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Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

NHPUC 31JUL'19PM4:28

RE: Docket No. DE 19-057  
Public Service Company of New Hampshire d/b/a Eversource Energy  
Notice of Intent to File Rate Schedules

Dear Director Howland:

On May 28, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH" or the "Company") submitted its request for permanent rates in the above-captioned docket, including among its proposals the Grid Transformation and Enablement Program ("GTEP"). The GTEP encompasses a series of initiatives to raise the condition of the Company's electric distribution system to a level that is necessary to meet the growing expectations of customers for a reliable and resilient system, while at the same time reducing greenhouse gas emissions and promoting advanced technology solutions. The primary elements of the GTEP are presented in the joint testimony of Joseph A. Purington and Lee G. Lajoie, and cost recovery for the program is proposed through a separate rate mechanism, a Distribution Rate Adjustment Mechanism ("DRAM"), presented in the joint testimony of Eric H. Chung and Troy M. Dixon. As part of the GTEP proposal, the Company submitted the joint testimony of Charlotte Ancel and Jennifer Schilling describing two Clean Innovation Projects that would be funded through the cost recovery mechanism established in the rate case (the "Projects").

The Projects include: (1) the Westmoreland Clean Innovation Project, which is a proposal to provide a solution to a reliability-challenged area through the integration of battery storage, distributed energy resources, and enhanced energy efficiency, supported by the testimony and exhibits of Ms. Ancel; and (2) the Oyster River Clean Innovation Project, which is a proposal to construct and operate a microgrid in collaboration with the University of New Hampshire and Town of Durham, supported by the testimony and exhibits of Ms. Schilling. The Company presented the joint testimony of Ms. Ancel and Ms. Schilling in the rate case for the purpose of illustrating the types of advanced technology solutions that would be supported by the GTEP and to obtain preauthorization to move forward on the Projects based on the general parameters as proposed. Recovery of actual costs for the Projects would be subject to further review at a later date, in accordance with the recovery terms approved in the rate case.

On June 21, 2019, the Company and other parties met in a technical session following the pre-hearing conference in this matter. Based upon that session and subsequent discussions

among the parties, the Company learned that Commission Staff, the Office of Consumer Advocate (“OCA”) and others prefer that the Commission’s review of the merits of the Projects be conducted in a separate process, outside of the rate case, Docket No. DE 19-057. PSNH was asked to consider whether it would move its request for the preauthorization of the Projects to separate dockets. The Company is amenable to this approach and will resubmit the Projects for approval in separate dockets, as described below.

Because each of the Projects is in a different stage of development, PSNH intends to resubmit each proposal for preauthorization in a separate docket on a staggered schedule. Specifically, the Company intends to submit the testimony and exhibits of Ms. Ancel on the Westmoreland Clean Innovation Project shortly. For the Oyster River Clean Innovation Project, the Company will file at a later date a petition and the testimony and exhibits of Ms. Schilling, following a planned request for proposals (“RFP”) to obtain outside support in developing the project design details. By these submissions, PSNH proposes that review of the merits of these Projects will shift to the new dockets, as will issues regarding the application of the cost recovery mechanism to these Projects. Because the joint testimony of Ms. Ancel and Ms. Schilling is limited to discussion of the two Projects, and all issues related to preauthorization of the Projects will be addressed in the new dockets, PSNH will withdraw consideration of that joint testimony from the rate case docket.<sup>1</sup>

As described in the Company’s rate case application, the Projects are examples of the types of initiatives under review by the Company through the GTEP that will require a funding mechanism incremental to base rate recovery. The Company included the Projects with its initial rate case application because these initiatives are moving ahead expeditiously. The Company was concerned that a lag in administrative review could hinder the progress of project implementation. Accordingly, in transferring review of the Projects from the rate case to the new dockets, the Company does so on the understanding that the other parties will support proceeding in an expeditious and efficient manner such that those dockets may be concluded without undue delay and preferably near in time to the conclusion of the rate case.

Furthermore, PSNH notes that this plan does not affect any other elements of the rate case proposals, including, but not limited to, its proposal for implementation of a DRAM that would, if approved, provide the apparatus for reconciling various expenses including those relating to the GTEP (and the Projects).

Because this process for further review of the Projects is based upon the input of other parties, PSNH sought the agreement of the parties to the docket with respect to the approach described above. PSNH reports that the following parties agree with that approach: Commission Staff and The Way Home.

PSNH looks forward to continuing to work with the parties on the important issues in the rate case proceeding in Docket No. DE 19-057. Likewise, PSNH looks forward to working with interested parties in the individual dockets relating to each of the Projects and anticipates that the

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<sup>1</sup> The joint testimony will remain on file in Docket No. DE 19-057 because it is referenced in testimony of other Company witnesses, but consideration of all of the issues raised in the joint testimony will shift to the new dockets.

review of the Projects will happen efficiently so that the important development opportunities to be afforded by the Projects may be obtained in the near future.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'MF', with a long horizontal flourish extending to the right.

Matthew J. Fossum  
Senior Regulatory Counsel

CC: Service List