

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

Docket No. DE 22-024

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

2022 Default Service Solicitations

Technical Statement of John D. Warshaw

February 24, 2023

**A. Purpose of Technical Statement**

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty, (“the Company” or “Liberty”) files this technical statement in support of its request for Commission approval of revised Energy Service Rates for the Large Customer Group for the remainder of the Block A period, from March 1, 2023, through April 30, 2023. Liberty is proposing new rates due to the recent and dramatic drop in market prices.

This technical statement explains the Company’s projection of the power supply costs for the Large Customer Group for the period March 1 through April 30, 2023, which Liberty has used to develop the proposed retail rates in Mr. King’s technical statement.

**B. Background**

As outlined in Order No. 26,758 (Jan. 13, 2023), Liberty did not receive any acceptable bids for the Large Customer Group, Block A, which covers the three months from February 1 through April 30, 2023. In the absence of an acceptable bid, the Commission authorized Liberty to acquire the energy and related services directly from ISO New England.<sup>1</sup> Liberty proposed rates for each of the three months, as is the norm for the Large Customer Group, with the expectation that the actual revenues Liberty received from customers under those rates would be reconciled to Liberty’s actual costs of acquiring service from the ISO after the closes of the three-month period.

In recent weeks, however, the market price for electricity has decreased significantly. This has resulted in a large disparity between what the Company expects to collect from these large customers under the approved rate and what the Company has paid for the energy and related services at the ISO. Liberty estimates that for the month of February 2023 Liberty expects to collect almost \$3.5 million from those commercial customers taking Energy Service but will pay less than \$0.7 million for that service from the ISO. See Attachment JDW-1 for the worksheet containing those estimated costs and revenues.

To lessen the magnitude of over-collections during the remainder of the Block A period, the Company now proposes lower Energy Service Rates based on current market projections, as described in this technical statement.

<sup>1</sup> Liberty has been successfully providing energy service to these commercial customers since February 1, as ordered.

### C. Proposed Power Supply Costs

In the January 6, 2023, filing that supported the rates currently in effect, Liberty used as a proxy cost for the Large Customer Group those costs for the three months of February, March, and April that were approved for the Small Customer Group for that same period. Order No. 26,752 (Dec. 22, 2022). The Commission found that those costs best reflected the market for the February through April period and approved the proposed rates. Order No. 26,758 (Jan. 13, 2023).

The market has changed substantially since the projections relied on in December and January as referenced in the two Commission orders cited above. The actual power costs in February have been far less than what was projected, and current forecasts indicate the power supply costs will remain relatively low through March and April.

To estimate power supply costs for March and April 2023 on which the Company could propose revised Energy Service Rates for the Large Customer Group, the Company looked at the NYMEX monthly forward pricing for energy costs and the estimated costs the Company has incurred from ISO New England for capacity and ancillary services in February 2023. See Attachment JDW-2 for the worksheet showing how the Company developed the estimates.

The calculation of the proposed retail rates, which are based on this power supply cost projection, are found on Attachment JMK-1 to Mr. King's technical statement filed this date.