

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

Docket No. DE 15-010

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Energy Service for the Period of November 1, 2015 through July 31, 2016
And
Energy Service Reconciliation for the Period February 1, 2015 to October 31, 2015

**DIRECT TESTIMONY
OF
HEATHER M. TEBBETTS**

September 21, 2015

1 **I. Introduction and Qualifications**

2 **Q. Please state your full name, business address and position.**

3 A. My name is Heather M. Tebbetts and my business address is 15 Buttrick Road,
4 Londonderry, NH 03053. I am a Utility Analyst for Liberty Utilities Service Corp.
5 (“Liberty”) which provides services to Liberty Utilities (Granite State Electric) Corp.
6 (“Liberty Utilities” or “the Company”) and in this capacity, am responsible for providing
7 rate-related services for the Company.

8 **Q. Please describe your educational background and training.**

9 A. I graduated from Franklin Pierce University in 2004 with a Bachelor of Science degree in
10 Finance. I received a Master’s of Business Administration from Southern New
11 Hampshire University in 2007.

12 **Q. Please describe your professional background.**

13 A. In October 2014, I joined Liberty as a Utility Analyst. Prior to my employment at
14 Liberty, I was employed by Public Service Company of New Hampshire (“PSNH”) as a
15 Senior Analyst in NH Revenue Requirements from 2010 to 2014. Prior to my position in
16 NH Revenue Requirements, I was a Staff Accountant in PSNH’s Property Tax group
17 from 2007 to 2010, and a Customer Service Representative III in PSNH’s Customer
18 Service Department from 2004 to 2007.

19 **Q. Have you previously testified before the New Hampshire Public Utilities
20 Commission (“the Commission”)?**

21 A. Yes, I have testified on numerous occasions before the Commission.

1 **II. Purpose of Testimony**

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to present Liberty Utilities' proposed Energy Service
4 reconciliation for the period of February 2015 through October 2015. My testimony
5 includes the results of: (i) the base Energy Service rates effective November 1, 2015
6 through July 31, 2016; (ii) an update to the reconciliation of Energy Service power
7 supply expense filed on August 21, 2015; and (iii) an update to the reconciliation of the
8 administrative cost of providing Energy Service filed on August 21, 2015.

9 **Q. Please explain the filing made on August 21, 2015.**

10 A. Liberty filed its annual reconciliation on August 21, 2015, in response to Docket IR 14-
11 338 which directed the Company to separate its reconciliation filing from the rate-setting
12 filing, along with changing the periods in which the Company provides energy service.
13 This filing is an update to the August 21, 2015, reconciliation filing. That filing used
14 projected August 2015 revenues and expenses and did not provide the final base rates
15 based on bids received from suppliers. This filing provides actual August 2015 revenues
16 and expenses along with final base rates reflecting the winning bids. An explanation of
17 the workings of the reconciliation process is found in the August 21, 2015 testimony.

18 **Q. Please provide the list of schedules attached to your testimony.**

19 A.	Schedule HMT-1	Calculation of Large Customer Group
20	Energy Service Rate	
21	Schedule HMT-2	Calculation of Small Customer Group
22	Energy Service Rate	
23	Schedule HMT-3	Energy Service Reconciliation

1	Schedule HMT-4	2014 Energy Service Adjustment Factor Reconciliation
2	Schedule HMT-5	Calculation of Proposed 2015 Energy Service Adjustment Factor
3	Schedule HMT-6	Energy Service Cost Reclassification
4		Adjustment Factor Reconciliation
5	Schedule HMT-7	Calculation of Proposed Energy Service
6		Cost Reclassification Adjustment Factors
7	Schedule HMT-8	Renewable Portfolio Standard
8	Schedule HMT-9	Border Sales Settlement Adjustment Factor
9	Schedule HMT-10	Bill Impacts
10	Schedule HMT-11	Tariff Page 68 Summary of Rates
11	Schedule HMT-12	Q2 2015 Migration Report
12	Schedule HMT-13	Bingo Sheets

13 **Q. Please summarize the proposed Energy Service rates resulting from the Energy**
14 **Service procurement, adjusted by the factors which the Company is proposing to**
15 **implement for service rendered on and after November 1, 2015.**

16 A. As I describe in more detail later in my testimony, the Company proposes to implement
17 the Energy Service rates beginning November 1, 2015, for service rendered on and after
18 that date. The Energy Service rates which the Company proposes to bill its customers
19 receiving Energy Service are provided in Schedules HMT-1 and HMT-2.

20 **III. Base Energy Service Rates**

21 **Q. What are the “base” Energy Service rates that the Company is proposing for service**
22 **rendered on and after November 1, 2015?**

23 A. Consistent with the Settlement Agreement, the Company is proposing a fixed nine-month
24 base Energy Service rate for the period November 2015– July 2016 for the Residential

1 and Small Commercial Customer Group¹ (“Small Customer Group”) based on the
2 weighted average of the nine monthly contract prices contained in the supply agreement
3 with the winning Energy Service supplier for the Small Customer Group. As shown on
4 line 21 of Schedule HMT-2, the proposed Energy Service rate for the Small Customer
5 Group is 9.221¢ per kWh. The Company is also proposing monthly Energy Service rates
6 for the Medium and Large Commercial and Industrial Customer Group² (“Large
7 Customer Group”) based on the nine monthly contract prices contained in the supply
8 agreement with the winning Energy Service supplier for the Large Customer Group. The
9 rates are as follows:

<u>Medium and Large Commercial</u>								
<u>November-15</u>	<u>December-15</u>	<u>January-16</u>	<u>February-16</u>	<u>March-16</u>	<u>April-16</u>	<u>May-16</u>	<u>June-16</u>	<u>July-16</u>
\$ 0.07770	\$ 0.09593	\$0.12037	\$ 0.11824	\$0.09075	\$0.06941	\$0.06122	\$0.05541	\$0.06020

<u>Residential and Small Commercial</u>	
November 2015 - July 2016	\$0.09221

10 **IV. Energy Service Reconciliation**

11 **Q. Is the Company presenting a reconciliation of power supply costs for Energy Service**
12 **in this filing?**

13 **A.** Yes. The Energy Service Reconciliation for the period February 2015 through October
14 2015 is presented in Schedule HMT-3.

¹ 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 the Company’s Retail Delivery Tariff.

² Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of the Company’s Retail Delivery Tariff.

1 **Q. What is the result of the Company's Energy Service Reconciliation for the period**
2 **ending October 2015?**

3 A. As shown on Schedule HMT-3, page 1 of 3, the Company has an over-recovery of
4 Energy Service power supply costs of \$1,322,447 and will reflect this over-recovery in its
5 proposed Energy Service adjustment factor to take effect November 1, 2015. The over-
6 recovery is due in large part to lower than expected energy service costs and transmission
7 costs paid to ISO-NE for the month of July that were incorrectly included for in the
8 August 21, 2015 filing.

9 **V. Reconciliation of the 2014 Energy Service Adjustment Factor**

10 **Q. Please explain the changes to Schedule HMT-4 from the August 21, 2015, filing.**

11 A. Schedule HMT-4 combines the following over- and under-recovery amounts for prior
12 periods to determine the net amount of over/under-recovery remaining as of the start of
13 the November 1, 2015, Energy Service rate period:

- 14 • \$348,417 of over-recovery remaining from the balance incurred February 2013
15 through January 2014, recovered May 2014 through April 2015 period (see
16 revised Schedule HMT-6 filed March 24, 2015, in Docket DE 15-010);
- 17 • \$4,840,569 of Energy Service under-recovery as of the end of January 2015 (see
18 revised Schedule HMT-3, page 1 filed March 24, 2015, in Docket DE 15-010);
19 and
- 20 • \$599,755 of RPS projected over-recovery (see revised Schedule HMT-4 P1 filed
21 March 24, 2015, in Docket DE 15-010).

1 The net amount of those three items as of the start of the current reconciliation period was
2 an under-recovery of \$3,892,397 and is the same as reported in the August 21 filing.
3 After applying the revenue received from the Energy Service Adjustment Factor, the net
4 amount to be recovered beginning November 1, 2015, is an under-recovery of
5 \$2,833,252.

6 **VI. Proposed Energy Service Cost Reclassification Adjustment Factors**

7 **Q. Has the Company calculated updated ESCRAFs for the period beginning November**
8 **1, 2015?**

9 A. Yes. Schedule HMT-7 calculates the proposed ESCRAFs of \$0.00345 per kWh for the
10 Small Customer Group and \$0.00022 per kWh for the Large Customer Group for the
11 period of November 2015 through July 2016.

12 **VII. Effective Date and Bill Impact**

13 **Q. How and when is the Company proposing that these rate changes be implemented?**

14 A. The Company is proposing that all of the above rate changes be made effective for
15 service rendered on and after November 1, 2015.

16 **Q. Has the Company determined the impact of the energy service rate change on**
17 **customers' bills?**

18 A. Yes. For an Energy Service residential customer using 655 kWh, the total bill impact of
19 the energy service rate proposed in this filing, as compared to rates in effect today, is a
20 bill increase of \$12.69 per month, or 11.3 percent, from \$111.83 to \$124.52.

1 **Q. Does this rate change include any other rate adjustments for effect on November 1,**
2 **2015?**

3 A. Yes. Order No. 25,585 in Docket DE 13-196 required the Company to change the Storm
4 Recovery Adjustment Factor (SRAF) to \$0.00221 per kWh effective November 1, 2014
5 and to re-evaluate the rate before October 31, 2015. On September 2, 2015, Liberty
6 Utilities and Staff discussed the results of the rate as projected for October 31, 2015. The
7 balance remaining to be collected from customers is approximately \$23,000 which will
8 be accounted for in future accounting in the storm reserve. The parties believe the best
9 way to move forward is to eliminate the rate for effect November 1, 2015. The impact to
10 customer bills aforementioned includes the removal of the \$0.00221 SRAF.

11 **Q. What does the Company plan to do to educate customers about the rate changes?**

12 A. On October 1, 2015, the Company will be posting information regarding this filing on its
13 website. There will be on-bill messaging on the October bills reminding customers of the
14 summer period rate change. The information will direct them to our website for more
15 information about the rate change. Once the rates are approved, they will be posted on
16 the website by November 1, 2015. The November bills will include on-bill messaging,
17 along with a bill insert reminding customers of the new rates, and directing them to the
18 website for more information.

19 **VIII. Conclusion**

20 **Q. Does this conclude your testimony?**

21 A. Yes.