

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket Nos. DE 24-113 and DE 24-115

Electric and Gas Utilities, 2025 Adjustments to the Energy Efficiency Portion of System Benefits Charges and Local Distribution Adjustment Charges

Technical Statement of Jacqueline Trottier and Mark Toscano
New Hampshire Department of Energy

December 20, 2024

Background and Summary

Pursuant to RSA 374-F, VI-a(d)(2), on or by December 1, 2023, the joint utilities — Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty-electric), 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) — were required to file tariff changes related to the energy efficiency (EE) portion of the system benefits charge (SBC) and the local distribution adjustment charge (LDAC), effective January 1, 2025.

In Docket DE 24-113, on December 12, 2024, the Commission approved the tariff filings in an order *nisi*, reflecting a 4.978% increase in the EE portion of the SBC and LDAC rates. Eversource’s tariff filing, docketed under DE 24-115, received approval on December 18, 2024.

For electric residential ratepayers, the revised EE portion of the SBC rate is 0.606 cents per kWh. For gas residential ratepayers, the revised EE portion of the LDAC rate is 7.35 cents per therm for EnergyNorth and 5.72 cents per therm for Northern. For gas commercial and industrial (C&I) ratepayers, the revised LDAC rate is 4.89 cents per therm for EnergyNorth and 2.83 cents per therm for Northern.

Energy Efficiency Inflation Adjustment Factor Calculation

Pursuant to RSA 374-F:3, VI-a(d)(2), the New Hampshire Department of Energy (Department) prepares the inflation adjustment factor calculation for electric and gas utilities on an ongoing basis. This factor is used to calculate the EE portion of the SBC and the LDAC.

To determine the adjustment factor, the Department uses the monthly Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Northeast, published by the U.S. Department of Labor’s Bureau of Labor Statistics. A three-year average adjustment factor is

calculated based on the past three years of annual average changes in the CPI-W, using the most recently available data.

For this calculation, data from October 2020 through September 2024 was utilized. As detailed in Attachment A, the Department computed the annual average index starting from Year 0 (October 2020 through September 2021 for this calculation) through Year 3 (October 2023 through September 2024). The resulting inflation adjustment factor is 4.978 percent.

Energy Efficiency Portion of SBC and LDAC Rate Calculation

RSA 374-F:3, VI-a (d)(2), 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 appropriately applied the inflation adjustment factor in calculating the EE portion of their proposed SBC and LDAC rates, as detailed in their recent filings¹. Table 1 presents the EE portion of the 2024 SBC and the resulting 2025 SBC rate, which reflects a 4.978% increase due to the inflation adjustment factor for the electric utilities—Eversource, Liberty-electric, Unitil, and NHEC. Table 2 outlines the EE portion of the 2024 LDAC and the corresponding 2025 LDAC rate, increased by 4.978%, for the gas utilities—EnergyNorth and Northern.

For a summary of the EE portion of the SBC and LDAC for 2022–2025, see Attachment B.

Table 1. Energy Efficiency Portion of 2024 and 2025 SBC Rate for Electric Utilities

Electric Utility	EE Portion of 2024 SBC (cents/kWh)	EE Portion of 2025 SBC (cents/kWh)	Inflation Adjustment Factor (Percent Change)
Eversource	0.577	0.606	4.978
Liberty-electric			
Unitil			
NHEC			

¹ For clarity, we note that the cover letter filed by EnergyNorth appears to reference the full LDAC rate (inclusive of the EE portion) in its narrative explanation instead of just the EE portion of the rate.

Table 2. Energy Efficiency Portion of 2024 and 2025 LDAC Rate for Gas Utilities

Gas Utility	EE Portion of 2024 LDAC (cents/therms)	EE Portion of 2025 LDAC (cents/therms)	Inflation Adjustment Factor (Percent Change)
EnergyNorth – Residential	7.00	7.35	4.978
EnergyNorth – Commercial & Industrial	4.66	4.89	4.978
Northern – Residential	5.45	5.72	4.978
Northern – Commercial & Industrial	2.70	2.83	4.978

Conclusion

The Department calculated the inflation adjustment factor in accordance with RSA 374-F:3, VI-a(d)(2) for use in determining the EE portion of the 2025 SBC and LDAC rates². The Department confirmed that the electric and gas utilities appropriately applied the inflation adjustment factor in their calculations. Accordingly, the Department supports the Commission's approval of the proposed rates and tariffs, as reflected in the order *nisi*, with the rates set to take effect on January 1, 2025.

² The statement in the filings of EnergyNorth and Liberty-electric that the Department of Energy prepared the EE Rate is inaccurate. Under the statute, the Department of Energy calculates the CPI-W inflation factor, while the utilities are responsible for applying it to determine the energy efficiency portion of the rates. This inaccurate claim appears to have contributed to the company's failure to file the required supporting schedules to document the adjustments and calculations.