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April 8, 2022

Daniel C. Goldner, Chair  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

RE: DE 22-003 New England Power Company 2021 CTC Reconciliation Report

Dear Chair Goldner:

On January 21, 2022, New England Power Company d/b/a National Grid (NEP) filed its annual report on its Reconciliation of Contract Termination Charge to Granite State Electric Company for the period of October 2020 through September 2021 (the Report). The former Granite State Electric Company is now Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty or the Company).

The Report affirms amounts charged by NEP to Liberty for the period beginning October 1, 2020 and ending September 30, 2021, and provides the basis for stranded cost and transmission service charges to be included in Liberty's 2022 retail rates, which are expected to go into effect on or about May 1, 2022.<sup>1</sup> The Stranded Cost Charge permits Liberty to recover Contract Termination Charges (CTCs) billed to it by NEP in connection with the termination of NEP's all-requirements power contracts that occurred upon the introduction of retail competition. *See* Docket No. DR 98-012. The CTC is effectively a holdover component from National Grid's former ownership of Granite State Electric.

In its report, NEP stated that the CTC rate for calendar year 2022 will be a credit of 0.05 cents per kWh. This credit amount is lower than the previous credit amount reported in NEP's prior CTC Reconciliation Report of 2020 of 0.08 cents per kWh, effectively resulting in a net year-to-year rate increase for Liberty of 0.03 cents per kWh. NEP attributed the lower credit amount to a decline in actual deliveries for January through September of 2021 by 131,924 MWh.<sup>2</sup> The New Hampshire Department of Energy (DOE) reviewed NEP's calculation of the 2022 rate, which was computed based on a projected credit to Liberty of \$593,000 applied to estimated deliveries of 1,112,371 megawatt hours (MWh). At the DOE's request, NEP provided the DOE's analyst with a copy of the Excel spreadsheet used to prepare the Report. That spreadsheet enabled the DOE to review and

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<sup>1</sup> On March 22, 2022, Liberty filed its annual Petition for Approval of Retail Rate Adjustments and Property Tax Adjustments in Docket No. DE 22-018.

<sup>2</sup> Report at 3.

confirm calculations that support the 2022 CTC rate, including the amount of all charges and credits that make up the total amount of the credit and the conversion of the total into a kWh rate.

### **DOE's Analysis and Recommendation**

The DOE's analyst: reviewed each section of the report, including the narrative, schedules, attachment, and the spreadsheet; confirmed that amounts described in the narrative agreed with those in the schedules and attachment; confirmed that computed amounts in the schedules and attachment were calculated correctly; and confirmed that amounts in the summary tied back to amounts in the supporting detail of the schedules and attachment.

Based on this review, it is the DOE's opinion that the 2022 CTC rate, a credit of 0.05 cents per kWh, was properly determined by NEP, and the DOE recommends approval of this credit of 0.05 cents per kWh as part of the retail rates under review in Docket No. DE 22-018.

Sincerely,

*/s/ Mary E. Schwarzer*

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