

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 24-061**

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

**2024 Default Service Solicitations**

**Order Approving Petition for February 1, 2025 to July 31, 2025 Rates**

**ORDER NO. 27,091**

**December 27, 2024**

This order authorizes Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company) to recover the costs of power supply through default energy service (Default Service)<sup>1</sup> rates for effect for the six-month period of February 1, 2025, to July 31, 2025. The updated Default Service rate for Liberty's Small Customer Group, which includes residential customers taking Default Service from Liberty, is 8.416 cents per kilowatt hour (kWh), which will result in a decrease in overall monthly bills for a typical residential customer using 650 kWh monthly and taking Default Service from Liberty of approximately 10.52 percent, or \$16.64, compared to current rates. This rate includes a charge of 0.880 cents per kWh for Renewable Portfolio Standard (RPS) compliance costs, unchanged from the previous Default Service rate period. The RPS costs represent approximately 10.5 percent of the power supply charges for residential customers.

The Commission also approves Liberty's market-based ISO-New England procurement tranche of 50 percent of Small Customer Group load, and 100 percent of Large Customer Group load (which includes certain commercial and industrial (C&I)

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<sup>1</sup> The customer bill for those customers that take Liberty Default Service is composed of three parts: power supply, transmission, and distribution. The Default Service rates for Default Service customers are for the power supply component only.

Default Service customers of Liberty), and associated Tariff features, as initially approved by the Commission in Orders Nos. 27,058 (October 1, 2024) and 27,027 (June 27, 2024), in this instant docket.

The Commission does not administratively set the prices offered by wholesale electricity suppliers operating in the regional ISO-New England market to Liberty for serving Liberty's Default Service load. These prices are set by the wholesale suppliers themselves, informed by the prevailing market conditions, in a competitive bidding process, where Liberty endeavors to select the least-cost supplier. The Commission does oversee this market process as part of this proceeding and approves the resultant rates under the governing statutory standards.

#### **I. BACKGROUND AND POSITIONS**

Liberty made its Default Service filing for this upcoming February-July 2025 rate period pursuant to a settlement agreement (Settlement Agreement) approved in Docket No. DE 05-126, by Order No. 24,577 (January 13, 2006); subsequently modified by a series of Commission Orders, the most recent being Orders Nos. 27,058 and 27,027. (For a full series of citations to relevant modifying Orders, see Order No. 27,027 at Page 2). Through a Commission directive established in Orders Nos. 27,058 and 27,027, Liberty incorporated a 50 percent market-based procurement tranche for the Small Customer Group, and a 100 percent market-based procurement tranche for the Large Customer Group.

This proceeding was inaugurated by the Commission's Commencement of Adjudicative Proceeding and Notice of Hearing Order on May 9, 2024. The Office of the Consumer Advocate (OCA) filed its letter of participation on April 16, 2024. On December 19, 2024, Liberty filed its petition to adjust the Default Service rates for effect on February 1, 2025, with supporting pre-filed testimony of Christopher Green,

Robert Garcia, and Adam Yusuf, all personnel with Liberty Utilities Service Corp., Liberty's service-company affiliate. See Hearing Exhibit 10.

Certain schedules included in Liberty's filings, see Confidential Hearing Exhibit 9, contain information that Liberty claims is confidential pursuant to the New Hampshire Code of Administrative Rules, Puc 201.06 and 201.07. This material includes the Company's bid evaluation and summary information, renewable energy certificate (REC) pricing, and other confidential pricing terms. The hearing for this phase of the Liberty Default Service proceeding, relating to the February-July 2025 Default Service rate period, was scheduled by the Commission in a procedural order issued on October 15, 2024, which scheduled the hearing for December 23, 2024. The Commission also appointed, as hearings examiner, Alexander Speidel, Esq., Senior Advisor to the Commission, pursuant to the terms of RSA 363:17, to hear the parties, report the facts, and make recommendations to the Commission. The hearing was held on December 23, 2024, as scheduled, where the Company, the OCA, and representatives of the New Hampshire Department of Energy (DOE) appeared, and Attorney Speidel served as presiding officer. Mr. Green, who appeared remotely from Missouri per an approved Company motion, and Messrs. Garcia and Yusuf, provided additional oral testimony in support of the Company's petition at hearing. Neither the OCA nor the DOE objected to the Company's request for confidential treatment. As ordered by the Commission in its October 15 procedural order, Attorney Speidel filed his Hearing Examiner Report with the Commission on December 24, 2024. The facts presented within that Report will be incorporated by reference in this Order.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted

on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-061.html>

Liberty's Default Service petition seeks approval of new Default Service rates for the six-month period beginning February 1, 2025, and ending July 31, 2025. Liberty partially based its filing on the results of its Request for Proposals (RFP) solicitation issued on November 1, 2024, for power supply to serve 50 percent of Company's Small Customer Group load, as required by Order No. 27,058. According to Liberty, the RFP was widely distributed, including to all members of the New England Power Pool (NEPOOL) Markets Committee and was posted on the Company's website.

The RFP requested 50 percent of the required power supply for the Company's Small Customer Group in a single tranche, given the relatively small size of this aggregated load. Hearing Exhibit 10, Bates Pages 4-8. The RFP requested that bids be prepared on an as-delivered energy basis, with prices stated monthly on a fixed dollar per megawatt-hour (MWh) basis. Liberty received indicative proposals on December 10, 2024; the winning supplier was selected on December 17, 2024; and the transaction confirmation with the winning bidder was also executed by the Company on December 17, 2024. See Hearing Examiner Report at Page 3. Liberty selected Macquarie Energy, LLC (Macquarie) as its counter-party to serve the 50 percent of Small Customer Group load covered by a requirements contract for the upcoming Default Service rate period. *Id.*

(The mechanics of the 50 percent ISO-New England market-based procurement tranche for the Small Customer Group, and the 100 percent market-based procurement tranche for the Large Customer Group, is discussed at length in Order Nos. 27,058 and 27,027, *passim*).

The Company further advised, within its petition, that it did not seek to adjust the current levels set for its reconciliation factors (ESAF and ESCRAF), and RPS-related factors, for Default Service Rates set within the Commission's most recent Default Service adjustment Order for Liberty, Order No. 27,027. Hearing Exhibit 10 at Bates Page 71. (Interested persons may see an overview of the ongoing ESAF and ESCRAF rate elements in Order No. 27,027 at Pages 5-6). However, as further discussed below, Liberty sought to present proposals, for the Commission's adjudication in March 2025, regarding the potential amortization of reconciliation balances arising from Default Service, and coverage of the Company's potential hedging costs through Default Service rates, among other proposals. Hearing Exhibit 10 at Bates Pages 75-76; Bates Page 82.

In relation to the unchanged RPS adder, the Company represented that consistent with the Settlement Agreement, Liberty added to the base energy price an amount that recovers costs that Liberty must pay for compliance with New Hampshire's RPS requirements under RSA Chapter 362-F. Liberty stated that it typically updates the RPS adder once per year, for the Default Service rates effective August 1. Liberty applied a uniform RPS adder, of 0.880 cents per kWh for both the Small and Large Customer Groups, which is unchanged from the current RPS adder, and reflected the Company's calculations relating to compliant Renewable Energy Certificates (RECs) performed this past summer. Hearing Exhibit 10 at Bates Page 71. The Company also presented its adjusted Time of Use (TOU) rates as part of its Default Service petition. Hearing Exhibit 10 at Bates Pages 72-74.

Attorney Speidel's Hearing Examiner Report provided a comprehensive summary of the positions taken by the Company, the DOE, and the OCA at hearing. Data regarding rate changes and bill-impacts for the Small Customer Group and Large

Customer Group was also presented in the Report. The Commission incorporates these findings by reference; Attorney Speidel recommended that the Commission approve the Liberty Default Service petition as filed, and stated that the Commission would have scope to consider the Company's reconciliation and hedging-related proposals, and the potential further expansion of the market-based procurement program, at the upcoming March 2025 adjudication. The Hearing Examiner Report is available here: <https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-061/ORDERS/24-061-2024-12-24-NHPUC-HEARINGS-EXAMINER-REPORT.PDF>

Of particular interest, was the Company's proposed six-month Default Service rate schedule for its C&I Default Service customers served within the Large Customer Group; these are fixed monthly rates, which vary by service month (Hearing Examiner's Report at Pages 3-4):

**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. COMMISSION ANALYSIS**

We find that Liberty's solicitation and bid evaluation procedures conform to the process approved by the Commission, as originally established in in Order No. 24,577, as modified, most recently by Orders Nos. 27,058 and 27,027 in relation to the market-based component. *See also* RSA 374-F:3, V(c).

Liberty's solicitation of bids and selection of Macquarie to provide 50 percent of the power supply for the Small Customer Group for the six-month period beginning on February 1, 2025, is appropriate and satisfies the requirement that default energy

service be procured through a competitive process that produces rates that are market based. See RSA 374-F:3, V(c).

We also find the Company's treatments for the RPS adder, TOU rates, and reconciliation factors (ESAF and ESCRAF) for the upcoming Default Service rate period are appropriate, and therefore approve them here.

The Commission again notes that although we do not have regulatory authority over power supply since New Hampshire's utilities divested themselves of their generation/power supply assets, the Commission has the ability to oversee the procurement process, to ensure robust competition and therefore help in lowering default service prices. We are struck, in particular, by the positive pricing outcomes presented by Liberty in its Default Service rate filing for the Large Customer Group C&I rates, which vary by month, resulting from the 100 percent market-based procurement and proxy-price methodologies established by the Commission, and the positive contribution made by the 50-percent market-based procurement component for the Small Customer Group (which includes residential Default Service customers) in reducing the Default Service rates for that class of customers. With Community Aggregation accelerating, and the wide ongoing pricing differential between requirements contract prices and ISO-New England prevailing market prices, as evidenced by Liberty's ongoing monthly reporting, the Commission believes that discussion of potential expansion of the Company's market-based procurement program for the Small Customer Group going forward would be warranted for the planned future (March 2025) adjudication of the Company's other Default-Service related proposals within this proceeding. We further underscore, as represented by the Company in its petition and at the December 23 hearing, that the proposed Tariff changes related to the Company's reconciliation- and hedging-related proposals were

provided for illustrative purposes, and that the Commission would actually be ruling on them in the context of the March 2025 adjudication.

**Based upon the foregoing, it is hereby**

**ORDERED**, that the power supply agreement entered into between Liberty Macquarie Energy, LLC, to provide 50 percent of the Default Service power supply requirements for the Small Customer Group for the six-month period beginning February 1, 2025, is hereby APPROVED as filed and discussed herein above; and it is

**FURTHER ORDERED**, that the Liberty market-based procurement methodologies presented in its Default Service petition for the upcoming Default Service period are hereby APPROVED; and it is

**FURTHER ORDERED**, that Liberty's request to recover the costs of the power supply agreement and market-based energy procurements through the Default Service rates proposed in this filing effective with services rendered on and after February 1, 2025, through July 31, 2025, is hereby APPROVED, as filed and discussed herein above; and it is

**FURTHER ORDERED**, that Liberty is authorized to use its price estimates of renewable energy certificates in its calculation of Default Service rates; and it is

**FURTHER ORDERED**, that Liberty's updated TOU rate elements, and ongoing RPS and ESAF/ESCRAF rate elements, including embedded Lead/Lag results, presented in this Default Service filing are APPROVED for application as of February 1, 2025; and it is

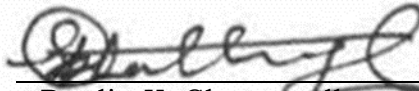
**FURTHER ORDERED**, that Liberty, for this upcoming Default Service rate period, is to continue to file, by the 30<sup>th</sup> day of the following month, a summary comparison of the monthly average ISO-New England market electricity prices with the power supply charge components for Liberty's Small Customer Group; and it is



**FURTHER ORDERED**, that Liberty shall file conforming tariff pages, incorporating the new Default Service rates, all as approved herein, within 20 days of the date of this order, consistent with N.H. Code Admin. Rules, Puc 1603.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 2024.

  
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Daniel C. Goldner  
Chairman

  
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Pradip K. Chattopadhyay  
Commissioner

# Service List - Docket Related

Docket#: 24-061

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