

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

Docket No. DE 23-044

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

2023 Default Service Solicitations

Technical Statement of Tyler Culbertson and James M. King

June 23, 2023

**A. Purpose of Technical Statement and Background**

On May 1, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty, (“the Company” or “Liberty”) issued its RFP for the Energy Service rate period of August 1, 2023 – January 31, 2024.

On June 20, 2023, the Company received final bids, as is discussed in John D. Warshaw’s testimony that is simultaneously being filed with this Technical Statement.

Liberty is also filing this technical statement in support of its request for approval to recover \$864,640 for the 25,033 Class III RECs that the Company purchased in 2020 but has been unable to use due to a reduction in the Class III obligation made after Liberty purchased these RECs and due to the limits on the number of banked RECs that can be used in future proceedings.

Specifically, and as more fully described in the January 31, 2022, Supplemental Direct Testimony of John D. Warshaw in Docket No. DE 21-087, Liberty purchased Class III RECs in July 2020 to meet its 2020 Class III obligations. In April 2021, after that purchase, the Commission reduced the 2020 Class III obligation from 8% to 2% of 2020 Energy Service retail sales. Subsequently, the NH DOE reduced the 2021 Class III obligation from 8% to 1% of 2021 Energy Service retail sales, and DOE reduced the 2022 Class III obligation from 8% to 0.5% of 2022 Energy Service retail sales.

This resulted in 25,033 vintage 2020 Class III RECs that Liberty cannot use to meet its RPS Class III obligations. Liberty now proposes to recover the cost of these surplus RECs.

**B. Proposed ESAF**

The Company proposes to include the \$864,640 to the Energy Service Adjustment Factor as an expense, which decreases the RPS over collection component of the ESAF (see TJC/JMK-3 P1, Line No. 3) otherwise calculated in the Testimony of Tyler Culbertson and James M. King, filed in this docket on May 30, 2023.

**C. Rate Proposal**

Liberty is proposing a fixed six-month Energy Service rate for the period of August 1, 2023 –

January 31, 2024, for the Small Customer Group<sup>1</sup> 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 Group<sup>2</sup> based on the six monthly contract prices contained in the supply agreement with the winning Energy Service supplier for the Large Customer Group.

1. Renewable Portfolio Standard (“RPS”)

On Schedules TJC/JMK-3 P2-1 and P2-2, the Company presents the actual reconciliation of RPS compliance adder revenue and expense by month. The Company has an over-collection of \$796,005 for the Large Customer Group and \$2,630,121 for the Small Customer Group. The adder for RPS compliance will be an increase from \$0.00781 to \$0.00851, or (\$0.00070) per kWh for the six-month period beginning August 1, 2023. 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, 2023 – January 31, 2024, for the Small Customer Group is \$0.12242 per kWh, as calculated on Schedule TJC/JMK-2. For customers taking service under Rates EV and D-11 Battery Pilot, the critical peak rate is \$0.29624, mid-peak rate is \$0.14071, and off-peak rate is \$0.08367.

3. Large Customer Group Total Rate

The Energy Service rates for the period of August 1, 2023 – January 31, 2024, for the Large Customer Group are calculated on Schedule TJC/JMK-1 and are as follows:

	<u>Large Customer Group</u>					
	<u>August -23</u>	<u>September-23</u>	<u>October-23</u>	<u>November-23</u>	<u>December-23</u>	<u>January-24</u>
Base ES Rate	\$0.08473	\$0.06076	\$0.05725	\$0.13579	\$0.20169	\$0.23579
ESAF	(\$0.02090)	(\$0.02090)	(\$0.02090)	(\$0.02090)	(\$0.02090)	(\$0.02090)
ESCRAF	(\$0.00038)	(\$0.00038)	(\$0.00038)	(\$0.00038)	(\$0.00038)	(\$0.00038)
RPS	<u>\$0.00851</u>	<u>\$0.00851</u>	<u>\$0.00851</u>	<u>\$0.00851</u>	<u>\$0.00851</u>	<u>\$0.00851</u>
Total	\$0.07196	\$0.04799	\$0.04448	\$0.12302	\$0.18892	\$0.22302

**D. Bill Impacts**

As shown in Schedule TJC-JMK-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 decrease of \$63.47 per month, or 28.79%, from \$220.50 to \$157.03.

<sup>1</sup> 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 V of the Company’s Retail Delivery Tariff.

<sup>2</sup> 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.