

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

**Public Service Company of New Hampshire
d/b/a Eversource Energy
Stranded Cost Recovery Charge Rate**

Docket No. DE 18-023

**Technical Statement of
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July 3, 2018

A. Purpose of Technical Statement

This Technical Statement is being submitted to explain the changes to Public Service Company of New Hampshire d/b/a Eversource Energy's ("Eversource") proposed Stranded Cost Recovery Charge ("SCRC") Rate effective August 1, 2018. This filing updates the Company's SCRC filing that was submitted on June 15, 2018.

B. Proposed Rates (cents/kWh)

On June 15, 2018, Eversource filed the following August 1, 2018 SCRC average rates (excluding and including the RGGI refund adder):

August 1, 2018 Preliminary Rates filed June 15, 2018 (Cents/kWh)

| Rate Class | Excluding RGGI Adder Average SCRC | RGGI Adder | Including RGGI Adder Average SCRC |
|-------------------|--|-------------------|--|
| Rate R | 2.111 | (0.079) | 2.032 |
| Rate G | 1.933 | (0.079) | 1.854 |
| Rate GV | 1.595 | (0.079) | 1.516 |
| Rate LG | 0.595 | (0.079) | 0.516 |
| Rate OL | 2.221 | (0.079) | 2.142 |

In this filing, as shown in Attachment CJG-1, page 1, Eversource has calculated the following August 1, 2018 SCRC average rates (excluding and including the RGGI adder):

August 1, 2018 Rates filed July 3, 2018 (Cents/kWh)

| Rate Class | Excluding RGGI Adder Average SCRC | RGGI Adder | Including RGGI Adder Average SCRC |
|-------------------|--|-------------------|--|
| Rate R | 2.147 | (0.094) | 2.053 |
| Rate G | 1.970 | (0.094) | 1.876 |
| Rate GV | 1.626 | (0.094) | 1.532 |
| Rate LG | 0.607 | (0.094) | 0.513 |
| Rate OL | 2.253 | (0.094) | 2.159 |

The increase in the average SCRC rates (excluding the RGGI refund adder) is due to actual ISO resettlement costs for the month of May, and an increase in actual and forecasted PPA costs due to higher actual PPA cost for the month of May compared to forecast, offset by lower forecasted above market PPA cost for the June through January forecast period due to higher forecasted energy clearing prices.

The table below provides a comparison of the costs and revenues in the June 15, 2018 preliminary filing compared to the costs and revenues included in this update filing.

| Description | Preliminary August 1 Rates | Updated August 1 Rates | Inc/(Dec) |
|---|----------------------------------|------------------------------|-----------|
| Revenues | (109,176) | (109,176) | - |
| Part 1 Costs | 55,074 | 55,074 | - |
| Part 2 Costs: | | | |
| Amortization and return on IPP Buydown/Buyout Savings | 563 | 563 | - |
| Above Market Cost of IPP's | 8,233 | 8,289 | 56 |
| Above Market Cost of Burgess | 21,682 | 21,915 | 233 |
| Above Market Cost of Lempster | 688 | 685 | (3) |
| Total Above Market IPP & PPA Costs | 30,603 | 30,889 | 286 |
| March 31, 2018 Non-Scrubber Under Recovery | 25,712 | 25,712 | |
| Amortization of Scrubber Deferral (7 Years) | 1,468 | 1,468 | |
| Return on Stranded Thermal Assets | 2,208 | 2,208 | |
| Total Non-Scrubber Under Recovery | 29,388 | 29,388 | - |
| Loss on 2017 REC Inventory | 2,499 | 2,499 | - |
| Miscellaneous ISO Resettlement | 180 | 1,107 | 927 |
| Excess Deferred Income Tax Return | (5,312) | (5,312) | - |
| Total Part 2 Return | 381 | 415 | 34 |
| Total Part 2 SCRC Costs | 58,302 | 59,549 | 1,247 |
| Total Part 1 and Part 2 Costs | 113,376 | 114,623 | 1,247 |
| Revenues | | | - |
| Total Increase/(Decrease) in Costs | | | 1,247 |

The decrease in the RGGI refund adder rate from negative 0.079 cents/kWh to negative 0.094 cents/kWh, which is shown in Attachment CJG-2, page 1, is due to higher actual auction results for the June 2018 auction compared to the forecast and an increase in the forecasted RGGI clearing price assumption for the remaining 2018 auctions.

Provided as Attachment CJG-4 is the actual SCRC rates for the individual rate codes, Attachment CJG-5 is the assumptions for the Burgess and Lempster contracts for the forecast period and Attachment CJG-6 contains the revised tariff pages.