

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

Website:
www.energy.nh.gov

DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

December 9, 2022

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DE 22-052; Request for Approval of Revenue Decoupling Adjustment; Department of Energy Response to Liberty's Tariff Filing of December 2, 2022

Dear Chairman Goldner:

In accordance with the Procedural Order dated November 22, 2022 in this matter, on December 2, 2022, Liberty Utilities (Granite State Electric) Corp., d/b/a Liberty (Liberty) filed tariffs and supporting schedules designed to implement a revenue decoupling adjustment. The Department submits this response to Liberty's December 2 tariff filing.

Liberty's tariff filing proposes a Revenue Decoupling Adjustment Factor (RDAF) that is designed to collect the difference between distribution target revenues and actual distribution revenues as measured over the most recent decoupling year (July 1, 2021 through June 30, 2022). The calculation of the rates proposed to implement this RDAF (which are proposed for effect from January 1, 2023 through October 31, 2023 and which vary by rate class) is set out on Bates 35 of the December 2 filing. The rates are also included on the various proposed tariff pages (Bates 49-60). The proposed rate for Rate D (residential customers) is 0.281 cents per kWh. The proposed rates range from 0.104 cents per kWh for the G-1 rate class (General Service Time of Use) to 0.291 cents per kWh for the V rate class (Limited Commercial Space Heating).

The Department supports the proposed rates as consistent with the Settlement Agreement approved in DE 19-064 in Order No. 26,376, which established this revenue decoupling mechanism. This proposal was modified following review and discussion at the November 15 hearing in this docket about whether the collection should occur in base distribution rates or through a reconciling RDAF, as is called for in the December 2 filing.

The Department recommends three minor changes to the proposed tariff language, as follows:

A. On Bates 61 – Original Page 138, the Department recommends the following changes (insert **bold text** and delete ~~strike through~~) to clarify that the revenue collected through this decoupling adjustment will not be included as actual revenue collected in the next year's decoupling adjustment:

1. Monthly Actual Revenue per Customer is the actual monthly revenues by rate class derived from the Company's base distribution rates, **excluding the revenue decoupling adjustment, and excluding the** ~~except~~ rate classes M, LED-1, LED-2, D-11, D-12, EV, EV-L and EV-M, divided by the actual number of equivalent customer bills rendered for each rate class during that month.

B. On Bates Page 62 – Original Page 139, the text in the last sentence (repeated below) should begin a subparagraph and thus should be preceded by a) as follows:

a) The monthly target revenues per customer ("Monthly Target RPC") amounts will be determined for each of the Company's rate classes by:

C. On Bates 63 – Original Page 140, the following words and punctuation (period) should be added (**bold**) for consistency within the tariff:

e) Subject to the cap described above, the Annual Allowed **Revenue Decoupling** Adjustment revenue shortfall/surplus, will be allocated to the classes using the Rate Class Allocation as detailed on Line 115 of Attachment 5, page 4 of the Settlement Agreement in Docket No. DE 19-064.

f) The RDAF rate calculation for each applicable rate class is as follows:

Annual Allowed **Revenue Decoupling** Adjustment revenue shortfall/surplus plus prior period RDAF rate over- or under-recoveries, including interest, divided by the rate class sales for the Billing Year.

The Department has discussed these tariff changes with Liberty and understands that Liberty supports of these changes.

Consistent with current Commission practice, this letter is being filed only in electronic form.

Sincerely,
/s/ *Paul B. Dexter*
Paul B. Dexter
Staff Attorney/Hearings Examiner

Cc: Service List

ClerksOffice@puc.nh.gov
amanda.o.noonan@energy.nh.gov
donald.m.kreis@oca.nh.gov
elizabeth.r.nixon@energy.nh.gov
Energy-Litigation@energy.nh.gov
Erica.Menard@libertyutilities.com
gtherrien@ceadvisors.com
heidi.w.lemay@energy.nh.gov
James.King@libertyutilities.com
karen.sinville@libertyutilities.com
maureen.karpf@libertyutilities.com
Melissa.Samenfeld@libertyutilities.com
michael.sheehan@libertyutilities.com
ocalitigation@oca.nh.gov
paul.b.dexter@energy.nh.gov
thomas.c.frantz@energy.nh.gov

DEPARTMENT OF ENERGY
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
energy-litigation@energy.nh.gov

LIZ R NIXON
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
elizabeth.r.nixon@energy.nh.gov

PAUL B DEXTER
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
paul.b.dexter@energy.nh.gov

OCA LITIGATION
OCA LITIGATION
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
ocalitigation@oca.nh.gov

THOMAS C FRANTZ
DEPARTMENT OF ENERGY
21 SOUTH FRUIT ST STE 10
CONCORD NH 03301
thomas.c.frantz@energy.nh.gov

MELISSA SAMENFELD
LIBERTY UTILITIES
116 NORTH MAIN ST
CONCORD NH 03301
melissa.samenfeld@libertyutilities.com

MAUREEN KARPf
LIBERTY UTILITIES
15 BUTTRICK RD
LONDONDERRY NH 03053
maureen.karpf@libertyutilities.com

MICHAEL SHEEHAN
LIBERTY UTILITIES
15 BUTTRICK RD
LONDONDERRY NH 03053
michael.sheehan@libertyutilities.com

JAMES KING
LIBERTY UTILITIES (GRANITE STATE
ELECTRIC) CORP D/B/A LIBERTY
james.king@libertyutilities.com

KAREN SINVILLE
LIBERTY UTILITIES
karen.sinville@libertyutilities.com

DONALD M KREIS
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
donald.m.kreis@oca.nh.gov

GREGG THERRIEN
gtherrien@ceadvisors.com

HEIDI LEMAY
NEW HAMPSHIRE DEPARTMENT OF
ENERGY
heidi.w.lemay@energy.nh.gov

ERICA MENARD
LIBERTY UTILITIES (GRANITE STATE
ELECTRIC) CORP D/B/A LIBERTY
erica.menard@libertyutilities.com