

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 23-098

**Electric and Gas Utilities, 2024 Adjustments to the Energy Efficiency Portion of System
Benefits Charges and Local Distribution Adjustment Charges**

Technical Statement of Scott T. Balise
New Hampshire Department of Energy

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Background and Summary

Pursuant to RSA 374-F, VI-a(d)(2), on or by December 1, 2023, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty-electric); the New Hampshire Electric Cooperative, Inc. (NHEC); Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource); Unitil Energy Systems, Inc. (Unitil); Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (EnergyNorth); and Northern Utilities, Inc. (Northern), (together, the joint utilities) must file tariff changes related to the energy efficiency (EE) portion of the system benefits charge (SBC) and the local distribution adjustment charge (LDAC), for effect on January 1, 2024. On December 11, 2023, in an order *nisi*, the Commission approved the tariff change filings reflecting a 4.896 percent increase to the energy efficiency portion of the SBC and LDAC rates.

For electric residential ratepayers, the revised EE portion of the SBC rate is 0.577 cents per kWh. For gas residential ratepayers, the revised EE portion of the LDAC rate is 7.00 cents per therm for EnergyNorth and 5.45 cents per therm for Northern. For gas commercial and industrial (C&I) ratepayers, the revised EE portion of the LDAC rate for EnergyNorth is 4.66 cents per therm, and for Northern, is 2.70 cents per therm.

Energy Efficiency Inflation Adjustment Factor Calculation,

Pursuant to RSA 374-F:3, VI-a (d)(2), as amended by Senate Bill 113 (2023) (SB 113), on an ongoing basis, the New Hampshire Department of Energy (Department) prepares the inflation adjustment factor calculation for the electric and gas utilities to be used to calculate the EE portion of the SBC and LDAC. The Department obtains the monthly Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Northeast published by the US Department of Labor, Bureau of Labor Statistics. The Department then calculates a 3-year average adjustment factor using the past 3-years of annual average changes in the CPI-W using the most recently available monthly data. For this calculation, data from October 2019 through September 2023 was used. As shown in Attachment A, the Department calculated the annual average index starting from year 0 (October 2019 through September 2020 for this calculation)

through Year 3 (October 2022 through September 2023). The resulting inflation adjustment factor is 4.896 percent.

Energy Efficiency Portion of SBC and LDAC Rate Calculation

RSA 374-F:3, VI-a (d)(2), as amended by SB 113,¹ states the following:

The energy efficiency portion of the system benefits charge and local distribution adjustment charges shall adjust annually beginning January 1, 2023, and shall be calculated using the most recently available 3-year average of the consumer price index (CPI-W) as published by the Bureau of Labor Statistics of the United States Department of Labor.

As shown in Tables 1 and 2, the joint utilities appear to have applied the inflation adjustment factor appropriately in calculating the EE portion of their proposed SBC and LDAC rates as presented in their recent filings. Table 1 presents the EE portion of the 2023 SBC and the resulting 2024 EE portion of the SBC rate increased by the inflation adjustment factor of 4.896 percent for the electric utilities—Eversource, Liberty-electric, Unitil, and NHEC. Table 2 shows the EE portion of the 2023 LDAC and the EE portion of the 2024 LDAC increased by the inflation adjustment factor of 4.896 percent for the gas utilities—EnergyNorth and Northern. Per the footnote in the orders, the DOE reviewed any rounding in the calculations, and the calculation appears correct. See Attachment B for a summary of the EE portion of the SBC and LDAC for 2022-2024.

Table 1. Energy Efficiency Portion of SBC Rate for Electric Utilities

Electric Utility	EE Portion of 2023 SBC (cents/kWh)	EE Portion of 2024 SBC (cents/kWh)	Inflation Adjustment Factor (Percent Change)
Eversource	0.550	0.577	4.896
Liberty-electric			
Unitil			
NHEC			

¹ SB 113, amended the statute to remove an adder of 0.25 from this calculation.

Table 2. Energy Efficiency Portion of 2023 and 2024 LDAC Rate for Gas Utilities

Gas Utility	EE Portion of 2023 LDAC (cents/therms)	EE Portion of 2024 LDAC (cents/therms)	Inflation Adjustment Factor (Percent Change)
EnergyNorth – Residential	6.67	7.00	4.896
EnergyNorth – Commercial & Industrial	4.44	4.66	4.896
Northern – Residential	5.20	5.45	4.896
Northern – Commercial & Industrial	2.57	2.70	4.896

Conclusion

The Department calculated the inflation adjustment factor according to RSA 374-F:3, VI-a (d)(2) to be used to calculate the EE portion of the 2024 SBC and LDAC rates. The Department recommends approval of the proposed rates as the Department believes that the electric and gas utilities appropriately applied the inflation adjustment factor to calculate the EE portion of the SBC and LDAC for the rates effective January 1, 2024.