

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 22-024

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty

2022 Default Service Solicitations

Technical Statement of James M. King

February 24, 2023

A. Purpose of Technical Statement

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty, (“the Company” or “Liberty”) files this technical statement in support of its request for approval of a revised Energy Service Rates for the Large Customer Group for the remainder of the Block A period, from March 1, 2023, through April 30, 2023. Liberty is proposing new rates due to the recent and dramatic drop in market prices. Liberty is only proposing a change to the energy component of the rates; this proposal does not request changes to any of the other rate components approved in this docket.

The currently approved Energy Service rates for the Large Customer Group for March and April 2023 are \$0.23419 and \$0.17952 per kWh, respectively. The Energy Service rates proposed for the Large Customer Group for the March 2023 and April 2023 are \$0.08380 per kWh and \$0.07024 per kWh, respectively.

B. Background

As outlined in Order No. 26,758 (Jan. 13, 2023), Liberty did not receive any acceptable bids for the Large Customer Group, Block A, which covers the three months from February 1 through April 30, 2023. In the absence of an acceptable bid, the Commission authorized Liberty to acquire the energy and related services directly from ISO New England. Liberty proposed rates for each of the three months, as is the norm for the Large Customer Group, with the expectation that the actual revenues Liberty received from customers under those rates would be reconciled to Liberty’s actual costs of acquiring service from the ISO after the close of the three-month period.

In recent weeks however, the market price for electricity has decreased significantly. This has resulted in a large disparity between what the Company has collected from these large customers under the approved rate and what the Company has paid for the energy and related services at the ISO. Liberty estimates that for the month of February 2023 Liberty will collect almost \$4 million from those commercial customers taking energy service but will pay less than \$1 million for that service from the ISO.

To lessen the magnitude of over-collections during the remaining two months of Block A, the Company now proposes lower Energy Service Rates based on current market projections, as described in Mr. Warshaw’s technical statement.

C. Proposed Rates

The specific Energy Service rates Liberty is proposing for the months of March and April 2023 for the Large Customer Group rates are shown in the table below:

Table 1
G-1 and G-2 Rates Effective March 1, 2023

March	April
\$0.08380	\$ 0.07024

As discussed in Mr. Warsaw’s technical statement, these March and April 2023 G-1 and G-2 rates are the result of Liberty’s current forecast of the cost of self-supplying energy service from the ISO-NE market.

The following EV-L and EV-M TOU rates are set using the approved cost allocation method as approved in Docket No. DE 20-170, Order No. 26,604 (April 7, 2022), for the six-month procurement period. These rates need to be changed because the allocation method includes the Energy Service Rate as a key input.

Table 2
EV-L Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
<u>Winter (Mar 2023-Apr 2023)</u>	<u>\$0.20404</u>	<u>\$0.16455</u>	<u>\$0.15863</u>
<u>Summer (May 2023- Oct 2023)</u>	<u>\$0.67813</u>	<u>\$0.16928</u>	<u>\$0.13213</u>

Table 3
EV-M Commercial EV TOU Charging Rate

<u>Period</u>	<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
<u>Winter (Mar 2023-Apr 2023)</u>	<u>\$0.20393</u>	<u>\$0.16427</u>	<u>\$0.15879</u>
<u>Summer (May 2023- Oct 2023)</u>	<u>\$0.67524</u>	<u>\$0.16626</u>	<u>\$0.13092</u>

The workpapers supporting the non-time of use rate calculation are in Attachment JMK-1. Attachment JMK-2 contains support for the EV-L (page 1) and EV-M (page 2) time-of-use rates. The Company will provide the live Excel models supporting the time-of-use rate models separately.

As stated above, the Company proposes changes only to the Large Customer Group Energy Service Rates and those rates that depend on the Energy Service Rates. Liberty proposes no other changes to the rate components approved earlier in this docket.

The Company also proposes no change to its previously expressed intent to later adjust the Energy Service Reconciliation Adjustment Factor to reconcile the actual cost of procuring Energy Service with the amounts billed to customers for the service separately by customer group. This will result in different Energy Service Reconciliation Adjustment Factors for the large and small customer groups. This change would take effect through the annual

reconciliation filing proceeding on August 1, 2023.

The Company requests approval of the above rates by March 1, 2023, for rates effective March 1, 2023.

D. Tariff Changes

The Company has requested a waiver of the requirement to include proposed tariff pages with this filing. The Company will file compliance tariff pages if new rates are approved.