

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

Docket No. DE 22-024

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service for the Period February 1, 2023 – April 30, 2023, for the Large Customer Group

DIRECT TESTIMONY

OF

ERICA L. MENARD

AND

JAMES M. KING

January 6, 2023



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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Ms. Menard, please state your full name and business address.**

3 A. My name is Erica L. Menard. My business address is 15 Buttrick Road, Londonderry,
4 New Hampshire.

5 **Q. Please state by whom you are employed.**

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Senior Director of
7 Rates and Regulatory Affairs. LUSC provides local utility management, shared services,
8 and support to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or
9 “the Company”) and the other regulated water, wastewater, natural gas, and electric
10 utilities commonly owned and operated by Liberty Utilities as affiliates of the Company.
11 In my position I am responsible for providing rate-related services to the Company.

12 **Q. Please describe your professional and educational background.**

13 A. I joined LUSC in March 2022. Prior to joining LUSC, I held various positions at
14 Eversource Energy from 2003 to 2022 with my last position being the Manager of
15 Revenue Requirements for New Hampshire responsible for the rate and regulatory filings
16 presented to the New Hampshire Commission. I also held various positions at
17 Eversource responsible for financial planning and analysis of operational and capital
18 expenditures, business planning functions, sales forecasting, and performance
19 management. Prior to my employment at Eversource, I was employed by ICF Consulting
20 in Fairfax, Virginia, from 1997 to 2003 with responsibilities for implementing load
21 profiling and load settlement software for various utilities worldwide. I hold a Bachelor

1 of Arts in Economics and Business Administration from the University of Maine and a
2 Master of Business Administration from the University of New Hampshire.

3 **Q. Have you previously testified before the New Hampshire Public Utilities**
4 **Commission (“Commission”)?**

5 A. Yes, I have testified on numerous occasions before the Commission.

6 **Q. Mr. King, please state your full name and business address.**

7 A. My name is James M. King. My business address is 15 Buttrick Road, Londonderry,
8 New Hampshire.

9 **Q. Please state by whom you are employed.**

10 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as an Analyst II, Rates and
11 Regulatory Affairs. LUSC provides local utility management, shared services, and
12 support to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or “the
13 Company”) and the other regulated water, wastewater, natural gas, and electric utilities
14 commonly owned and operated by Liberty Utilities as affiliates of the Company. In my
15 position I am responsible for providing rate-related services to the Company.

16 **Q. Please describe your professional and educational background.**

17 A. I joined Liberty in September 2022. Prior to joining Liberty, I was employed by the
18 Massachusetts Department of Public Utilities from 2014 through 2022. I held positions
19 as an Economist III and Economist II in the Rates and Revenue Requirements Division
20 responsible for review and analysis of base distribution rate cases, as well as other rate
21 reconciliation mechanisms presented to the Department from Massachusetts’ gas,

1 electric, and water companies. I graduated from Franklin and Marshall College with a
2 Bachelor of Social Science in Government and Economics.

3 **Q. Have you previously testified in regulatory proceedings before the Commission?**

4 A. No, I have not testified before this Commission.

5 **II. OVERVIEW**

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of our testimony is to describe the proposed rates and seek the necessary
8 approvals to set a monthly Energy Service (“ES”) rate for the Large Customer Group
9 applicable for the period February 1, 2023, through April 30, 2023, for Liberty’s
10 customers who take service under the ES rate.

11 **Q. Why is the Company only proposing a monthly rate for the Large Customer Group
12 for the period February 1, 2023, to April 30, 2023, for approval at this time?**

13 A. As discussed in Mr. Warshaw’s testimony, the Company did not receive an acceptable
14 bid for the first or second solicitations and therefore will be self-supplying default service
15 load for the Large Customer Group for the February 1, 2023, to April 30, 2023, period.
16 The rates proposed are Liberty’s forecasted monthly rates for this time period.

17 **Q. What rates do you propose for the Large Customer Group?**

18 A. The proposed rates are shown in Tables 1 through 3 below:

Table 1
G-1 and G-2 Rates Effective February 1, 2023

<u>February</u>	<u>March</u>	<u>April</u>
\$0.44241	\$ 0.23419	\$0.17952

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As discussed in Mr. Warshaw’s testimony, February, March, and April 2023 G-1 and G-2 rates are the result of Liberty’s forecast of the cost of self-supplying default energy service from the ISO-NE market. EV-L and EV-M TOU rates are set using the approved cost allocation method as approved in Docket No. DE 20-170, Order No. 26,604 (April 7, 2022), for the six-month procurement period.

Table 2
EV-L Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
Winter (Feb 2023-Apr 2023)	\$ 0.22597	\$ 0.18224	\$ 0.17569
Summer (May 2023- Jul 2023)	\$ 0.75104	\$ 0.18748	\$ 0.14634

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Table 3
EV-M Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
Winter (Feb 2023-Apr 2023)	\$ 0.22585	\$ 0.18194	\$ 0.17586
Summer (May 2023- Jul 2023)	\$ 0.74783	\$ 0.18414	\$ 0.14499

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9 **Q. Have you provided workpapers that show your calculations?**

10 A. Yes, please see Attachment ELM/JMK-1 for the support for the non-time-of use rate

11 calculations. Attachment ELM/JMK-2 contains the support for the EV-L (page 1) and

1 EV-M (page 2) time-of-use rates. The company can provide the live Excel models
2 supporting the time-of-use rate models separately.

3 Attachment ELM/JMK-1 provides the calculation of the February 1, 2023, through April
4 30, 2023, monthly ES rates for the Large Customer class including the (i) the forecasted
5 cost of Energy Service; (ii) the forecasted cost of RPS compliance; and (iii) prior period
6 reconciliations for ES and RPS, including the cost of administrative and general expense,
7 bad debt expense, and cash working capital expense associated with the ES offering. The
8 monthly rates for the three-month period are calculated on Line 17.

9 **Q. Please explain how the Time of Use rates are calculated.**

10 A. The EV-L and EV-M TOU rates are calculated using approved methodology in Docket
11 No. DE 20-170. These calculations take the usage during each hour of the year to
12 determine allocation of the resulting costs to serve customers during the procurement
13 period. The allocation of those costs is broken down into three periods: critical peak, mid
14 peak, and off peak.

15 **Q. Is Liberty proposing any changes to the annual reconciliation of costs to serve the
16 Large Customer group?**

17 A. Yes. Currently, the Energy Service Reconciliation Adjustment Factor is the same for both
18 the large and small customer groups. Liberty is proposing to modify the Energy Service
19 Reconciliation Adjustment Factor to reconcile the actual cost of procuring Energy
20 Service with the amounts billed to customers for the service separately by customer
21 group. This would result in different Energy Service Reconciliation Adjustment Factors

1 for the large and small customer groups. This change would take effect for the annual
2 reconciliation filing for effect on August 1, 2023. There are alternative approaches to
3 reconciling this time period that the Company considered, but ultimately determined to
4 use an approach established in previous settlement agreements.

5 **Q. Has the Company provided updated tariff pages as part of this filing?**

6 A. Yes, updated tariff pages have been provided as Attachment ELM/JMK-3.

7 **Q. Does Liberty require Commission approval of this rate by a specific date?**

8 A. Yes, Liberty is seeking approval of the proposed February 1, 2023, through April 30,
9 2023, monthly Large Customer Group ES rates by January 13, 2023.

10 **Q. Does this conclude your testimony?**

11 A. Yes, it does.