

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 22-053

ELECTRIC AND GAS UTILITIES

**Investigation of Energy Commodity Procurement
(Renewable Portfolio Standard; Default Service Electric Power; Cost of Gas)
Methodology and Process**

ORDER OF NOTICE

In Order No. 26,582 (February 18, 2022), Order No. 26,643 (June 20, 2022), and Order No. 26,645 (June 23, 2022), the Commission made findings regarding the necessity for an investigation to examine the Renewable Portfolio Standard (RPS) and Default Service electric power procurement processes and methodologies utilized by New Hampshire's electric utilities. Also, during the spring and summer of 2022, our State's gas utilities have sought mid-season adjustments to their Cost of Gas (COG) rates, in response to rapidly-escalating gas commodity costs. See Order Nos. 26,618; 26,626; 26,627; 26,649; and 26,669.

This year, 2022, has brought to the fore an increasing cost structure for most if not all categories of energy commodities procured by the utilities regulated by the Commission: electrical energy contracts from ISO-New England suppliers entered into by electric utilities to serve Default Service customers; the potential impacts to Default Service due to Community Power Aggregations (CPAs) pursuant to RSA Chapter 53-E; and natural gas and propane procurements made by gas utilities to serve customer load, and covered under the terms of the COG Tariffs of each gas utility. As indicated in our recent Orders regarding these matters, the Commission is concerned regarding the potential impact such cost escalations have and may continue to have on New Hampshire residents, businesses, and institutions. The regulated utilities themselves

have also expressed this concern and a willingness to work with the Commission, the New Hampshire Department of Energy (DOE), and other interested stakeholders to improve these processes, to the greatest extent that is technically feasible, with a goal of improving outcomes for New Hampshire consumers.

We therefore open this investigatory proceeding to examine all pertinent aspects of RPS, Default Service, and COG procurements in New Hampshire, and related Commission processes. This investigation will aid the Commission in its role of examining related utility petitions to ensure just, reasonable, and accurate rates, and may serve as a launch pad for needed reforms. *See* RSA 374:2; 374:4; 374:8; 374:10; 374:11; 374:13; 378:5; 378:7; 378:8; RSA Chapter 362-F; and RSA Chapter 374-F.

Because this is an investigatory docket, it will not conclude with a final order or other result binding on the participants in this or future dockets. The purpose is to engage stakeholders in an open, overarching, and collaborative process that is free of certain procedural constraints that exist in adjudicative dockets. The results may take the form of non-binding guidance, procedural and/or operational changes on the part of the Commission, a decision by the Commission to initiate one or more rulemaking or adjudicative dockets, a report with information that may benefit legislators, or some combination of the above.

This investigation is commenced pursuant to the Commission's investigatory authorities: RSA 365:5, 365:6, 365:15, 365:19, 374:4, 374:7, and 374-F:4, X. This order of notice and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-053.html>

ISSUES PRESENTED

This investigation will review questions related to: the processes related to RPS, Default Service including impacts of CPAs, and COG procurements by utilities; the ratemaking and calculation methodologies used for same; and the processes used by the Commission and participating parties for developing data and recommendations. Accordingly, this docket will examine, *inter alia*, issues related to RSA 374:2; 374:4; 374:8; 374:10; 374:11; 374:13; 378:5; 378:7; 378:8; RSA Chapter 53-E; RSA Chapter 362-F; and RSA Chapter 374-F, including, but not necessarily limited to:

1. The timing and other approaches historically used by New Hampshire utilities for RPS, Default Service, and COG procurements, and data regarding outcomes correlated with different approaches;
2. Potential enhancements to Commission review proceedings for RPS, Default Service, and COG matters, including timing of RPS, Default Service, and COG filings and proposed rate effective dates;
3. A comparison of different United States jurisdictions with regards to these issues and the approaches used;
4. New Hampshire electric and gas utilities' internal planning approaches to these issues; and
5. The potential to leverage a regional approach to these procurements coordinated by the parent companies of these New Hampshire utilities, which have affiliates in other New England states (e.g. Maine, Massachusetts, Connecticut) and through ISO-New England markets.

All electric and gas utilities shall participate in this investigation; all other interested stakeholders are encouraged to participate. Each party has the right to have an attorney represent the party at the party's own expense.

The Commission hereby schedules a prehearing conference to occur on October 5, 2022, at 9:30 a.m. At the prehearing conference the Commission will hear preliminary comments from the utilities and stakeholders on these topics and consider a procedural schedule for the remainder of this investigation. The utilities and interested stakeholders are encouraged to pre-file comments on the procedural schedule and scope of this investigation.

Based upon the foregoing, it is hereby

ORDERED, that the Clerk's Office shall notify all persons of this investigation by publishing a copy of this Order of Notice on the Commission's website no later than two business days after the date of issue, www.puc.nh.gov, and by electronic mail to the electric, gas, and water distribution utilities; and it is

FURTHER ORDERED, that the electric and gas utilities of this State shall be mandatory parties to this investigation, together with the New Hampshire Department of Energy; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to the electric and gas utilities and any other parties on the service list, on or before September 20, 2022. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before September 30, 2022; and it is


FURTHER ORDERED, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on October 5, 2022, at 9:30 a.m., at which each party should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

FURTHER ORDERED, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d), including the establishment of a procedural schedule governing the remainder of the proceeding and further defining the scope of this investigation. The utilities and interested stakeholders are encouraged to pre-file comments on these topics so that the presiding officer can address any matters on which there is disagreement during the prehearing conference. Such comments shall be filed no later than September 26, 2022. Any procedural schedule, however, will not be approved until after the prehearing conference and after consulting the Commission's calendar; and it is

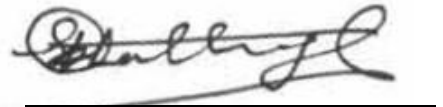
FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

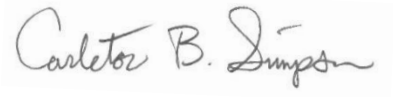
So ordered, this sixth day of September, 2022.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket# : 22-053

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