

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-081

ELECTRIC AND GAS UTILITIES

**2023 Adjustments to the Energy Efficiency Portion of System Benefits Charges
and Local Distribution Adjustment Charges**

**Order *Nisi* Approving Requests to Modify Energy Efficiency Portion of System
Benefits Charges and Local Distribution Adjustment Charges**

O R D E R N O. 26,745

December 14, 2022

In this order *nisi*, the Commission approves tariff change filings reflecting a 4.247 percent increase to the energy efficiency charge (EEC) collected by electric and natural gas utilities in New Hampshire. The General Court mandated this increase to the EEC. RSA 374-F:3, VI-a(d)(2), as amended. Under the law, the increase is calculated by the New Hampshire Department of Energy (DOE).

I. PROPOSED TARIFF CHANGES AND RATE IMPACTS

Pursuant to RSA 374-F, VI-a(d)(2), on December 1, 2022, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; Public Service Company of New Hampshire d/b/a Eversource Energy; Unitil Energy Systems, Inc.; Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty¹; and Northern Utilities, Inc. d/b/a Unitil (together, the Joint Utilities) filed tariff changes related to the EEC, for effect on January 1, 2023. Although not a rate regulated utility², the New Hampshire Electric Cooperative, Inc. (NHEC) also filed similar tariff changes.

¹ Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty re-filed its tariff changes on December 2, 2022.

² The NHEC is not a rate regulated utility, nevertheless it is subject to the commission's jurisdiction with regard to provisions of RSA ch. 374-F relating to energy efficiency. See RSA 374-F:4, XII.

The increase in the EEC, when strictly applied on the approved funding for 2022, will increase total energy efficiency funding by approximately \$2.7 million³, resulting in a total of approximately \$65.8 million in funding for energy efficiency programing and administration derived from the EEC in 2023.

The average residential electric ratepayer, using 7800 kilowatt-hours (kWh) per year, will experience an annual bill increase of approximately \$1.75 as a result of this change. This will result in a total annual EEC burden of \$42.84 in 2023. The average residential natural gas ratepayer of Northern Utilities, Inc. d/b/a Unitil and Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty, using 762 therms annually, will experience an annual bill increase of approximately \$1.61 and \$2.07, respectively, as a result of this change. This will result in a total annual EEC burden of \$39.64 and \$50.84 in 2023, respectively.

The electric distribution utilities' tariff changes reflect uniform increases to their respective EECs:

Electric Distribution Utility	Current EEC Rate (cents/kWh)	Proposed EEC Rate (cents/kWh)	Change (Percent)
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty ⁴	0.528	0.550	4.247
New Hampshire Electric Cooperative, Inc.	0.528	0.550	4.247
Public Service Company of New Hampshire d/b/a Eversource Energy ⁵	0.528	0.550	4.247
Unitil Energy Systems, Inc. ⁶	0.528	0.550	4.247

³ This estimate does not account for any load changes relative to projected loads for 2022 in the 2022–2023 Energy Efficiency Plan filed in Docket No. DE 20-092, or for any changes to other funding sources for utility-administered energy efficiency programming.

⁴ In addition to the proposed change to the EE portion of the SBC, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty's filing also reflects a previously approved change to its Lost Revenue Mechanism rate, a separate component of the SBC related to the provision of EE programming, from 0.1140 cents/kWh to 0.0000 cents per kWh for effect on January 1, 2023.

⁵ In addition to the proposed change to the EE portion of the SBC, Public Service Company of New Hampshire d/b/a Eversource Energy's filing also reflects a previously approved change to its Lost Base Revenue Adder, a separate component of the SBC related to the provision of EE programming, from 0.1850 cents/kWh to 0.2050 cents per kWh for effect on January 1, 2023.

⁶ In addition to the proposed change to the EE portion of the SBC, Unitil Energy Systems, Inc.'s filing also eliminates lost base revenue component rate, for effect on January 1, 2023.

The natural gas distribution utilities' tariff changes reflect company-specific increases to their respective EECs:

Natural Gas Distribution Utility	Customer Class	Current EEC Rate (cents/therm)	Proposed EEC Rate (cents/therm)	Change (Percent)
Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty	Residential C&I	6.40	6.67	4.247
		4.26	4.44	
Northern Utilities, Inc. d/b/a Unitil	Residential C&I	4.99	5.20	4.247
		2.47	2.57	

Each utility's respective tariff change request is posted to the Commission's website at:

<https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-081.html>.

II. COMMISSION ANALYSIS

Pursuant to RSA 374-F:3, VI-a(d)(2), as amended, the General Court set the EEC portion of SBC (electric) and LDAC (gas) rates for calendar year 2022. The General Court further directed the EEC must adjust annually beginning January 1, 2023. *Id.* The annual adjustment to the EEC is calculated by the DOE based on the most recently available 3-year average of the consumer price index as published by the Bureau of Labor Statistics of the United States Department of Labor, plus 0.25 percent. *Id.* Beginning this year, all rate regulated utilities are required to submit tariff amendments altering solely the EEC portion of the SBC or LDAC on December 1 each year for the upcoming year thereafter. *Id.*

N.H. Code Admin. R. PART Puc 1605 applies to tariff changes outside of full rate cases. The Commission construes the Joint Utilities' filings as Puc PART 1605 filings and does not invoke Puc PART 1604. The Commission's role in approving these

tariff changes is therefore limited to ensuring the proposed tariff changes are consistent with RSA 374-F:3, VI-a(d)(2) and Puc 1605.03's publication requirements.

Pursuant to RSA 374-F:3, VI-a(d)(2), the DOE is required to calculate the appropriate inflation adjustment. The Joint Utilities have proposed a uniform increase to their respective EECs of 4.247 percent. We therefore condition this order *nisi* on the DOE filing a technical statement verifying that it calculated the inflation adjustment of 4.247 percent, and that inflation adjustment it calculated was accurately applied by the Joint Utilities.

We note that Puc 1605.03's publication requirements include publication of the Commission's order of notice in a newspaper of general circulation at least 14 days before the effective date of a new rate. *See* Puc 1605.03 and 1604.03. The applicable statutory deadlines make these provisions onerous, inapplicable, or both; therefore, the Commission acts of its own motion to waive Puc 1605.03 because we find that waiver serves the public interest and will not disrupt the orderly and efficient resolution of these matters. *See* Puc 201.05. In lieu of newspaper publication, the Commission directs the customer notice requirements be met by the publication of tariff pages and this order *nisi* by the Joint Utilities on their respective websites.

The Commission notes that Northern Utilities, Inc. d/b/a Unitil's tariff pages filed in this matter appear to unintentionally exclude pages 86 and 88; we direct that these pages be included in Northern Utilities, Inc. d/b/a Unitil's tariff pages published in compliance with this order *nisi*.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the Joint Utilities' tariff changes increasing the System Benefits Charges and Local Distribution Adjustment Charges pursuant to RSA 374-F:3, VI-a(d)(2) are **APPROVED**; and it is

FURTHER ORDERED, that the Joint Utilities post their respective new tariff provisions and a copy of this order *nisi* on their respective websites no later than December 16, 2022, such posting to be documented by affidavit filed with the Commission on or before December 20, 2022; and it is

FURTHER ORDERED, that a copy of this order *nisi* be posted on the Commission's website within two business days; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy verify, by filing a technical statement with the Commission on or before December 20, 2022, that it calculated an inflation adjustment pursuant to RSA 374-F:3, VI-a(d)(2) and its calculated adjustment was accurately applied by the Joint Utilities; and it is

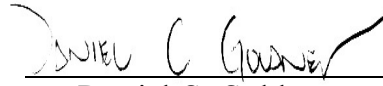
FURTHER ORDERED, that all persons interested in responding to this order may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than December 27, 2022 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to comments or requests for hearing shall do so no later than December 29, 2022; and it is

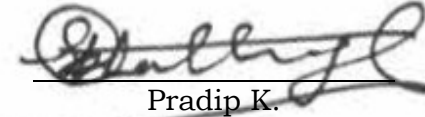
FURTHER ORDERED, that this order shall be effective January 1, 2023 at 12:01 a.m., unless any publication or filing obligation set forth above is not complied with or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Joint Utilities file compliance tariff pages with the Commission on or before January 15, 2023, in accordance with N.H. Code Admin. Rules Puc 1603.02(b); the New Hampshire Electric Cooperative, Inc. is permitted but not required to make such a compliance filing.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of December, 2022.



Daniel C. Goldner
Chairman



Pradip K.
Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 22-081

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