

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-241

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

**Petition for Approval of Gas Capacity Contract with Algonquin Gas Transmission, LLC,
Gas Capacity Program Details, and Distribution Rate Tariff for Cost Recovery**

Order Denying Motions for Reconsideration

ORDER NO. 25,970

December 7, 2016

The Commission hereby denies the motions for reconsideration of Order No. 25,950, which dismissed Eversource's petition in this docket.

I. PROCEDURAL BACKGROUND

On February 18, 2016, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), a New Hampshire electric distribution company (EDC) filed a petition for approval of a proposed 20-year contract with Algonquin Gas Transmission, LLC (Algonquin). The contract would have been for natural gas capacity on Algonquin's Access Northeast Pipeline Project (Access Northeast pipeline). Eversource also sought recovery of associated costs through a new distribution rate tariff, to be assessed on all of Eversource's customers. Following the submission of legal briefs by interested persons regarding the Eversource proposal, the Commission dismissed the petition. *See* Order No. 25,950 (October 6, 2016). In that order, the Commission concluded as a matter of law that Eversource's proposal conflicted with the principles and requirements of the Electric Restructuring Statute, RSA Chapter 374-F. For a more extensive description of the procedural history of this matter, together with the Commission's legal analysis regarding its decision to dismiss the petition, see Order No. 25,950.

On November 7, 2016, Eversource filed a timely motion for reconsideration of the Commission's decision to dismiss its petition. Algonquin also filed a motion for reconsideration on November 7, 2016. On November 14, 2016, the Coalition to Lower Energy Costs (CLEC) made a filing styled a "Response" to the Eversource and Algonquin motions for reconsideration, broadly supportive of the Eversource and Algonquin pleadings. On November 15, 2016, the Conservation Law Foundation (CLF) filed a timely objection to the Eversource and Algonquin requests for reconsideration. Also on November 15, 2016, the Office of the Consumer Advocate (OCA) filed a timely objection to the Eversource and Algonquin pleadings. On November 18, 2016, NextEra Energy Resources, LLC (NextEra) filed its own objection to the requests for reconsideration. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-241.html>.

II. POSITIONS OF THE PARTIES

A. Eversource

In its motion for reconsideration, Eversource reiterated the core arguments it made in its previously filed legal briefs. Specifically, Eversource argued that the Commission erred in failing to adopt the position that the objective of "lower energy costs" presented by the Legislature within the terms of the Electric Restructuring Statute, RSA 374-F, enabled the Commission to approve the Eversource-Access Northeast pipeline proposal. Eversource disagreed with the Commission's reliance on competition and functional separation of distribution and generation as the core principles of the Restructuring Statute. Eversource Motion at 2-5. Eversource also argued that the New Hampshire State Energy Strategy supports the acquisition of additional pipeline capacity for use by New England generators. Eversource

maintained that the prospect of “market failure” related to merchant generators’ inability to acquire gas pipeline capacity militated in favor of the Commission’s allowing the proposed activity. Eversource Motion at 5-7. Eversource also argued that RSA 374-A remains applicable to New Hampshire EDCs such as itself, even though Eversource did not rely on RSA 374-A in making its petition. Eversource Motion at 7-12.

B. Algonquin

In its motion for reconsideration, Algonquin alleged that the Commission ignored the various goal-oriented Restructuring Statute principles related to the perceived need for lower energy costs, among others, in favor of the functional separation principle presented in RSA 374-F:3, III, and the general principle of competition. Algonquin Motion at 3-9. Algonquin also reiterated its position that for Eversource to “simply provide a mechanism by which natural gas capacity would be made available” did not implicate RSA 374-F:3, III. Algonquin Brief at 9-11. Algonquin also argued that the Commission erred in not accepting legal arguments regarding the applicability of RSA 374:57 and RSA Chapter 374-A.

C. CLEC

In its pleading,¹ CLEC argued that the Commission was incorrect in concluding that the Eversource-Access Northeast proposal violated the terms of the Electric Restructuring Act. CLEC reiterated its position that there exists a state of “market failure” compelling the Commission to approve the proposal, that the proposal does not violate the functional separation principle of the Restructuring Act, and that the general corporate powers of Eversource enabled it to enter into the proposed activities. CLEC offered its broad support for the Eversource and Algonquin motions for reconsideration.

¹ CLEC’s filing was not styled as request for rehearing or reconsideration. Instead, CLEC filed what it called a “response” to the motions of Eversource and Algonquin. The OCA argues that we should ignore CLEC’s filing as untimely. In light of our decision, consideration of CLEC’s arguments does not affect the result.

D. CLF

CLF opposed the requests for reconsideration, agreeing with the determinations of law made by the Commission in Order No. 25,950, and stated that there was no basis for the Commission to reconsider its decision.

E. OCA

The OCA supported the Commission's legal conclusion that the proposed Access Northeast contract would constitute a component of "generation services" in violation of the functional-separation principle of RSA 374-F:3, III, and the Electric Restructuring Act generally. *See* OCA Objection at 3-5. The OCA also presented arguments in opposition to Eversource's, Algonquin's, and CLEC's arguments regarding the import of the ancillary statutes considered by the Commission in its rulings.

F. NextEra

NextEra offered detailed analysis in support of the Commission's legal conclusions presented in Order No. 25,950.

III. COMMISSION ANALYSIS

The Commission may grant rehearing or reconsideration for "good reason" if the moving party shows that an order is unlawful or unreasonable. RSA 541:3, RSA 541:4, *Rural Telephone Companies*, Order No. 25,291 (November 21, 2011). A successful motion must establish "good reason" by showing that there are matters that the Commission "overlooked or mistakenly conceived in the original decision," *Dumais v. State*, 118 N.H. 309, 311 (1978) (quotation and citations omitted), or by presenting new evidence that was "unavailable prior to the issuance of the underlying decision," *Hollis Telephone Inc.*, Order No. 25,088 at 14 (April 2, 2010). A successful motion for rehearing must do more than merely restate prior arguments and ask for a

different outcome. *Public Service Co. of N.H.*, Order No. 25,676 at 3 (June 12, 2014); *see also Freedom Energy Logistics*, Order No. 25,810 at 4 (September 8, 2015).

Eversource's and Algonquin's motions for reconsideration do not present any new information, nor do they establish that the Commission overlooked or misunderstood issues in connection with its dismissal of Eversource's petition by means of Order No. 25,950. We carefully reviewed all of the statutory authorities relied upon by both supporters and opponents of the Eversource proposal, including RSA Chapter 374-F, and did not develop our legal conclusions in a vacuum. Historical context was of critical importance in our analysis. For instance, we carefully examined the definition of "Electric utility" presented in RSA 374-A:I, IV, and noted that Eversource is no longer the kind of electric utility defined in that section as "any individual or entity or subdivision thereof, private, governmental or other, including a municipal utility, wherever resident or organized, primarily engaged in the generation and sale or the purchase and sale of electricity or the transmission thereof, for ultimate consumption by the public." We stand by our conclusions that "RSA 374-A no longer applies to an EDC like Eversource" and "[t]he change in the industry through the Restructuring Statute, first passed in 1996, effectively ended a restructured EDC's ability to participate in the generation side of the electric industry." *See* Order No. 25,950 at 13-14.

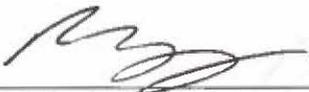
Eversource and Algonquin simply reiterated their arguments that the goals of RSA 374-F, including lower energy costs and concomitant economic benefits, override the requirement to divest, if some alternative means is presented that promises to lower energy costs. Restating

prior arguments and requesting a different outcome is not grounds for rehearing. Therefore, Eversource and Algonquin's motions for reconsideration are denied.

Based upon the foregoing, it is hereby

ORDERED, that the petitions by Eversource and Algonquin for reconsideration are hereby DENIED.

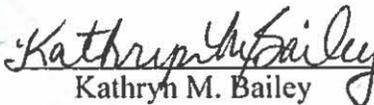
By order of the Public Utilities Commission of New Hampshire this seventh day of December, 2016.



Martin P. Honigberg
Chairman

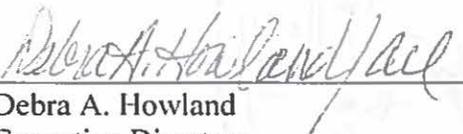


Michael J. Iacopino
Special Commissioner



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director

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Docket #: 16-241-1 Printed: December 07, 2016

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
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- 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.

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