

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

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

2022-2023 Revenue Decoupling Adjustment Factor – Decoupling Year 2

Docket No. DE 23-081

Technical Statement of Tyler J Culbertson & Adam R.M. Yusuf

March 20, 2024

A. Purpose of Technical Statement

Liberty Utilities (Granite State Electric) Corp. (“Liberty” or “the Company”) submits this technical statement to provide the Commission with (1) an updated Revenue Decoupling Adjustment Factor (“RDAF”) model reflecting proposed rates for effect April 1, 2024, which utilizes the adjusted billing data to account for billing delays; and (2) an explanation of changes made to the RDAF model since the Company’s initial filing made September 1, 2023 (“Initial Filing”); and (3) a comparison of the existing and proposed RDAF rates.

B. Background

On September 1, 2023, the Company submitted its Initial Filing for the July 2022 through June 2023 (“Decoupling Year 2”) reconciliation and requested that the proposed rates be approved for effect on November 1, 2023, through October 31, 2024. Per its Commencement of Adjudicative Proceeding and Notice of Prehearing Conference and Hearing (September 25, 2023), the Commission suspended Liberty’s proposal until December 1, 2023, pending further order of the Commission. A hearing was scheduled for November 8, 2023, with a technical session scheduled for October 24, 2023. Due to the depth and complexity of the requests concerning equivalent bill calculations, Liberty was unable to answer all the questions in the short time available, and the Department of Energy (“DOE”) requested to reschedule the hearing.

On November 21, 2023, the Commission further suspended the tariff until March 1, 2024. The DOE and the Company participated in a technical session on November 29, 2023, which resulted in additional data requests. The Company and DOE continued to analyze the filings through December, and additional corrections were identified. The Company submitted a revised filing on January 22, 2024 (“January Filing”), to correct minor issues found since the Initial Filing.

On February 1, 2024, the Company attended a hearing (“February Hearing”). At which, the Commission requested the Company to recalculate RDAF in a manner that would negate the impact of delayed bills during the Decoupling Year, which primarily occurred during SAP implementation, and scheduled a further hearing for March 27, 2024.

On March 1, 2024, the Company participated in a Technical Session with the DOE to discuss the results of the delayed bill adjustment and review the corrections made since the Initial

Filing.

On March 15, 2024, the Commission issued a Procedural Order cancelling the hearing scheduled for March 27, 2024.

The Company files this technical statement to present all the updated information in the methodology requested by the Commission in the February Hearing (*See* February 1, 2024, Hearing Transcript at p. 206).

C. SAP Delayed Bill Analysis

Per the Commission's request at the February Hearing, the Company recalculated RDAF using equivalent bills and revenues that were adjusted in a manner that reported those amounts in the expected billed months. The approved RDAF calculation utilizes the billed month as the month in which the associated equivalent bill and revenue are reported in the Revenue per Customer calculation. In this analysis, the Company was able to adjust for delayed bills based on resetting the bill posting date for each bill to the next business day after the meter reading date. For example, if a customer's meter reading date was October 15, but the original bill posting date was in December, that customer's equivalent bill and revenues would be moved from December to October.

During the February Hearing, Company witness James Bonner estimated that delayed bills may have resulted in a \$750,000 understatement of the Decoupling Year 2 billed revenues (*See* February 1, 2024, Hearing Transcript at p. 45). This estimate, however, did not exclude the current RDAF and Vegetation Management Program collections. The actual impact of the adjustment for delayed bills was an approximately \$10,000 decrease in total billed revenue and an approximately \$284,000 increase in the current year RDAF. A summary of the differences is provided below. The detailed figures are presented in Attachment 2, pages 4-6.

Table 1 – RDAF Delayed Bill Analysis
(\$\$\$'s in Millions)

<i>\$\$\$'s in Millions</i>	As Billed	As Adjusted
Equivalent Bill Count	545,456	546,302
Billed Revenues	\$45.26	\$45.25
RDAF – Deferred	\$2.09	\$2.37
RDAF – Allowed	<u>\$1.38</u>	<u>\$1.38</u>
RDAF – TOTAL (C. Yr.)	\$3.47	\$3.75

D. Attachment 6 - Explanation of Changes Since the Initial Filing

Attachment 6 includes a detailed walkthrough of the equivalent bill and revenue corrections made by the Company since the Initial filing. Supplemental descriptions of the Change Indicators shown in the attachment are provided below. A nearly identical schedule was provided to the DOE and OCA on February 16, 2024, and discussed with the parties in attendance at the March 1, 2024, Technical Session. The only difference is the inclusion of Change Indicators, which allows for all columns to fit in a single page.

Change Indicator A – Removed September 2022 estimates. During the SAP implementation, the Company accrued for some customers' bills during the brief cutover period between billing systems. The accrued data was included in September and the billed

month of the Initial Filing. The Company reversed these accruals to correct for the double counted equivalent bills and revenues.

Change Indicators B, C, and D – As described in the testimony of Company witness James Bonner, these minor corrections were the result of the Company incorrectly filtering pivot tables on the new SAP data (*See* February 1, 2024, Hearing Transcript at pp. 58-62).

Change Indicator E - These corrections remove the Vegetation Management Program revenues that were inadvertently included in the revenues reported in the Initial Filing.

Change Indicator D – These account for the changes associated with delayed bills analysis requested by the Commission.

E. Customer Rate Changes

Table 2 below provides a comparison of the proposed RDAF rates to the current rates.

Table 2 – Comparison of Updated Illustrative Rates to Current Rates

Rate Class	Current RDAF Rate (\$/kWh)	Proposed Rates Effective 4/1/2024-10/31/2024 (\$/kWh)	Difference	Difference %
D	\$0.00281	\$0.00255	-\$0.00026	-9.25%
D-10	\$0.00180	\$0.00233	\$0.00053	29.44%
G-1	\$0.00104	\$0.00090	-\$0.00014	-13.46%
G-2	\$0.00151	\$0.00132	-\$0.00019	-12.58%
G-3	\$0.00253	\$0.00223	-\$0.00030	-11.86%
T	\$0.00285	\$0.00263	-\$0.00022	-7.72%
V	\$0.00291	\$0.00316	\$0.00025	8.59%

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