

DE 14-019

# STATE OF NEW HAMPSHIRE

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Inter-Department Communication

**DATE:** January 29, 2014  
**AT (OFFICE):** NHPUC

**FROM:** Grant W. Siwinski *SM*  
Utility Analyst III *GS*

**SUBJECT:** DE 14-019, New England Power Company 2013 Reconciliation of Contract Termination Charge to Granite State Electric Company

**TO:** Commissioners  
Debra A. Howland, Executive Director

On November 21, 2013, in DE 13-327, Granite State Electric Company d/b/a Liberty Utilities (Liberty or Company) filed a request for approval of retail rate adjustments related to its stranded cost charge, transmission service charge and GreenUp Service Recovery Adjustment factor for effect with service rendered on and after January 1, 2014. In its filing, Liberty proposed to decrease its average stranded cost charge from 0.150 cents per kWh to 0.080 cents per kWh. The stranded cost charge permits Liberty to recover Contract Termination Charges (CTC) billed to it by New England Power Company (NEP)—a National Grid company—in connection with the termination of NEP’s all-requirements power contracts upon the advent of retail competition. The CTC is a holdover component from National Grid’s former ownership of the Company.

On January 22, 2014, National Grid filed NEP’s reconciliation of the costs and revenues under its CTC formula for the prior period October 1, 2012 through September 30, 2013 (Docket No. DE 14-019). According to National Grid, the CTC report supports the stranded cost charge of 0.080 cents per kWh for 2014. The proposed rate of 0.080 cents per kWh is an average rate; the stranded cost charge also includes class-specific adjustment factors to reflect class-specific reconciliations, where necessary.

The Commission conditionally approved Liberty’s Stranded Cost Charge of 0.080 cents/kWh in DE 13-327, Order No. 25,611, dated December 23, 2013, subject to Staff’s recommendation on the final CTC calculation.

Pursuant to the Commission’s Order, Staff has reviewed the details supporting NEP’s proposed stranded cost charge in DE 14-019 and notes the following item. Due to the Department of Energy’s (DOE) failure to remove the spent fuel stores at the former Connecticut Yankee, Maine Yankee and Yankee Atomic nuclear plants as required by the Nuclear Waste Policy Act of 1982, NEP received \$5.95 million from DOE in July 2013 related to Connecticut Yankee’s share of litigation proceeds. As pertains to the current CTC filing, Liberty’s three percent share was reflected as a credit of \$178,500. According to National Grid, Maine Yankee and Yankee Atomic were also awarded proceeds from the litigation, but NEP had not yet received its share of those proceeds.

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Customers will receive the benefits once NEP actually receives the respective credits. The proceeds for Maine Yankee and Yankee Atomic will be flowed back to customers through the CTC rate filing for the periods they are received.

Based on Staff's review of the filing, NEP's calculation of 0.080 cents/kWh for the stranded cost charge is correct. Therefore, no changes are needed and Staff recommends that the Commission close this docket.

If you have any questions, please contact me.