

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: April 16, 2021
AT (OFFICE): NHPUC

FROM: Jay E. Dudley, Utilities Analyst *RC*

SUBJECT: DE 21-011 New England Power Company 2020 Reconciliation of Contract Termination Charge to Granite State Electric Company

TO: Commissioners
Debra A. Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
David Wiesner, Director, Legal Division
Mary Schwarzer, Staff Attorney

Description of Proposed Contract Termination Charge Adjustment

On January 29, 2021, New England Power Company d/b/a National Grid (NEP) filed its annual report of Reconciliation of Contract Termination Charge (CTC) to Liberty Utilities (Granite State Electric) Corp d/b/a Liberty (Liberty or Company) for 2020 (the Report). The Report affirms amounts charged by NEP to Liberty for the period beginning October 1, 2019 and ending September 30, 2020, and provides the basis for stranded cost and transmission service charges to be included in Liberty's 2021 retail rates, which are expected to go into effect on or about May 1, 2021.¹ The Stranded Cost Charge permits Liberty to recover Contract Termination Charges billed to it by NEP in connection with the termination of NEP's all-requirements power contracts that occurred upon the advent of retail competition. The CTC is a holdover component from National Grid's former ownership of the Company.

In its report, NEP stated that the CTC rate for calendar year 2021 will be a credit of 0.08 cents per kWh, increasing the credit amount reported in NEP's prior CTC Reconciliation Report of 2019 of 0.07 cents per kWh by 0.01 cents per kWh. Staff reviewed NEP's calculation of the 2021 rate, which was computed based on a projected credit to Liberty of \$836,000 applied to estimated deliveries of 1,092,702 megawatt hours (MWh). At Staff's request, NEP provided a copy of the Excel spreadsheet used to prepare the Report. That spreadsheet enabled Staff to review and confirm calculations that support the 2021 CTC rate, including the amount of all charges and credits that make up the total amount of the credit and the conversion of the total into a kWh rate.

¹ On March 24, 2021, Liberty filed its petition for Annual Retail Rates in Docket DE 21-063.

Staff's Recommendation

Staff reviewed each section of the report, including the narrative, schedules, the attachment, and the spreadsheet. Staff has confirmed that amounts described in the narrative agreed with those in the schedules and attachment, computed amounts in the schedules and attachment were calculated correctly, and amounts in the summary tied back to amounts in the supporting detail of the schedules and attachment.

Based on its review, it is Staff's opinion that the 2021 CTC rate, a credit of 0.08 cents per kWh, was properly determined and that the Commission close this docket.

Service List - Docket Related

Docket#: 21-011

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