THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 16-822

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY

Proposed Default Energy Service Rate for 2017

ORDER OF NOTICE

On September 30, 2016, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a petition to set its default energy service (ES) rate for effect with service rendered on and after January 1, 2017. Pursuant to 369-B:3, IV(b)(1)(A), customers who take ES from Eversource will be billed at a rate equal to Eversource's actual, prudent and reasonable costs of providing the power, as approved by the Commission. Eversource estimated an ES rate of 10.99 cents per kilowatt hour (kWh) for effect with services rendered on and after January 1, 2017. In support of its petition, Eversource filed the testimony of Christopher J. Goulding, together with related attachments and exhibits. Eversource also filed its forecast of customer migration with the supporting testimony of Daniel J. Ludwig. Eversource forecast 2017 customer migration of 56.9%, representing an increase of 2.4 percent from the forecast for 2016. Finally, Eversource included the testimony of Brian J. Rice which includes a lead/lag study required by the Commission in Order No. 25,914 (June 28, 2016). The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-822.html.

Eversource's ES cost categories include the revenue requirements associated with its owned generation assets and the costs of its purchase power obligations. Those costs include the

fuel costs associated with its generation assets, the costs of supplemental power and capacity purchases, certain Independent System Operator-New England ancillary service charges, and the cost of compliance with New Hampshire's Renewable Portfolio Standard (RPS) and the Regional Greenhouse Gas Initiative (RGGI). The generation revenue requirements also include non-fuel costs of generation including non-fuel operation and maintenance costs, allocated administrative and general costs, depreciation, property taxes, payroll taxes, and a return on the net investment in its fossil and hydroelectric generation plants. Eversource's energy costs also include estimated costs for Independent Power Producer (IPP) generation that is used to help meet its load requirements. IPP costs included in the estimated ES rate are based on projected market costs of energy and capacity. Finally, Eversource recovers through its energy service rate the temporary rate of 1.72 cents per kWh to recover costs associated with the wet flue gas desulfurization unit (Scrubber) installed at Merrimack Station. Order No. 25,854 (Dec. 22, 2015). Based on its estimates of costs and revenues associated with these enumerated elements, Eversource estimated that the ES rate for effect January 1, 2017 would be 10.99 cents per kWh. Eversource plans to update its estimate before the hearing in this matter.

The filing raises, inter alia, issues related to whether the energy service rate is based on Eversource's actual, prudent and reasonable costs of providing such service, consistent with RSA 369-B:3, IV(b)(1)(A), whether the resulting rates are just and reasonable pursuant to RSA 378:5 and 378:7 and whether the lead/lag study was appropriately conducted and whether the results of the study should be included in ES rates. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 27, 2016 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, Eversource, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Eversource shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 13, 2016, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 25, 2016; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Eversource and the Office of the Consumer Advocate on or before October 25, 2016, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 27, 2016.

By order of the Public Utilities Commission of New Hampshire this tenth day of October, 2016.

Debra A. Howland /aed

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.