

January 7, 2019

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301

**Re: *Order No. 26,099 (“Finance Order”), Docket No. DE 17-096
Periodic RRB Charge True-Up Mechanism Advice Filing***

NHPUC 7 JAN 19 PM 3:33

Dear Director Howland:

Pursuant to Order No. 26,099 issued on January 30, 2018 in Docket No. DE 17-096 (the “Finance Order”), Public Service Company of New Hampshire (“PSNH”), as servicer of the Rate Reduction Bonds (“RRBs”) and on behalf of the RRB trustee as assignee of PSNH Funding LLC 3 (the special purpose entity, or “the SPE”), shall apply for adjustment to the RRB Charges annually and at such additional intervals, if necessary, as may be provided for in the Finance Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Finance Order.

PURPOSE

This filing establishes the revised RRB Charges to be assessed and collected from retail users of PSNH’s distribution system within PSNH’s service territory, whether or not energy is purchased from PSNH or a third party supplier, and whether or not such distribution system is being operated by PSNH or a successor distribution company. The RRB Charges is a usage-based component of the stranded cost recovery charge on each retail user’s monthly bill until the Total RRB Payment Requirements are discharged in full. In the Finance Order, the Commission authorized PSNH to file Routine True-Up Letters annually and at such additional intervals, if necessary, as may be provided for in the Finance Order. The purpose of such filings and resulting adjusted RRB Charges is to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the Periodic RRB Payment Requirements for the upcoming period, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees and other liabilities of the SPE.

Using the methodology approved by the Commission in the Finance Order, this filing modifies the variables used in the RRB Charge calculation and provides the resulting modified RRB Charges. Table 1 shows the revised assumptions for each of the variables used in calculating the RRB Charges for Customers classes. The assumptions underlying the current RRB Charges were filed in an Advice Letter, dated May 4, 2018.

TABLE 1
INPUT VALUES FOR RRB CHARGES

Most recent RRB payment date for which payment data is available ("Measure Date"):	2/1/2019
Last RRB payment date related to this remittance period ("Target Date"):	2/1/2020
Annual ongoing transaction expenses to be paid through Target Date:	\$660,832
Unpaid ongoing transaction expenses following payments on Measure Date:	\$0
Capital subaccount deficiency following payments on Measure Date:	\$0
Expected annual RRB principal payments through Target Date:	\$43,209,734
Unpaid RRB principal payments following payments on the measure date:	\$0
Interest payments on outstanding principal to be paid through Target Date:	\$20,917,068
Unpaid interest following payments on Measure date:	<u>\$0</u>
Total annual revenue requirement	\$64,787,634
Current Excess Funds Subaccount balance:	\$259,457
Collections expected to be realized in upcoming remittance period from prior RRB Charges:	<u>\$15,340,458</u>
Required Debt Service and fees	<u>\$49,187,718</u>


Rate Classes	<u>R</u>	<u>G</u>	<u>GV</u>	<u>LG</u>	<u>OL</u>
Percentage of debt service requirement per rate class	48.75%	25.00%	20.00%	5.75%	0.50%
Debt Service requirement attributed to each class	\$23,979,013	\$12,296,930	\$9,837,544	\$2,828,294	\$245,939
Forecasted kwh sales	2,543,570,974	1,419,375,630	1,332,344,972	1,103,531,891	22,897,282
RRB Charges per kwh	\$0.00948	\$0.00872	\$0.00743	\$0.00258	\$0.01081
Percent of billed amounts expected to be charged-off:				0.60%	
Weighted average days sales outstanding:				29	

EFFECTIVE DATE

In accordance with the Finance Order, Routine True-Up Letters for annual RRB Charges adjustments shall be filed not later than January 15 in each year, with the resulting upward or downward adjustments to the RRB Charges to be effective – absent manifest error in the Routine True-Up Letters – on the ensuing February 1. In accordance with the Finance Order, a Routine True-Up Letter shall also be filed not later than July 15 of each year, if the Servicer reasonably projects that expected collections of the RRB charges will be insufficient to meet the next Periodic RRB Payment Requirements (February 1 of the subsequent year), with the resulting upward adjustments to the RRB Charges to be effective – absent manifest error in such Routine True-Up Letter – on the ensuing August 1. In addition, the Finance Order permits (but does not require) the Servicer to file another Routine True-Up Letter not later than the date that is 15 days before the end of any calendar month if it reasonably determines that an adjustment to the RRB Charges is necessary to meet the Periodic RRB Payment Requirements for the then- current Remittance Period, with the resulting upward adjustments to the RRB Charges to be effective – absent manifest error in such Routine True-Up Letter – on the first day of the ensuing calendar month. No approval by the Commission is required. Therefore, these RRB Charges shall be effective as of February 1, 2019.

NOTICE

Copies of this filing are being furnished to the New Hampshire Public Utilities Commission and the parties on the attached service list. Notice to the public is hereby given by filing this Routine True-Up Letter with the Commission and by keeping this filing open for public inspection at Eversource Energy Service Company's office in Westwood, Massachusetts, as agent for Public Service Company of New Hampshire.



Robert A. Bersak
Chief Regulatory Counsel

cc via e-mail: Service List

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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* On January 4, 2019, Eversource requested that Ms. Vaughan be removed from this Service List

Docket #: 17-096-1 Printed: January 03, 2019

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
EXECUTIVE 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.