

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 24-061

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
2024 Energy Service Solicitation

DIRECT TESTIMONY

OF

ROBERT GARCIA

AND

ADAM R.M. YUSUF

December 19, 2024



1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your full name, business address, and position.**

3 A. My name is Robert Garcia. My business address is 15 Buttrick Road, Londonderry, New
4 Hampshire. I am a Manager, Rates and Regulatory Affairs with Liberty Utilities Service
5 Corp. (“LUSC”), which provides local utility management, shared services, and support to
6 Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or “the Company”)
7 and its regulated water, wastewater, natural gas, and electric utility affiliates.

8 My name is Adam R.M. Yusuf. I am an Analyst I for Rates and Regulatory Affairs for
9 LUSC, which provides service for Liberty. My business address is 15 Buttrick Road,
10 Londonderry, New Hampshire.

11 **Q. On whose behalf are you testifying?**

12 A. We are testifying on behalf of Liberty.

13 **Q. Mr. Garcia, would you describe your educational and professional background and
14 training?**

15 A. I have an Artium Baccalaureus (Bachelor of Arts) degree in Political Science and French
16 from Wabash College (Crawfordsville, Indiana) and a Master of Public Administration
17 degree from the School of Public and Environmental Affairs at Indiana University
18 (Bloomington, Indiana) with concentrations in Policy (Quantitative) Analysis and
19 International Affairs. I also obtained a Certificat De Langue Et Civilisation Française from
20 the Université de Paris – Sorbonne (Paris, France) and, as part of my graduate studies,

1 studied French and European government at the École Nationale D'Administration (Paris,
2 France).

3 I was employed by ComEd from April 2001 to March 2023. I began my employment with
4 ComEd in the Regulatory Department as a Regulatory Specialist and moved on to the
5 positions of Senior Regulatory Specialist in 2004, Manager of Regulatory Strategies and
6 Solutions in 2008, and Director of Regulatory Strategy and Services in 2013 before
7 assuming my last position as Director of Regulatory Innovation & Initiatives in 2021.

8 Prior to joining ComEd, I worked for nearly nine years at the Illinois Commerce
9 Commission, beginning in 1992 as an intern in what was then the Office of Policy and
10 Planning and ending in 2001 as the senior policy advisor to a Commissioner. I initially
11 joined the Illinois Commerce Commission's Staff through the James H. Dunn Memorial
12 Fellowship program, a one-year program sponsored by the Office of the Governor.
13 Through this Fellowship, I also held short-term positions in the Bureau of the Budget and
14 the Governor's Legislative Office.

15 **Q. What are your duties at LUSC?**

16 A. As Manager of Rates and Regulatory Affairs, I am primarily responsible for rate
17 administration and regulatory affairs for Liberty.

18 **Q. Mr. Garcia, have you previously testified in regulatory proceedings before the New
19 Hampshire Public Utilities Commission (the "Commission")?**

20 A. Yes, I have testified before the Commission. Additionally, I have testified on several
21 occasions before the Illinois Commerce Commission.

1 **Q. Mr. Yusuf, would you describe your professional and educational background?**

2 A. I graduated from the University of New Hampshire, Durham, in 2009 with a Bachelor of
3 Science in Psychology with a minor in Kinesiology: Sports Studies. I received an
4 Associate Degree in Human Services from New Hampshire Technical Institute in Concord,
5 in 2014. I received a Master of Business Administration from Southern New Hampshire
6 University in 2022. I joined Liberty in April 2019, where I held positions as a Customer
7 Service Representative and Billing Representative before joining the Rates and Regulatory
8 Affairs Department.

9 **Q. Mr. Yusuf, have you previously testified in regulatory proceedings before the**
10 **Commission?**

11 A. Yes, I have testified on multiple occasions before this Commission.

12 **Q. Did you previously enter testimony in this proceeding?**

13 A. Yes. On May 29, 2024, we filed testimony presenting Liberty's preliminary annual Energy
14 Service ("ES" or "Energy Service") reconciliations for the period of August 1, 2023, to
15 July 31, 2024, which included: (i) the reconciliation of Energy Service power supply
16 expense and applicable revenue, including Renewable Portfolio Standard obligations and
17 the applicable revenue, through the Energy Service Adjustment Factor ("ESAF"); and (ii)
18 the reconciliation of administrative costs and revenues associated with providing Energy
19 Service through the Energy Service Cost Reclassification Adjustment Factor ("ESCRAF").
20 On June 20, 2024, we filed updated reconciliations, which included actual data for May
21 2024, along with the proposed Energy Service rate, for Commission approval. Lastly,
22 pursuant to Order No. 27, 027 (June 7, 2024), we filed a technical statement on August 17,

1 2024, that addressed an outstanding question regarding the allocation of bad debt and the
2 cost recovery implications of the Commission’s decision in that order directing Liberty to
3 procure more of its supply directly from the ISO-New England market.

4 **II. OVERVIEW**

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of our testimony is to present for Commission approval Liberty’s proposed
7 Energy Service rates for the period February 1, 2025, through July 31, 2025. Our testimony
8 includes: (1) a brief description of how the proposed ES rates are calculated; (2) the
9 weighted-average fixed ES rate for the Small Customer Group (“SCG”) and the monthly
10 ES rate for the Large Customer Group (“LCG”); (3) the seasonal Time Of Use (“TOU”)
11 ES rates; and (4) the resulting bill impacts for a typical residential (Rate D) customer using
12 650 kWh per month. In addition, as directed in Order No. 27,508 (October 1, 2024),
13 Liberty presents its proposed tariff revisions addressing the ES cost recovery concerns
14 stemming from increased procurement through the ISO-New England market in light of
15 customer migration to Community Power Aggregation (“CPA”). It is our understanding
16 that the Commission will address the proposed tariff changes as part of the proceedings to
17 be conducted in March 2025.

18 **Q. Please provide a summary of the proposed ES rate changes.**

19 A. Tables 1 and 2 below summarize the proposed rates and compares them to the currently
20 effective rates as the Commission requested during the June 25, 2024, hearing in this
21 docket. Table 3 below compares the monthly ES rates for the LCG compared to last year’s

1 monthly ES rates. These are also presented in the schedules attached to our testimony, as
2 discussed further below:

Table 1
Residential and Small Commercial and Industrial (Small Customer Group) ES Rates

	Effective Date	Energy Service Rate	RPS	Other Charges (ESAF & ESCRAF)	Total kWh Rate
Prior Year Rates	February 1, 2024	\$0.09334	\$0.00851	(\$0.00427)	\$0.09758
Current Rates	August 1, 2024	\$0.10195	\$0.00880	(\$0.00099)	\$0.10976
Proposed Rates	February 1, 2025	\$0.07635	\$0.00880	(\$0.00099)	\$0.08416

Table 2
Medium and Large Commercial and Industrial (Large Customer Group) ES Rates

	Effective Date	Weighted Average Energy Service Rate	RPS	Other Charges (ESAF & ESCRAF)	Total kWh Rate
Prior Year Rates	February 1, 2024	\$0.10092	\$0.00851	(\$0.02128)	\$0.08815
Current Rates	August 1, 2024	\$0.10574	\$0.00880	(\$0.00733)	\$0.10721
Proposed Rates	February 1, 2025	\$0.06504	\$0.00880	(\$0.00733)	\$0.06651

Table 3
Medium and Large Commercial and Industrial (Large Customer Group) ES Monthly Rates Comparison

G-1 and G-2 Rates - February through July						
Year	February	March	April	May	June	July
2024	\$0.14101	\$0.08671	\$0.06629	\$0.05931	\$0.08073	\$0.09854
2025	\$0.09090	\$0.06580	\$0.05893	\$0.05706	\$0.06015	\$0.06876

3 **Q. Are there supporting schedules and attachments included in your testimony?**

4 A. Yes. The table below lists the supporting schedules included in our testimony:

Schedule	Description
Schedule 1	Energy Service Rates Summary – LCG
Schedule 2	Energy Service Rates Summary – SCG (Confidential and Redacted)
Schedule 3	Residential Bill Impact – From January 1, 2025 to February 1, 2025
Schedule 4	Residential Bill Impact – From February 1, 2024 to February 1, 2025

1 In addition, our testimony includes five Attachments. Attachment 1 includes the proposed
2 revisions to Original Page 25 of the Company’s tariff, both clean and redline versions,
3 which contain Liberty’s proposal to address future cost recovery concerns. Attachment 2
4 contains the illustrative tariff pages setting forth the new ES rates, both clean and redline
5 versions. Attachment 3 includes the Company’s Excel model for the Rate EV-L.
6 Attachment 4 includes the Company’s Excel model for the Rate EV-M. Attachment 5
7 includes the Company’s Excel model for the Rates D-11 and Rate D-12, or the TOU model.
8 Further detail regarding Attachments 3 through 5 can be found in the end of the third
9 section of this testimony.

10 **III. PROPOSED ENERGY SERVICES RATES**

11 **Q. What are Energy Service rates?**

12 A. ES rates are what the Company charges for the energy that it procures to supply customers
13 who do not elect to take service from a competitive supplier or who are not included in a
14 Community Power Aggregation, including associated costs. ES is often referred to as
15 “default supply service.” The rates for ES reflect a pass-through of the supply costs with
16 no mark-up or profit for the Company.

17 **Q. How many separate Energy Service rates are there?**

18 A. In general, ES rates are set based on the customer group. Fixed monthly Energy Service
19 rates are set for the classes supplied through the LCG. These rates change monthly during
20 the six-month period February 1, 2025, through July 31, 2025. Fixed monthly rates are
21 also set for the classes served through the SCG; however, these rates are fixed for the six-
22 month period and do not vary from month to month. With respect to customers served

1 through either the LCG or SCG and taking service under TOU rates, separate peak, mid
2 peak, and off peak rates are set for the six-month period, including the updates to the current
3 winter rates that will take effect February 1, 2025, and the summer rates, which will take
4 effect May 1, 2025. Liberty calculates the TOU rates using Excel-based models developed
5 in Docket Nos. DE 17-189 and DE 20-170 for such rate updates.

6 **Q. Which customer classes comprise the Large Customer Group?**

7 A. The LCG includes Liberty's customers who receive service under rate classes G-1 (General
8 Service Time-Of-Use), G-2 (General Long-Hour Service), and the time of use rates EV-L
9 (Commercial Plug In Electric Vehicle Charging Station) and EV-M (Commercial Plug In
10 Electric Vehicle Charging Station). Additional detail regarding the class definitions is
11 available in the Company's retail service tariff.

12 **Q. Which customer classes comprise the Small Customer Group?**

13 A. The SCG includes Liberty's customers who receive service under rate classes D (Domestic
14 Service), D-10 (Domestic Service with Optional Peak Load Pricing), M (Outdoor
15 Lighting), T (Limited Total Electrical Living Rate), V (Limited Commercial Space
16 Heating), LED-1 (Outdoor Lighting), LED-2 (Outdoor Lighting), and G-3 (General
17 Service), and the time-of-use rates D-11 (Battery Storage Pilot) and D-12 (Residential EV
18 Charging). Additional detail regarding the class definitions is available in the Company's
19 retail service tariff. *Id.*

20 **Q. Are there other rate classes that are not included in this filing?**

21 A. No.

1 **Q. How does Liberty procure supply to provide Energy Service?**

2 A. As directed in Order No. 27,058 (October 1, 2024) and further described in Mr. Green's
3 testimony, the Company solicited bids for full-requirements supply to serve 50% of the
4 SCG load for the six-month period, February through July 2025. Liberty will procure the
5 other half of the SCG supply, including capacity and ancillary services, directly from ISO-
6 New England. With respect to the LCG load, Liberty will procure 100% of the supply,
7 including capacity and ancillary services, directly from ISO-New England.

8 **Q. How are the prices in the winning bid and direct market procurement costs converted**
9 **into Energy Service rates?**

10 A. As noted in Mr. Green's testimony, to project the monthly average cost (per MWh) for
11 direct market procurement of supply for the LCG and SCG, Liberty utilized NYMEX
12 forwards, the 48-month rolling average of ISO New England Locational Marginal Pricing,
13 13-month averages of estimates for Capacity, Ancillaries, Wholesale Market Service
14 Charges, and other miscellaneous costs related to operating in ISO-NE. For the LCG, these
15 monthly forecasts are adjusted by the applicable load loss factor, which is calculated by
16 Liberty's Energy Procurement group, to determine the six monthly Base Energy Service
17 Rates. With respect to the SCG, the six winning bid prices (per MWh) from the Company's
18 solicitation and the forecasted monthly costs (per MWh) are averaged, and the six monthly
19 averages are then adjusted by the applicable load loss factor, which is also calculated by
20 Liberty's Energy Procurement group, to determine the six Base Energy Service Rates. The
21 Base Energy Service Rates calculations are provided in Schedules 1 and 2, line 13.

1 **Q. Are any further adjustments made to the Base Energy Service Rates for the Small**
2 **and Large Customer Supply Groups to determine the Energy Service rates?**

3 A. Yes. For both the LCG and SCG, Liberty adds the following surcharges to the six monthly
4 Base Energy Service Rates: (1) a Renewable Portfolio Standard (“RPS”) adder, which
5 reflects the cost of compliance with RPS obligations under RSA 362-F:3 for the period
6 August 2024 through July 2025; (2) the applicable ESAF, which reconciles energy supply
7 expenses and applicable revenues, including those for RPS, for the historic period August
8 2023 through July 2024; and (3) the applicable ESCRAF, which reconciles the
9 administrative and general expense, bad debt expense, cash working capital expense
10 associated with the ES offering, and NHPUC assessments, and revenues for the historic
11 period August 2023 through July 2024. See Schedules 1 and 2, lines 14-16.

12 **Q. Has Liberty calculated a new RPS adder or updated either of the reconciling factors?**

13 A. No. The RPS adder and two reconciling factors (ESAF and ESCRAF) are the same as
14 those that were approved by the Commission in Order No. 27,027 (June 27, 2024). The
15 RPS adder and reconciling factors are typically only updated once a year (August 1) and
16 reviewed by the Commission as a part of Liberty’s annual May and June filings. However,
17 the ESAFs and ESCRAFs may be revisited as part of the proceedings expected in March
18 2025.

19 **Q. Do the results of these adjustments establish the Energy Service rates for Liberty’s**
20 **default customers?**

21 A. For the LCG, the additions of the applicable ESAF, ESCRAF, and RPS adder to the six
22 Base Energy Service Rates mark the final step in setting the six separate monthly ES rates

1 applicable during the period February 1, 2025, through July 31, 2025. See Schedules 1,
2 line 17. However, for the SCG, the six monthly sums of the Base Energy Service Rates
3 plus the applicable ESAF, ESCRAF, and RPS adder are then load-weighted to derive a
4 single ES rate for the six-month period. Thus, six monthly ES rates are applicable to default
5 supply customers in the LCG, while default supply customers in the SCG are charged the
6 same ES rate during the six-month period. See Schedules 2, lines 17-21.

7 **Q. What ES rate does Liberty propose for the Small Customer Group?**

8 A. The proposed ES rate for the SCG is \$0.08416 per kWh for the six-month period.

9 **Q. What ES rates does Liberty propose for the Large Customer Group?**

10 A. The proposed monthly ES rates for the LCG are shown in Tables 4 through 6 below:

Table 4

G-1 and G-2 Rates Effective February 1, 2025

<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>
\$0.09090	\$ 0.06580	\$0.05893	\$ 0.05706	\$ 0.06015	\$ 0.06876

11 **Q. Do these proposed rates apply to customers on a TOU supply rate?**

12 A. No. The TOU supply rates for Rates EV-L and EV-M are set using the model that was
13 developed in Docket No. DE 20-170, Order No. 26,604 (April 7, 2022), for the six-month
14 procurement period. Our proposed EV-L and EV-M rates are shown below in Tables 5
15 and 6 below:

Table 5
EV-L Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
Winter (Feb 2025-Apr 2025)	\$ 0.08903	\$ 0.07528	\$ 0.06515
Summer (May 2025- Jul 2025)	\$ 0.29521	\$ 0.07246	\$ 0.05416

Table 6
EV-M Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
Winter (Feb 2025-Apr 2025)	\$ 0.08900	\$ 0.07561	\$ 0.06437
Summer (May 2025- Jul 2025)	\$ 0.29398	\$ 0.07100	\$ 0.05291

1 **Q. What ES rates do you propose for the TOU Rates D-11 and D-12?**

2 A. Our proposed D-11 and D-12 time-of-use rates are shown in Table 7 below:

Table 7
D-11 Battery Storage/ D-12 Residential EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid-Peak</u>	<u>Off-Peak</u>
Winter (Feb 2025–Apr 2025)	\$ 0.11481	\$ 0.11065	\$ 0.09753
Summer (May 2025–Jul 2025)	\$0.14553	\$0.06832	\$0.04707

3 The D-11 and D-12 ES rates are calculated following methodology approved in Docket
4 No. DE 17-189.

5 **Q. Please explain how the Time of Use rates are calculated.**

6 A. The TOU rates are calculated using the models developed in Docket Nos. DE 17-189 and
7 DE 20-170. These calculations employ 2020 hourly load and locational marginal price
8 (“LMP”) data to develop cost ratios for each of the three pricing periods (that is, sum of
9 hourly load, times applicable LMP for each hour of a period, divided by total annual cost

1 at LMP), which are in turn applied to the default service prices to develop critical peak,
2 mid-peak, and off-peak rates.

3 **IV. BILL IMPACTS**

4 **Q. Has the Company determined the impact of the Energy Service rate change on a**
5 **typical residential customer bill?**

6 A. Yes. As shown in Schedule 3, Page 1, for a residential customer taking Energy Service
7 and using 650 kWh per month, the total bill impact of the proposed rate in this filing, as
8 compared to current rates, is a bill decrease of \$16.64 per month, or 10.52 percent, from
9 \$158.19 to \$141.55. The proposed February 1, 2025, rates include the change in the System
10 Benefits Charge rate effective on January 1, 2025.

11 Schedule 4, Page 1, compares actual historical rates in effect on February 1, 2024, to
12 proposed rates effective February 1, 2025. For a residential customer taking Energy
13 Service and using 650 kWh per month, the total bill impact of the proposed rate in this
14 filing, as compared to rates effective on February 1, 2024, is a bill decrease of \$5.39 per
15 month, or 3.67 percent, from \$146.94 to \$141.55. The proposed February 1, 2025, rates
16 include the change in the System Benefits Charge effective on January 1, 2025. The
17 Energy Service rate component alone as compared to ES rates effective on February 1,
18 2025, amounts to a bill decrease of \$8.72 per month, or 13.75 percent.

19 **Q. Has the Company provided updated tariff pages as part of this filing?**

20 A. Yes. Updated tariff pages have been provided as Attachment 2.

1 **Q. Does Liberty require Commission approval of this rate by a specific date?**

2 A. Yes. In order to lock in the RFP results and make effective the contracts executed with the
3 winning bidder, Liberty is seeking approval of the proposed ES rates by December 27,
4 2024.

5 **V. PROPOSED TARIFF**

6 **Q. What is the purpose of the proposed tariff changes in Attachment 1?**

7 A. Attachment 1 includes the proposed revisions to Original Page 25 of the Company's tariff,
8 both clean and redline versions, which contains: (1) the proposed tariff revisions included
9 in Attachment 2 of our August 7, 2024, technical statement, which expressly provided for
10 the recovery of any hedging costs that Liberty might incur to mitigate price risk from
11 directly procuring supply from the ISO-New England market, plus (2) Liberty's new
12 proposal to address future cost recovery concerns stemming from increased procurement
13 through the ISO-New England market in light of customer migration to Community Power
14 Aggregation. It is our understanding that the Commission will address these and other
15 matters as part of the proceedings to be conducted in March 2025.

16 **Q. How does Liberty propose to address the cost recovery risks stemming from the**
17 **Commission's recent decisions to procure increasing amounts of supply directly from**
18 **the ISO-New England market?**

19 A. Attachment 1 reflects a simple proposal to amortize any amounts otherwise recoverable or
20 refundable through the ESAF or ESCRAF to the extent that they would cause the resulting
21 ES rates to be unreasonable. What constitutes an unreasonable rate and how long the
22 amounts would be amortized are among the topics that Liberty would like to discuss with

1 the Department of Energy and the Office of the Consumer Advocate at any technical
2 sessions that might be scheduled as part of the additional proceedings expected in March
3 2025 or other venues. Coupled with existing tariff authority to update the ESAF and
4 ESCRAF, Liberty believes that the authority to amortize under and over recoveries
5 provides an adequate response to the cost recovery concerns raised in our August 7, 2024,
6 technical statement.

7 **Q. Does this conclude your testimony?**

8 A. Yes, it does.