I Base Default Service Charge for February 2019 - July 2019							\$ 0.08813
#	Projected Medium and Large C&I Default Service Cost, February 2019 - July 2019	<u>\$ 987,315</u>	<u>\$ 794,521</u>	<u>\$ 597,578</u>	<u>\$ 585,681</u>	<u>\$ 491,401</u>	<u>\$ 611,675</u>	<u>\$ 4,068,170</u>
#	Weighted Average Medium and Large C&I Default Service Charge for February 2019 - July 2019							\$ 0.07902

- 1 Per Monthly Energy Service Revenue Reports (Rates G-1 and G-2)
- 2 Per Monthly Total Revenue Reports (Rates G-1 and G-2)
- 3 Line (1) ÷ Line (2)
- 4 Per Company forecast for medium and large C&I rates (Rates G-1 and G-2)
- 5 Line (3)
- 6 Line (4) x Line (5)
- 7 Line (6)
- 8 Projected Wholesale Load divided by Projected Retail Load, rounded to five decimal places
- 9 Schedule JDW-2 Exhibit 6
- # Line (8) x Line (9) / 1000, truncated to five decimal places
- # Schedule JLU/DBS-5 Page 1, Line 8 (June 18, 2018 Filing)
- # Schedule JLU/DBS-6 Page 1, Line 5 (June 18, 2018 Filing)
- # Schedule JDW-2 Exhibit 11
- # Line (10) + Line (11) + Line (12) + Line (13)
- # Line (7) x Line (10)
- # Line (15) total ÷ Line (7) total, truncated after 5 decimal places
- # Line (7) x Line (14)
- # Line (17) total ÷ Line (7) total, truncated after 5 decimal places

Small Customer Group
(Rates D, D-10, G-3, M, T and V)
Based on Weighted Average Effective Energy Service Prices
February 2019 - July 2019

REDACTED
Docket No. DE 18-041
Revised Schedule DBS-2 Rates
Page 1 of 1

Section 1: Percentage of Residential and Small C&I kWhs Attributable to Energy Service

1	September 2018 Residential and Small C&I Energy Service kWhs	31,195,082
2	September 2018 Total Residential and Small C&I kWhs	<u>36,151,484</u>
3	Percentage of Residential and Small C&I Energy Service kWh to Total Residential & Small C&I kWh	86.29%

Section 2: Projected Residential and Small C&I Default Service kWhs, February 2019 - July 2019

	February	March	April	May	June	July	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
4	Projected Total Company Residential and Small C&I kWhs	31,931,786	27,785,529	27,006,638	29,956,576	36,300,392	186,054,251
5	Percentage of Residential and Small C&I Energy Service kWh to Total Residential & Small C&I kWh	<u>86.29%</u>	<u>86.29%</u>	<u>86.29%</u>	<u>86.29%</u>	<u>86.29%</u>	<u>86.29%</u>
6	Projected Residential and Small C&I Energy Service kWhs	28,538,944	27,553,909	23,976,107	23,304,003	25,849,502	31,323,575
							160,546,040

Section 3: Residential and Small C&I Default Service Load Weighting for February 2019 - July 2019

	February	March	April	May	June	July	Total
7	Projected Residential and Small C&I Energy Service kWhs	28,538,944	27,553,909	23,976,107	23,304,003	25,849,502	31,323,575
8	Loss Factor						
9	Wholesale Contract Price (\$/MWh)						
10	Base Residential and Small C&I Energy Service Rate (\$/kWh)	\$0.13317	\$0.10635	\$0.08235	\$0.07484	\$0.07008	\$0.07518
11	Energy Service Reconciliation Adjustment Factor (\$/kWh)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)	(\$0.00970)
12	Energy Service Cost Reclassification Adjustment Factor (\$/kWh)	(\$0.00124)	(\$0.00124)	(\$0.00124)	(\$0.00124)	(\$0.00124)	(\$0.00124)
13	Proposed Renewable Portfolio Standard Adder (\$/kWh)	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>	<u>\$0.00290</u>
14	Total Estimated Residential and Small C&I Energy Service Price per kWh	\$0.12513	\$0.09831	\$0.07431	\$0.06680	\$0.06204	\$0.06714
15	Projected Residential and Small C&I Energy Service Base Cost, February 2019 - July 2019	<u>\$3,800.531</u>	<u>\$2,930.358</u>	<u>\$1,974.432</u>	<u>\$1,744.072</u>	<u>\$1,811.533</u>	<u>\$2,354.906</u>
16	Weighted Average Base Residential and Small C&I Energy Service Charge for February 2019 - July 2019						\$0.09103
17	Projected Residential and Small C&I Energy Service Cost, February 2019 - July 2019	<u>\$3,571.078</u>	<u>\$2,708.825</u>	<u>\$1,781.665</u>	<u>\$1,556.707</u>	<u>\$1,603.703</u>	<u>\$2,103.065</u>
18	Weighted Average Residential and Small C&I Energy Service Charge for February 2018 - July 2018						\$0.08299

- Per Monthly Energy Service Revenue Reports (Rates D, D-10, G-3, M,T,V)
- Per Monthly Total Revenue Reports (Rates D, D-10, G-3, M, T, V)
- Line (1) ÷ Line (2)
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Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Bill Calculation

Usage	650	kWh	Current Rates	February 1, 2019 Proposed Rates	Current Bill	February 1, 2019 Proposed Bill
Customer Charge			\$14.02	\$14.02	\$14.02	\$14.02
Distribution Charge						
1st 250 kWh			\$0.04299	\$0.04299	\$10.75	\$10.75
excess of 250 kWh			\$0.04883	\$0.04883	\$19.53	\$19.53
Storm Recovery Adjustment			\$0.00000	\$0.00000	\$0.00	\$0.00
Transmission Charge			\$0.03460	\$0.03460	\$22.49	\$22.49
Stranded Cost Charge			(\$0.00095)	(\$0.00095)	(\$0.62)	(\$0.62)
System Benefits Charge			\$0.00457	\$0.00457	\$2.97	\$2.97
Electricity Consumption Tax			\$0.00055	\$0.00055	<u>\$0.36</u>	<u>\$0.36</u>
Subtotal Retail Delivery Services					\$69.50	\$69.50
Energy Service Charge			\$0.08299	\$0.08299	<u>\$53.94</u>	<u>\$53.94</u>
				Total Bill	\$123.44	\$123.44
						\$0.00
						0.00%