

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-061

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY

2024 Default Service Solicitations

**Hearing Examiner Report of Alexander Speidel, Esq.
Senior Advisor, New Hampshire Public Utilities Commission**

This Hearing Examiner Report is filed pursuant to my appointment, under the terms of RSA 363:17, as examiner by the Commission to hear the parties, report the facts, and make recommendations to the Commission in relation to the December 23, 2024 public hearing in the above-captioned matter. This appointment was presented in an October 15, 2024 procedural order issued by the Commission, which scheduled the hearing for December 23, and which also specified that I was to render my report by today, December 24, 2024. This filing meets that directive.

I. BACKGROUND OF PETITION AND OVERVIEW OF RATES & RATE IMPACTS

On December 19, 2024, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty) made its petition filing, pursuant to the terms of Order No. 27,058 (October 1, 2024) and predecessor Commission Orders, presenting: (1) the results of its latest Request for Proposals (RFP) requirements-contract round for energy supply for its default energy service (Default Service) customers; (2) Liberty's proxy prices, following the Commission directives in Orders Nos. 27,058 and 27,027 (June 27, 2024), for its 50-percent ISO-New England market-based procurement tranche for Small Customer Group Default Service customers, which includes residential customers taking Default Service from Liberty, and Liberty's 100-percent ISO-New England market-based procurement tranche for its Large Customer Group Default

Service customers, which includes certain commercial customers taking Default Service from Liberty, as required by Order No. 26,984 (March 29, 2024) and subsequent Commission Orders; and (3) the proposed Liberty Default Service rates, for the Small and Large Customer Groups, derived therefrom, for the upcoming February 1, 2025 to July 31, 2025 Default Service rate period.

At the December 23, 2024 public hearing in this matter, I served as presiding officer. Representatives of Liberty, the New Hampshire Department of Energy (DOE), and the Office of the Consumer Advocate (OCA) appeared. No members of the public appeared, nor were any written comments from the public filed in advance of or after the December 23 hearing. Liberty, with no objection from the DOE or the OCA, proposed that the public, redacted version of the December 19 Default Service petition filing be entered into evidence as HEARING EXHIBIT 10; and that the confidential, unredacted version of the December 19 Default Service filing, for which Liberty sought confidential treatment under the terms of N.H. Code Admin. Rules Puc 201.06 and Puc 201.07, be entered into evidence as CONFIDENTIAL HEARING EXHIBIT 9. No other party objected to Liberty's request for confidential treatment, and I entered these Exhibits into the record.

Liberty also presented the sworn oral testimony of its personnel Christopher Green, Robert Garcia, and Adam Yusuf at the December 23 hearing (Mr. Green participated remotely from Missouri pursuant to the terms of a motion filed with the Commission on October 30, 2024, which I approved from the bench as presiding officer); Liberty engaged in direct questioning of these witnesses, followed by DOE and OCA cross-examination, my questioning as Hearings Examiner, and limited re-direct questioning by Liberty's counsel. The DOE, OCA, and Liberty also presented closing statements on the record at the conclusion of the December 23 hearing.

Hearing Exhibit 9, the Confidential version of the Liberty December 19 petition filing, provides extensive technical pricing detail regarding the results of the Liberty RFP process for this round, which launched on November 1, 2024. Following this, indicative proposals from bidders were received on December 10, 2024, and Liberty selected the winning third-party supplier on December 17, 2024, and entered into a wholesale Transaction Confirmation with the winning supplier on the same day. See Hearings Exhibit 10 at Bates Pages 5-8. Liberty selected the RFP offer from Macquarie Energy, LLC (Macquarie) to serve the 50 percent of Small Customer Group load covered by a requirements contract for the upcoming Default Service rate period. Hearings Exhibit 10 at Bates Pages 7-8.

For the 100 percent of Large Customer group load to be supplied by ISO-New England market-based procurements, and the 50 percent of Small Customer Group load to be supplied by market-based procurements, Liberty applied the proxy-price methodologies specified by the Commission in Orders Nos. 27,058 and 27,027 to derive the resultant Default Service rates. Hearing Exhibit 10 at Bates Page 6.

The requirements-contract bid by Macquarie, and the market-based-procurements proxy prices, resulted in a proposed Default Service rate by Liberty for the Small Customer Group of **8.416 cents per kilowatt-hour (kWh)**. On Bates Page 79 of Hearing Exhibit 10, Liberty reveals that the the proposed Default Service rates for the Small Customer Group are being reduced from the current Default Service rate of 10.976 cents per kWh, which, for a typical residential customer using 650 kWh a month, would result in a monthly reduction in bills of \$16.64, or 10.52 percent.

For the Large Customer Group, which includes commercial customers taking Default Service from Liberty, the proposed monthly Default Service rates are as follows, as presented by Liberty in Table 4 on Bates Page 72 of Hearing Exhibit 10:

G-1 and G-2 (Large Customer Group) Default Service Energy Rates Effective**February 1, 2025 (Cents Per kWh)**

February	March	April	May	June	July
9.090	6.580	5.893	5.706	6.015	6.876

II. POSITIONS OF THE PARTIES**A. Liberty**

At the December 23 hearing, and within its petition filing materials, Liberty advocated for the Commission's approval of its Default Service rate proposal, including the RFP results and other technical methodologies embedded therein, as producing just and reasonable Default Service rates, reflective of current energy market conditions, and involving a fair and competitive RFP solicitation process.

Liberty also provided some background regarding the progress of Community Aggregation in its service territory, which results in a trend of customer migration away from Default Service. Mr. Yusuf stated that the last sizable town in its service territory certainly not yet transferred to Community Aggregation is Salem, which is expected to vote on a Community Aggregation proposal at its Town Meeting in March 2025. Mr. Yusuf also stated that Alstead and certain other small Towns in the Liberty territory have not moved toward Community Aggregation, though the status of Pelham was uncertain. (Counsel for Liberty undertook to make a filing with the Commission describing the Community Aggregation status of Pelham by the end of this week, December 27, 2024). Mr. Yusuf estimated that if Salem were to migrate away from Default Service to Community Aggregation, approximately 15 percent of its current Default Service load would remain, which would make, in Liberty's view, attracting RFP bidders difficult. Mr. Green stated that Liberty's preference, in the context of a potential future "failed" RFP auction process in 2025 or 2026, would be to abandon

the market-based procurement approach and move to full-requirements contract RFP provision for Default Service. Mr. Garcia noted that Liberty, as part of its October 2024 and current Default Service filings, presented illustrative Tariff language which reflects Liberty's current thinking on hedging of Default Service, and treatment of over- and under-collections associated with Default Service through Liberty distribution rates. Mr. Garcia said that Liberty looked forward to the March 2025 adjudication of these and other Default Service proposals by the Commission in a further phase of this proceeding, to be concluded by the issuance of a Commission Order no later than April 1, 2025.

B. DOE

The DOE recommended that the Commission approve the Liberty Default Service petition as being in conformity with the relevant review standards, and as reflective of energy market conditions. The DOE also thanked Liberty for its participation in a recent Liberty-DOE-OCA technical session regarding the Default Service filing.

C. OCA

The OCA stated that it supported Commission approval of the Liberty Default Service petition as filed. The OCA also thanked Liberty for its participation in the Technical Session referenced above.

III. HEARING EXAMINER'S RECOMMENDATIONS TO THE COMMISSION

Having reviewed the Liberty Default Service petition and supporting evidence, and having heard the positions of the parties related thereto, I RECOMMEND that the Commission approve the Liberty Default Service petition as filed, through an Order issued by the close of business on December 27, 2024. The RFP results tendered by Macquarie, though higher in price than the ISO-New England market-based procurement components by a significant margin, as is usual, were generally

satisfactory when compared to past procurements, and the resultant rates, when blended with the market-procurement proxy prices prepared by Liberty, would be just and reasonable. The Commission and the parties will have an opportunity to explore further Default Service program changes for Liberty, related to reconciliation treatments, potential expansion of the ISO-New England market-based procurement program, the Liberty hedging and other technical proposals, and the ongoing impact of Community Aggregation on Default Service for Liberty, in the upcoming March 2025 adjudication.

Hereby Submitted, December 24, 2024:

/s/ A. Speidel

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Service List - Docket Related

Docket#: 24-061

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