

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

**DE 16-822
DE 16-823
DE 17-081**

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

**Mid-Year Adjustment to Energy Service Rates
Mid-Year Adjustment to Stranded Cost Recovery Charge Rate
Annual Adjustment to Transmission Cost Recovery Charge Rate**

ORDER OF NOTICE

Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) makes an annual filing in May proposing mid-year adjustments to its energy service (ES) rate and its average stranded cost recovery charge (SCRC) rate, for effect with services delivered on and after July 1. Eversource develops an estimate of the ES and SCRC rates in its May filing, and updates those estimates before the merits hearing held in June. Also in May, Eversource files a petition to change its transmission cost adjustment mechanism (TCAM) rate. Eversource typically receives complete information on transmission costs early in June, and files testimony and the proposed average TCAM rate once that information is received.

On May 9, 2017, Eversource filed petitions to adjust its ES and SCRC rates, and on May 15, 2017, Eversource filed a petition to change the TCAM rate all for effect on July 1, 2017 on a service rendered basis.

A. ES RATE

Pursuant to RSA 369-B:3, IV(b)(I)(A), energy service by Eversource shall be priced at its actual, prudent and reasonable cost of providing power, as approved by the Commission. ES

costs include generation asset revenue requirements, entitlements and purchased power obligations. ES costs also include the costs of compliance with the New Hampshire zRenewable Portfolio Standard (RSA 362-F) and the Regional Greenhouse Gas Initiative (RGGI) (RSA 125-O:19-28) as well as power purchased from independent power producers (IPPs) at market price, non-fuel operation and maintenance costs, property taxes and payroll taxes depreciation, uncollectible costs attributable to energy service, and a return on generation investment.

As of May 9, 2017, Eversource estimated that the July 1, 2017 ES rate would be 11.60 cents per kilowatt hour (kWh), an increase from the current rate of 11.17 per kWh. This rate includes the rate of 1.72 cents per kWh associated with the recovery of the costs of the wet flue gas desulphurization (Scrubber) unit at Merrimack Station. Order No. 25,854 (Dec. 22, 2015). Eversource attributes the increase to an under-recovery resulting from lower energy service revenues resulting from increased migration and a higher than forecasted prior year under-recovery. Eversource said it would update its estimate before the merits hearing.

B. SCRC RATE

The SCRC mechanism was established pursuant to an agreement to settle Eversource's restructuring in Docket No. DE 99-099 (Restructuring Agreement). The Restructuring Agreement defined Eversource's stranded cost and categorized them into three parts—Part 1, Part 2 and Part 3. Part 1 and 3 costs have been fully recovered. The remaining stranded costs are Part 2 costs, which represent "ongoing" stranded costs, and consist of the over-market value of energy purchased from IPPs, and the amortization of payments previously made for IPP buy-downs and buy-outs as approved by the Commission. In addition, the Commission authorized Eversource to use the SCRC rate as the mechanism to rebate certain proceeds from quarterly RGGI auctions to all customers. *See* Order No. 25,664 (March 28, 2014). In its May 9, 2017

filing, Eversource estimates that the SCRC rate will decrease from 0.27 cents per kWh to a credit of 0.109 cents per kWh, effective July 1, 2017. Eversource attributed the decrease to a return on certain Yankee plant obligations and the timing of receipt of RGGI allowance proceeds changed.

C. TCAM RATE

In its May 15th letter, Eversource said it will file testimony and exhibits in support of proposed rates after it receives complete information on wholesale transmission rates, which it expects to receive in early June 2017.

The petitions 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.

The filing raises, inter alia, issues related to whether the ES rate is based on Eversource's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B:3, IV(b)(I)(A); whether Eversource's assumptions and estimates of stranded costs are reasonable; whether Eversource's calculation of the TCAM rate is consistent with the Commission's orders; and whether the ES rate, the SCRC rate and the TCAM rate are just and reasonable as required by RSA 374:1. 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 Hearings, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 22, 2017 at 1:30 p.m. in the following order: SCRC (DE 16-823), ES (DE 16-822) and TCAM (17-081); 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 May 25, 2017, 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 June 19, 2017; 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 June 19, 2017, 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 it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before June 22, 2017.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of May, 2017.



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.

Executive.Director@puc.nh.gov
allen.desbiens@eversource.com
amanda.noonan@puc.nh.gov
kristi.davie@eversource.com
leszek.stachow@puc.nh.gov
matthew.fossum@eversource.com
ocalitigation@oca.nh.gov
richard.chagnon@puc.nh.gov
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov

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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.**