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May 18, 2015

Via Hand Delivery and Electronic Mail

Debra A. Howland, Executive Director & Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

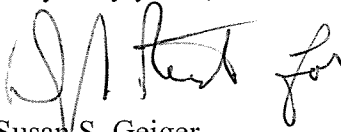
**Re: *Liberty Utilities (Granite State Electric) Corp., Public Service Company of New Hampshire and Unitil Energy Systems, Inc.,
Docket No. IR 14-338***

Dear Ms. Howland:

Enclosed for filing on behalf of NextEra Power Marketing, LLC ("NEPM") in the above-captioned docket, please find an original and six (6) copies of NEPM's Final Comments.

Please contact me if there are any questions about this filing. Thank you for your assistance.

Very truly yours,



Susan S. Geiger

cc: Service List (electronic mail only)
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THE STATE OF NEW HAMPSHIRE

BEFORE THE

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

IR 14-338

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.,
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND
UNITIL ENERGY SYSTEMS, INC**

Review of Default Service Procurement Processes for Electric Distribution Utilities

NEPM'S FINAL COMMENTS

NextEra Energy Power Marketing, LLC ("NEPM") respectfully submits the following final comments regarding the default service procurement issues that have been identified and addressed in Commission Staff's Memorandum dated May 3, 2015 ("Staff's Memo") in the above-captioned docket.

Staff's Guiding Principles

NEPM generally agrees with the guiding principles identified in Staff's Memo. However, as an overarching principal, NEPM believes that default service procurement and approval processes should be aimed at facilitating a robustly competitive market for this service. Although NEPM believes that New Hampshire electric distribution utilities should be afforded some limited measure of flexibility to deal with unforeseen circumstances or unusual market conditions, the Commission should not abandon full requirements, load following default service procurements in favor of allowing utilities to engage in active portfolio management or unilateral market purchases.

Comments on Areas of Agreement

Staff's Memo identifies six (6) areas upon which the stakeholders agree. NEPM respectfully submits the following additional comments on some of those issues.

- (1) (Issue 3) NEPM agrees that the time between awarding the contract and Commission approval should be shortened. Because market prices change by several dollars in just a few hours, bidders account for this risk by including premiums in their bids. Timely notification of winning bids (i.e. within an hour or less) and concurrent assurance of regulatory approval of the contract(s) may reduce these risk premiums. Therefore, NEPM suggests that the Commission consider having Commission Staff involved in observing the bid selection process and making a concurrent recommendation to the Commission for approval of the winning contract.

NEPM agrees that the time frame between awarding the winning contract(s) and the effective date of the new default service rates should not be shortened. NEPM believes that customers should be provided at least 30 days' notice of the effective date of the new default service rate so that they can have time to evaluate their competitive supply options.

- (2) (Issue 6) NEPM agrees that the Commission should identify processes that create regulatory uncertainty and take appropriate steps to reduce that uncertainty and the associated risk premiums. NEPM agrees that default service contracts should include change in law ("CIL") provisions so that wholesale suppliers can recover costs associated with unanticipated market changes resulting from regulatory decisions. With CIL, customers will only pay the actual costs of a regulatory event (such as "winter reliability") if/when it occurs. Because these costs are passed through directly

to customers, wholesalers will not be required to estimate and include them as risk premiums in their bids.

Comments on Staff's Position on Certain Remaining Issues

- (1) NEPM agrees with Staff's position that all New Hampshire electric companies should employ a uniform methodology for procuring default service.
- (2) NEPM supports Staff's recommendation that the Commission should examine the timing of competitive bidding processes in neighboring states to determine whether the current default service solicitation schedules in New Hampshire should be adjusted.
- (3) NEPM agrees that the time frame between awarding the default service contracts and approval of the new rates should be shortened. However, as indicated above, the effective date of the new rate should not occur any sooner than 30 days from the date of the rate approval so that customers may have an opportunity to evaluate their competitive options. This time period is also consistent with RSA 378:3 which, unless the Commission orders otherwise, requires 30 days' notice to the Commission for a rate change.
- (4) NEPM believes that the current arrangement by which each utility solicits blocks of power to serve its own default service load appears to be working. Therefore, NEPM does not advocate shifting to a single procurement process, or to collective bidding or block bundling. NEPM agrees with Staff that a single, statewide procurement process is not desirable at this time. NEPM believes that New Hampshire's utilities have the requisite experience and systems to successfully perform this function, and sees no reason for the Commission to be involved with default service solicitations other than

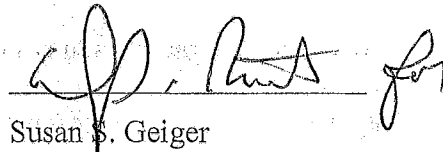
to provide review of winning contracts as soon as possible to address the risk premium issue discussed above.

- (5) (Staff Point 6) NEPM believes the Commission must carefully examine whether ladders are appropriate before implementing them. NEPM notes that Unitil had previously used ladders for default service in New Hampshire but now makes a single solicitation for a given period. Thus, it is not clear that reverting back to the laddered approach would be beneficial.

NEPM appreciates the opportunity to submit these comments.

Respectfully submitted,

NextEra Energy Power Marketing, LLC
By Its Attorneys



Susan S. Geiger

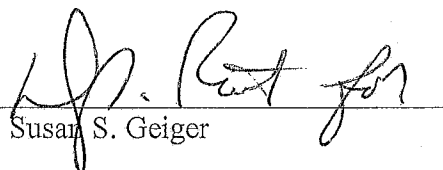
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Dated: May 18, 2015

Certificate of Service

I hereby certify that a copy of this document has on this 18th day of May, 2015 been sent by electronic mail to the service list in this docket.

By:



Susan S. Geiger