

**Colonial Power Group, Inc.**  
**Docket No. IR 22-053**

**Date Request Received: February 8, 2023**  
**Data Request No. RR 3**

**Date of Response: February 17, 2023**  
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**Request from: New Hampshire Public Utilities Commission**

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**Request:**

Please comment on whether utilities should be provided flexibility to determine at any time, with proper notice to the Commission, a switch from laddering to full requirement (and vice-versa) based on future price trends to lower energy service costs for ratepayers. Participants are welcome to offer recommendations based on hypothetical scenarios.

**Response:**

Several commenters in this investigation have contrasted the state's current procurement process (highlighting the benefits of producing prices reflective of current market conditions) with an alternative approach that includes some element of layered procurements conducted at different points in time (highlighting the potential benefits of smoothing price volatility). CPG recommends the Commission select one approach or the other and not grant each utility the flexibility to elect which approach the utility prefers to take for each procurement.

The concept implies that the utilities have, or may sometimes have, actionable insights into trends in future forward market prices. CPG does not believe that to be true. If CPG understands correctly, the approach would invite each utility to speculate on forward market prices: carry out full requirements pricing when the utility *believes* forward prices are going to rise, or in the alternative carry-out a partial procurement when the utility *believes* forward prices are going to fall. Each utility possesses considerable experience and understanding of market trends and dynamics. That said, it would be improper to require each company to speculate on forward prices and make each procurement decision accordingly.

**Prepared by: Stuart Ormsbee**

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**Data Request No. RR 4**

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**Request from: New Hampshire Public Utilities Commission**

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**Request:**

Are there ways to approach tranches (e.g., number of procurement periods, percentage of load per tranche, number of tranches etc.) differently so that the default service procurement produces more competitive prices? Please provide detailed recommendations as appropriate.

**Response:**

CPG defers to the accumulated expertise and experience of the utility companies to administer procurement processes with load tranches sized to maximize beneficial outcomes. Based on its own supply procurement experience, CPG believes that the tranche sizes used by each utility are appropriately sized. For example, the tranche sizes are large enough to minimize hedging transaction costs for wholesale suppliers, while also small enough to allow suppliers to manage risk and market exposure, and thereby facilitate supplier participation.

**Prepared by: Stuart Ormsbee**

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**Docket No. IR 22-053**

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**Data Request No. RR 11**

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**Request from: New Hampshire Public Utilities Commission**

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**Request:**

Please provide an overview on the types of Asset Management tools that exist or are entering the market, and how those can help optimize procurement decisions for both utilities and their suppliers.

**Response:**

CPG does not have any experience or insights regarding Asset Management tools in context of natural gas procurement.

**Prepared by: Stuart Ormsbee**