

Public Service Company of New Hampshire d/b/a Eversource Energy, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty, and Unitil Energy Systems, Inc.

Docket No. IR 22-053

**Date Request Received: April 04, 2023
Data Request No. PUC 3-001**

**Date of Response: April 11, 2023
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Request from: New Hampshire Public Utilities Commission

Request:

Provide the following information in one submission, with one tab for each individual utility:

		Residential Default Service Price (\$/kWh) (a)	Market Price (\$/kWh) (b)	Semi-Annual Residential Volume (kWh) (c)
2018	1*			
	2**			
2019	1*			
	2**			
⋮				
2023	1*			
	2**	N/A	N/A	N/A

* 1 = First successful RFP for the year. The Commission notes the information in column (a) may match column (c) for Liberty for 2023.

* 2 = Second successful RFP for the year

Response:

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”), Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty”), and Unitil Energy Systems, Inc. (“Unitil”) (collectively, the “Utilities”) have collaborated to provide this joint response to the information request captioned as Record Request 1 (“RR-1”) in the Commission’s procedural order issued on April 4, 2023.

Attachment PUC 3-001 includes a table for each of the Utilities stating its relevant default service price (\$/kWh), corresponding market price (\$/kWh), and semi-annual load volume

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(kWh), in each case for the small customer category (e.g., for Eversource and Liberty¹ that category includes both residential and small commercial general service customers) for each six-month default service period over the past five years (i.e., since 2018).² Note that Unitil's six-month default service periods have not corresponded to the same months as those for Eversource and Liberty during that historical time period.

The "default service price" represents the six-month load-weighted average of monthly bid prices paid to the utility's wholesale supplier(s) serving the small customer category during the relevant default service period, including distribution system line losses.

The "market price" is the six-month load-weighted average of all wholesale load components as reported by ISO New England, Inc. ("ISO-NE") for each month in the periodic reports and information available through its publicly-available wholesale load cost data.³ The inclusion of all wholesale load components in the analysis acknowledges that the owner of a load asset in the ISO-NE market settlement system incurs charges in addition to energy and capacity market costs, and that some of those relevant charges are not even market-based. Note also that the "RTLO" values included in the ISO-NE reports cover distribution system line losses.

The "Semi-Annual Small Customer Volume (kWh)" represents the total quantity of kWh delivered to retail customers in the small customer category (e.g., for Eversource that category includes both residential and small commercial general service customers) during each relevant six-month default service period.

¹ For example, Liberty's Small Customer Group is comprised of customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited Commercial Space Heating Rate V of Liberty's Retail Delivery Tariff.

² Note that Eversource's initial default service period in 2018 followed its generation asset divestiture and covered a four-month period rather than a six-month period.

³ See Monthly Wholesale Load Cost Analysis (<https://www.iso-ne.com/isoexpress/web/reports/load-and-demand/-/tree/mthly-whl-load-cost-rpt>) (e.g., page 15 of the *ISO New England Wholesale Load Cost Report February 2023*, containing table captioned "New Hampshire Load Zone Wholesale Load Cost Components, Last 13 Months" (https://www.iso-ne.com/static-assets/documents/2023/03/2023_02_wlc.pdf)); and Average Monthly Wholesale Load Cost (<https://www.iso-ne.com/isoexpress/web/reports/load-and-demand/-/tree/monthly-wholesale-load-cost-report>).

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It is important to recognize that the calculated “market price” represents a retrospective averaging of historical market outcomes and related wholesale cost components, whereas the “default service price” is based on the bid prices submitted by wholesale suppliers in advance of the relevant default service period. Because of that significant difference in time perspective, the bids submitted by a wholesale supplier include a “risk premium” that reflects the supplier’s assessment of the risks of taking on an unconditional obligation to provide full requirements load-following service for a six-month period that will not even begin for another two months following the submission of its bids.

The relevant risks include market volatility, weather conditions, fuel availability, retail load migration, as well as other “un-hedgeable” current factors such as pass-through costs under the Mystic Generating Station cost-of-service agreement, geopolitical events like the war in Ukraine, and the impacts of post-pandemic supply chain constraints. In a direct market participation model, the utility and its customers would bear all such risks and the potential price and rate impacts of any unforeseen events or conditions.

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Request from: New Hampshire Public Utilities Commission

Request:

The Utilities are requested to present the information from PUC-001 in graphical format in the same Excel tab that the data for that utility is provided (see instructions in PUC-001). The Utilities are to provide clear charts representing the following (discrete jump-line charts are recommended):

- a. individual utility load-weighted average semi-annual prices against the corresponding load-weighted market prices for that same period;
- b. an average-of-averages of load-weighted average semi-annual prices across the Utilities plotted against the corresponding load-weighted market prices for that same period;
- c. a plot of the difference (or delta) between the load-weighted average semi-annual prices and the corresponding load-weighted market prices for that same period.

Response:

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”), Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty”), and Unitil Energy Systems, Inc. (“Unitil”) (collectively, the “Utilities”) have collaborated to provide this joint response to the information request captioned as Record Request 2 (“RR-2”) in the Commission’s procedural order issued on April 4, 2023.

Based on the information provided in response to the RR-1 request, Attachment PUC 3-001 also presents in graphical format charts that:

- (a) Show for each individual utility the load-weighted average semi-annual default service prices against the corresponding load-weighted market prices for the same default service periods;
- (b) With respect to the requested “average-of-averages” of load-weighted average semi-annual default service prices, the Utilities have determined it is not feasible to perform that calculation in view of the historical variations in default service rate periods among

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the Utilities; in addition, it is unclear how informative that average calculation would be, given that Eversource's large percentage share would greatly outweigh the respective averages of Liberty and Unitil.

- (c) Plot the difference (or "delta") between the load-weighted average semi-annual default service prices and the corresponding load-weighted market prices for the same default service periods for each individual utility; that difference is shown through separate bars included on the charts provided in response to (a) above.