

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

DE 23-008

New England Power Company d/b/a National Grid - 2022 CTC Reconciliation Report

Technical Statement of Scott T. Balise  
Department of Energy, Division of Regulatory Support

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On January 30, 2023, New England Power Company d/b/a National Grid (NEP) filed its annual report (the Report) on its Reconciliation of Contract Termination Charge to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) for the period of October 2021 through September 2022.

The Report affirms amounts charged by NEP to Liberty for the period beginning October 1, 2021, and ending September 30, 2022, and provides the basis for stranded cost and transmission service charges to be included in Liberty's 2023 retail rates, which are expected to go into effect on or about May 1, 2023. The Stranded Cost Charge permits Liberty to recover Contract Termination Charges (CTCs) billed to it by NEP in connection with the termination of NEP's all-requirements power contracts that occurred upon the introduction of retail competition.<sup>1</sup> The CTC is effectively a holdover component from National Grid's former ownership of Liberty.

In its report, NEP stated that the CTC rate for calendar year 2023 will be a credit of 0.04 cents per kWh. This credit amount is lower than the previous credit amount reported in NEP's prior CTC Reconciliation Report of 2021 of 0.05 cents per kWh, effectively resulting in a net year-to-year rate increase for Liberty of 0.01 cents per kWh. NEP attributed the lower credit amount to a decline in actual deliveries for January through September of 2022 by 146,762 MWh. The New Hampshire Department of Energy (DOE) reviewed NEP's calculation of the 2023 rate, which was computed based on a projected credit to Liberty of approximately \$500,000 applied to estimated deliveries of 1,132,394 megawatt hours (MWh). At the DOE's request, NEP provided a copy of the Excel spreadsheet used to prepare the Report. Because the spreadsheet contained the live formulas used to calculate the 2023 CTC rate, it enabled the DOE to review and confirm those calculations 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. The CTC formula, which is embodied in the Excel spreadsheet provided by NEP, was designed to reconcile costs and revenues and was approved in the Settlements for NEP's all-requirements contract with

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<sup>1</sup> See Docket No. DR 98-012.

Granite State Electric, by the Federal Energy Regulatory Commission (FERC) in Docket Nos. ER98-2023-000 and ER98-3925-000, and by the NH Public Utilities Commission (PUC or Commission) in Docket No. DR 98-012; as well as a related USGenNE CTC Settlement approved by FERC in 2005.<sup>2</sup>

### **DOE's Analysis and Recommendation**

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

Based on this review, it is the DOE's opinion that the 2023 CTC rate, a credit of 0.04 cents per kWh, was properly determined by NEP and no further action by the Commission is required.

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<sup>2</sup> See the Report, Reconciliation of Contract Termination Charge to Granite State Electric Company at 1-4.