

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

DE 15-415

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

Proposed Default Energy Service Rate for 2016

ORDER OF NOTICE

On September 28, 2015, 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, 2016. Pursuant to RSA 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 10.39 cents per kilowatt hour (kWh) for effect with services rendered on and after January 1, 2016. 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. The Company forecast 2016 customer migration at 53.6 %, an increase from the 2015 migration rate of 47.5%. 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 www.puc.nh.gov.

Eversource said that its 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, 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. Based on its estimates of costs and revenues associated with these enumerated elements, Eversource estimated that the ES rate for effect January 1, 2016 would be 8.67 cents per kWh, an increase of 0.67 cents per kWh from the current rate of 8.00 cents per kWh. Eversource stated that it would update its estimates before the December merits hearing in this docket.

Eversource explained that the 8.67 estimated ES rate does not include recovery of costs related to the desulphurization installation (Scrubber) at Merrimack Station, which is the subject of a separate docket (DE 11-250). Currently, pursuant to Order No. 25,346, Eversource recovers a temporary Scrubber rate of 0.98 cents per kWh. In this filing, Eversource proposes to include in the ES rate all 2016 costs of the Scrubber, and \$17.612 million in deferral costs. With the inclusion of Scrubber costs recovery, the ES rate would be 10.39 cents per kWh. Eversource said that recovery of the Scrubber costs as proposed is consistent with the 2015 Settlement Agreement filed in Docket No. DE 14-238, the docket examining the valuation of Eversource's generation assets.

Eversource states that should the Commission not approve the 2015 Settlement Agreement, approve it after the Company's updated ES filing in December 2015, or approve the

Settlement Agreement with changes or conditions relating to the Scrubber recovery, Eversource will either (1) reincorporate the 0.98 cents per kWh temporary rate that has previously been included in the ES rate calculation (for a total ES rate of 9.65 cents per kWh), or (2) adjust the proposed rate as ordered or approved by the Commission, to ensure that the ES rate is appropriately adjusted on January 1, 2016.

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), and whether the resulting rates are just and reasonable pursuant to RSA 378:5 and 378:7. 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 26, 2015 at 10:00 a.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 allow Eversource to provide any amendments or updates to its filing; 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 14, 2015, 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 22, 2015; 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 22, 2015, 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);

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 26, 2015; and it is

FURTHER ORDERED, that pursuant to N. H. Code Admin Rules Puc 203.12, a hearing on this matter shall be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 16, 2015 at 1:30 p.m.

By order of the Public Utilities Commission of New Hampshire this seventh day of October, 2015.



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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.