

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

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

Energy Service for the Period of August 1, 2022 – January 31, 2023

Docket No. DE 22-024

Technical Statement of Heather M. Tebbetts and Adam M. Hall

June 13, 2022

A. Purpose of Technical Statement

On May 1, 2022, Liberty Utilities (Granite State Electric) Corp. (“Liberty” or “the Company”) issued its RFP for the Energy Service rate period of August 1, 2022 – January 31, 2023.

On June 7, 2022, the Company received final bids, as discussed in John D. Warshaw’s testimony that is being filed simultaneously with this Technical Statement.

The purpose of this technical statement is to calculate the final Energy Service rates that the Company asks the Commission to approve in this docket.

The attachments listed below provide the reconciliation of the prior period August 1, 2021, through July 31, 2022, along with the calculation of the rates for the period August 1, 2022, through January 31, 2023. Attachments HMT/AMH-3 through HMT/AMH-6 are updated from the Company’s preliminary reconciliation filing on May 13, 2022, to reflect actual costs through May 2022.

- Attachment HMT/AMH-1 – Energy Service Rates Summary Large Customer Group
- Attachment HMT/AMH-2 – Energy Service Rates Summary Small Customer Group
- Attachment HMT/AMH-3 – Energy Service Reconciliation
- Attachment HMT/AMH-4 – RPS Reconciliation
- Attachment HMT/AMH-5 – Energy Service Reconciliation Adjustment Factor
- Attachment HMT/AMH-6 – Energy Service Cost Reconciliation Adjustment Factor
- Attachment HMT/AMH-7 – Residential Bill Impact
- Attachment HMT/AMH-8 – Redline and Clean Tariff Pages

B. Electricity Market Volatility

The energy market is extremely volatile at this time. There were fewer bidders in this solicitation than in previous solicitations. ISO New England NYMEX futures for electricity range from approximately \$125/MWh in August 2022 and soar to over \$250/MWh in the winter, and natural gas NYMEX Henry Hub futures for that same period range from about \$8/MMBtu to over \$30/MMBtu.

In comparison, in August 2021 the ISO New England NYMEX futures started below

\$50/MWh and peaked at less than \$90/MWh in January 2022. The natural gas NYMEX Henry Hub futures for that same period went from about \$3/MMBtu to about \$10/MMBtu. Mr. Warshaw provides further discussion about the markets in his testimony.

C. Rate Proposal

Consistent with past practice, Liberty is proposing a fixed six-month Energy Service rate for the period of August 1, 2022 – January 31, 2023, 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 two three-month contract prices contained in the supply agreement with the winning Energy Service supplier for the Large Customer Group.

1. Renewable Portfolio Standard (“RPS”)

On Attachment HMT/AMH-4, the Company presents the actual reconciliation of RPS compliance adder revenue and expense by month. The Company has an over-collection of \$810,364. The adder for RPS compliance will be an increase from \$0.00684 per kWh to \$0.00781 per kWh, or \$0.00097 per kWh for the six-month period beginning August 1, 2022. Mr. Warshaw further discusses the RPS adder in his testimony.

2. Small Customer Group Total Rate

The Energy Service rate for the period of August 1, 2022 – January 31, 2023, for the Small Customer Group is \$0.22227 per kWh, as calculated on Attachment HMT/AMH-2. For customers taking service under Rates EV and D-11 Battery Pilot, the critical peak rate is \$0.21739 per kWh, the mid-peak rate is \$0.10376 per kWh, and the off-peak rate is \$0.06192 per kWh.

<u>Small Customer Group</u>	
Base Rate (\$/kWh)	\$0.21290
ESRAF (\$/kWh)	\$0.00096
ESCRAF (\$/kWh)	\$0.00061
<u>RPS Adder (\$/kWh)</u>	<u>\$0.00781</u>
Total Proposed Rate	\$0.22228

3. Large Customer Group Total Rate

The Energy Service rates for the period of August 1, 2022 – January 31, 2023, for the Large Customer Group are calculated on Attachment HMT/AMH-1 and are as follows:

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.

	<u>Large Customer Group</u>					
<u>(\$/kWh)</u>	<u>August-22</u>	<u>September-22</u>	<u>October-22</u>	<u>November-22</u>	<u>December-22</u>	<u>January-22</u>
Base ES Rate	\$0.17460	\$0.14954	\$0.14007	\$0.18737	\$0.33227	\$0.40113
ESAF	\$0.00095	\$0.00095	\$0.00095	\$0.00095	\$0.00095	\$0.00095
ESCRAF	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250
RPS	\$0.00781	\$0.00781	\$0.00781	\$0.00781	\$0.00781	\$0.00781
Total	\$0.18586	\$0.16080	\$0.15133	\$0.19863	\$0.34353	\$0.41239

D. Bill Impacts

As shown in Attachment HMT/AMH-7, Page 1, for a residential customer taking Energy Service and using 650 kWh per month, the total bill impact of the proposed rate in this filing, as compared to rates effective today, is a bill increase of \$72.21 per month, or 46.67 percent, from \$154.71 to \$226.92.

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