

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

Notice of Intent to File Rate Schedules

Docket No. DE 19-057

MOTION FOR RECONSIDERATION AND CLARIFICATION OF ORDER NO. 26,504

Pursuant to New Hampshire Code of Administrative Rules Puc 203.07 and RSA 541:3, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or “the Company”) hereby moves for reconsideration and clarification of Order No. 26,504 (July 30, 2021) (the “Order”) in the instant docket. The Order ignores or overlooks relevant facts and law, alters items previously decided without justification, and does not validate the conclusions it reaches. Moreover, the Order creates confusion and uncertainty that must be addressed if Eversource is to comply with its terms. In support of this motion, Eversource states as follows:

I. BACKGROUND AND PROCEDURAL HISTORY

1. On March 22, 2019, Eversource filed with the Commission its Notice of Intent to File Rate Schedules pursuant to N.H. Code Admin. Rule Puc 1604.05 pertaining to its request for temporary rates. On May 8, 2019, the Commission issued Order No. 26,250, suspending Eversource’s proposed tariff for a temporary rate increase pending further investigation and on May 28, 2019, the Company submitted its permanent rate filing seeking an increase in rates effective July 1, 2019. Over the ensuing year and a half (including the allowance created by Governor Sununu’s extension of the Commission’s authority to suspend rate schedules by six months, from 12 to 18 months in his April 24, 2020, Executive Order #29, issued pursuant to Executive Order 2020-04), Eversource and numerous parties engaged in discovery, technical

sessions, and other discussions culminating in a Settlement Agreement (the “Settlement Agreement”) on permanent rates that was filed with the Commission on October 9, 2020 and addressed in hearings at the end of October 2020. On December 15, 2020, the Commission issued Order No. 26,433 approving the Settlement Agreement.

2. Pursuant to Section 10 of the Settlement Agreement, Eversource is allowed three step increases to account for plant placed in service in calendar years 2019, 2020, and 2021. Appendix 5 to the Settlement Agreement identified the projects Eversource anticipated placing in service in calendar years 2019 and 2020 as part of the first and second step adjustments. The first step adjustment covering plant additions in calendar year 2019 was adjudicated in December 2020 and, by Order No. 26,439 (December 23, 2020), was approved as filed. The rate changes necessary to account for the Settlement Agreement as well as the first step adjustment occurred simultaneously on January 1, 2021.

3. On May 3, 2021, Eversource submitted its documentation in support of the second step adjustment consistent with the Settlement Agreement. Under the terms of the Settlement Agreement, the Company was to provide certain information with the second step submission, including: extensive information on the amount of the investments to be included in the step adjustment; detailed project descriptions including the initial budget; the final cost and date on which each project was booked to plant in service; and certain supporting documentation identified in the Settlement Agreement. *See* Settlement Agreement at Section 10.3. The documentation followed the template for documentation agreed to with the Staff¹ for the initial step. *Id.* Under the Settlement Agreement, if the actual costs for the relevant projects resulted in

¹ At the time of the underlying rate case and the Settlement Agreement, the Staff was the Staff of the Commission, but by the time of the hearing on the second step adjustment the Staff had been transferred to the newly-created New Hampshire Department of Energy. For ease, references to “Staff” in this submission will mean either the Staff of the Commission or the Department of Energy as is appropriate for the context.

a lower than agreed-upon revenue requirement cap of \$18 million, the actual amounts were to be used to calculate the step adjustment. In this case, the revenue requirement based on actual costs came in below the cap and Eversource proposed to recover the actual costs through the step adjustment.

4. The second step adjustment proposed that amended rates take effect on August 1, 2021, as contemplated in the Settlement Agreement. On June 29, 2021, the Commission issued a supplemental order of notice pertaining to the second step setting a hearing for July 19. Following that hearing, on July 30, 2021, the Commission issued the Order, which is the subject of this motion.

5. In the Order, the Commission approved the majority of the projects and project costs for recovery as proposed in Eversource's step adjustment filing, with some significant exceptions. First, despite finding the Pemigewasset Substation Project to be prudent, used and useful, the Commission disallowed \$911,000 of the total costs incurred for its development. As part of every distribution project completed by the Company, there are testing protocols in place to assure that the new equipment is functioning correctly and as designed before the equipment is energized and connected to the distribution system. An engineering design flaw was detected during the testing phase of the Pemigewasset Substation Project – a hugely complex, multi-dimensional undertaking – that had to be resolved before the project could be energized and placed into service. The third-party engineering firm took responsibility for the error and reproduced its work to correct for the engineering design flaw.

6. The costs that the Commission disallowed are the costs the Company incurred for additional internal engineering efforts, construction, testing and commissioning of the corrected substation design. These costs were not – and should not be – covered by the engineering firm's

contract. Yet, the Commission found that the costs that the Company incurred resulting from the contractor's error but not covered under its contract were "disallowed as imprudently incurred." Order at 6. With respect to the replacement of a failing submarine cable providing service to Welch and Lockes Islands in Lake Winnepesaukee, the Commission again found the project prudent and used and useful but disallowed a portion of the project's costs. With minimal explanation, the Commission disallowed \$163,000 in costs finding that "the costs incurred prior to the supplemental authorization approval were imprudently incurred." Order at 7.

7. In the Order, the Commission identified two additional items with which it had concerns. With respect to the accounting treatment of property damage attributable to third parties, the Commission concluded that the matter would be addressed in the Business Process Audit ("BPA") specified in the Settlement Agreement. In the interim, however, the Commission approved the costs identified in Eversource's submission for recovery, "subject to reconciliation." Order at 7. Lastly, the Commission agreed with certain findings of the audit report on the first step, on which there had been no Staff recommendation or other process, that load tap changer controls ("LTCCs") should be treated as an expense item, rather than a capital item "on a going forward basis." Order at 8.

8. On each of these four items, and as discussed more fully below, the Order overlooks or disregards relevant information and should be reconsidered and/or clarified.

II. LEGAL STANDARD

9. Pursuant to RSA 541:3, the Commission may grant rehearing or reconsideration when a party states good reason for such relief. *Public Service Company of New Hampshire*, Order No. 25,361 (May 11, 2012) at 4. Good reason may be shown by identifying new evidence that could not have been presented in the underlying proceeding or by identifying specific

matters that were overlooked or mistakenly conceived by the deciding tribunal. *Id.* at 4-5. A successful motion for rehearing does not merely reassert prior arguments and request a different outcome. *Id.* at 5. Eversource submits that for the reasons set out below, the Commission's decision overlooks or mistakenly conceives relevant facts and law and improperly adjusts findings and conclusions in prior orders. Accordingly, reconsideration is proper.

III. ARGUMENT

10. As described above, the Commission concluded that it would disallow recovery of \$911,000 in costs pertaining to the Pemigewasset Substation. That project related to extensive, necessary work within the station including replacement of an existing, overloaded transformer with a new transformer, as well as the replacement of other aged equipment and expanding the control house at the station to accommodate the required new control equipment. Ex. 64 at 29. For that project, Eversource, as part of its standard practice, retained an outside engineering firm to conduct detailed engineering work on the substation pertaining to this necessary work. Transcript ("Tr.") at 68. The engineering work was examined through the project review and budgeting processes consistent with Eversource's capital authorization practice. Tr. at 69-73. Eversource utilizes sophisticated quality-control testing protocols to assure that any new equipment being installed on the system is functioning as designed and will integrate with the existing components of the distribution system safely and reliably. The quality-control testing is designed to be a checkpoint to reveal any anomalies that could cause system faults or cascading failures when the component is energized and placed into service. At the stage that Eversource was testing the newly installed equipment prior to commissioning, Eversource discovered incorrect voltage on the synch scope, requiring a change to the design. Ex. 64 at 31; Tr. at 74-75. Because the error was attributable to the work of the engineering firm, the firm was required to

conduct additional work to correct the identified problems at its cost. Tr. at 78. The additional engineering required additional steps from the Company, including construction and testing, all with the purpose of assuring that the newly installed equipment would function properly when integrated into the surrounding, inter-dependent components and not be prone to some kind of failure. Ex. 64 at 55-56; Tr. at 79-80. It is the additional costs following the identification of the design flaw the Commission disallowed.

11. With respect to these additional costs, the Commission summarily and erroneously concluded that “[b]ased on the testimony, we do not find that Eversource has met its burden to show that these consequential costs were prudently incurred, and disallow \$911,000 in investment costs associated this project.” Order at 6. This conclusion overlooks relevant facts and is without adequate foundation.

12. There are several reasons that the Commission’s finding is in error. First, the Commission concluded that the identified costs were imprudent, but it never specified the particular basis for its conclusion. Pursuant to RSA 363:17-b, III, orders of the Commission are to contain a “decision on each issue including the reasoning behind the decision.” In this case, the Commission made a few factual statements about the costs and the engineering firm’s liability apart from the conclusory statement. However, the actual conclusory statement that Eversource failed to meet its burden to show the costs were prudently incurred fails to cite any reasoning for that conclusion. There is no statement as to the reason that the costs are claimed to be imprudent, which is the direct implication of a finding that the Company failed to meet its burden.

13. Significantly, the conclusory statement on the Company’s alleged failure to meet the standard starts with the words “Based on the testimony,” However, the only testimony

in the proceeding is from Eversource witnesses who, in both written and oral testimony, provided substantial information on the details involved in the project and the interactions with the engineering firm and described how these acts were prudent. Ex. 59 at 24 (red); Tr. at 22. There is no testimony before the Commission that contradicts the evidence in the record put forth by the Company. No other witnesses testified on the matters and there is no evidence demonstrating that Eversource was not prudent. Accordingly, to the extent “the testimony” supports any conclusion, it can only be that the project and its costs were prudent. In that the Commission stated that its conclusion was based upon the testimony and that the Commission’s conclusion is contrary to the evidence in testimony, it should be reconsidered.

14. Furthermore, in reaching its decision the Commission does not define or explain what the standard of prudence is, nor how it believes Eversource failed to meet that standard in this instance. In New Hampshire:

The prudence standard is one of the specific standards that has been developed by the Court to govern the inclusion or exclusion of costs for ratemaking purposes. *Appeal of Conservation Law Foundation*, 127 N.H. 606, 637 (1986).

Prudence is “essentially an analogue of the common law negligence standard”. *Id.* “While the scope of the prudence principle is by no means clear, it at least requires the exclusion from rate base of costs that should have been foreseen as wasteful.” *Id.* “[P]rudence judges an investment or expenditure in the light of what due care required at the time an investment or expenditure was planned and made.” *Id.* at 638.

The test of due care asks what a reasonable person would do under the circumstances existing at the time of a decision. *Fitzpatrick v. Public Service Co. of N.H.*, 101 N.H. 35 (1957). Stated differently, a lack of due care is the failure to use that degree of care that the ordinary reasonably careful and prudent person would use under like circumstances.

Public Service Company of New Hampshire, Order No. 20,503, 77 NH PUC 268, 270 (1992); see also *Public Service Company of New Hampshire*, Order No. 25,565 (August 27, 2013) at 20 (“When reviewing whether a utility has been prudent in its decision making, [the Commission] ‘may reject management decisions when inefficiency, improvidence, economic waste, abuse of

discretion or action inimical to the public interest are shown.’’) (quoting *Appeal of Easton*, 125 N.H. 205, 215 (1984)). In this case, the Commission found that the Pemigewasset Substation Project, on the whole, was prudently undertaken and is used and useful in providing service to customers. In addition, pre-completion testing is a critical part of the project installation process, which is specifically and diligently applied to identify and fix potential anomalies that could cause damage and cost if installed without discovery of those anomalies. Lastly, there is no evidence that the Company could have done anything different in relation to the contractor’s liability, nor is any such evidence stated in the decision. Without any statement of the standard in the decision, nor any analysis matching up the evidentiary facts with the standard, the summary conclusion stating that the Company has not met its burden falls far short of what is required by law as a basis for a disallowance.

15. Without any weighing and discussion of the record evidence, it is not possible to reconcile the fact that the Commission found that: (1) the Pemigewasset Substation Project was prudently constructed and is used and useful in the service of customers; and (2) all associated costs of the project are prudent, *except* for the costs incurred to correct an error before that error resulted in the failure of a significant piece of newly installed equipment. Thus, the evidence does not support the conclusion that the costs are imprudent.

16. Further, as quoted above, the standard for prudence is not perfection. Rather, it is whether the utility exercised due care in acting as a reasonable person would when completing the project, or whether the company was undertaking work that it could foresee would be wasteful. In this case, the Company retained a consultant to perform the complex, specialized engineering work required for the substation project, which is an established industry practice, *i.e.*, specialized engineering work is typically needed on larger scale projects and is warranted

given the reliance the system will have on that component. The consultant's work was conducted professionally with oversight by the Company and subject to appropriate contract terms used in the industry for this type of work, and there is no evidence that the Company's contracting terms with the consultant fell below industry practice. There is nothing to indicate that Eversource did, or failed to do, anything other than exercise appropriate due care in the engineering for the project; nor does the Order cite to any particular basis or shortfall as proof that the Company "failed to meet its burden."

17. Upon testing the equipment, the Company determined that there were anomalies that had to be addressed before the equipment could be commissioned and placed into service.

As Eversource explained at hearing:

We perform our review before it goes to construction.... Had we not done this testing, we probably would have energized the transformer and created a -- and maybe failed the transformer. You know, we test everything before we energize it. And, in this case, that testing process did exactly as it was designed to do, it detected a wiring error, and helped us figure out how to correct it.

Tr. at 79-80. In other words, the testing was appropriate and consistent with standard protocols to address any issues that might not previously have been addressed. And, in this case, it revealed an anomaly that required correction. Thus, the Company did exactly what it should do to verify the operability of system components before commissioning those components on the system. The Company addressed the anomaly to make sure that the project could be completed for the purpose that it is meant to serve. There is no step in the process where the Company fell below the standards of reasonable care and the Order does not cite to a single point of failure warranting the conclusion that the Company failed to meet its burden under the applicable standard established in New Hampshire law.

18. The Order appears to assume that any costs incurred following the testing are, by definition, imprudent because they might have been avoided under different facts. Although hindsight may indicate that the situation could have unfolded differently, the potential for different facts does not dictate whether Eversource acted prudently, consistent with New Hampshire law and precedent. As quoted above “The test of due care asks what a reasonable person would do under the circumstances existing at the time of a decision.” *Public Service Company of New Hampshire*, 77 NH PUC at 270. At the time that it conducted its testing and discovered the issue, Eversource had to decide whether to correct the error and finish the project, leave the error uncorrected and potentially fail an expensive piece of newly installed equipment, or abandon the project. In that this was a necessary project, abandoning the project was not an option. Likewise, installing and commissioning a piece of equipment Eversource now knew to be faulty was not an option. Accordingly, in line with the degree of care that an ordinary reasonably careful and prudent person would have used under like circumstances, Eversource corrected the error and completed the project. Thus, there is nothing in the record demonstrating that Eversource exercised anything other than the standard of reasonable care called for and no basis for a disallowance. Thus, the Commission’s Order should be reconsidered.

19. With respect to the cable replacement project, there is, likewise, no basis for the Commission’s conclusion and reconsideration is appropriate. This project involved the replacement of cables serving the year-round residents of Lockes and Welch Islands on Lake Winnepesaukee, who had been served by submarine cables that were more than 60 years old and that were failing. Tr. at 16. The Company had been reviewing the need for the project for some time and engineering, permitting and other work ultimately began in 2016. Tr. at 16-17. As that work progressed, and once it had gone out for bidding, it became clear that the initially approved

amount of \$360,000 for the project was inadequate. Tr. at 17. Therefore, a supplemental funding request was completed and approved. A second round of bidding was conducted to assure that the Company was capturing and planning for the lowest cost for the project with the best information. Tr. at 17-19.

20. As with the substation project, the testimony and evidence in the docket supports the prudence of the project and there is no evidence to the contrary. No party sought a disallowance of costs relating to this project. The Staff asked questions about the project and solicited information during the hearing; however, no party requested that the Commission reject any of the costs. In fact, in its closing, the Staff stated its position that, with exception of the Pemigewasset Substation and the costs of the LTCCs, “the Regulatory Support Division views the projects requested for recovery in this step as used and useful, their costs as prudently incurred.” Tr. at 153. Accordingly, the Staff supported the prudence of the same project that Eversource testified was prudent and it is unclear on what basis the Commission determined to disallow costs without any support in testimony and without any proposal for disallowance.

21. The only justification stated in the Order for disallowance is that “the costs incurred prior to the supplemental authorization approval were imprudently incurred.” Order at 7. The Commission points to no facts, information, or reasoning indicating a basis for treating the \$163,000 in disallowed costs any differently than any other costs for this project. The costs were incurred consistent with an initial authorization that was previously, and properly, approved in 2016. Ex. 64 at 1, 3. Although the Commission asserts that the initial authorization was lacking in detail, there is nothing in the Order, nor in the record, that indicates that the \$163,000 spent pursuant to that properly approved funding request was improper, inappropriate or

imprudent. The fact that more detail would have been preferred does not mean that the engineering costs that were incurred pursuant to that initial authorization were imprudent.

22. As noted above, the evaluation of “prudence” is a test of due care and asks whether the utility did what a reasonable person would do under the circumstances existing at the time of a decision. The Commission’s determination appears to be based almost entirely on the belief that additional detail in the initial authorization would have been better. Eversource does not dispute that providing additional detail and support in project authorization documents may be preferred in any given instance. However, the fact that the Commission seeks more detail does not end the Commission’s inquiry and is not a sufficient basis to deny cost recovery. In that the Commission overlooked or mistakenly conceived the facts and the record as well as the relevant legal standard, reconsideration is proper.

23. Next, Eversource seeks both reconsideration and clarification with respect to the accounting treatment of LTCCs. As described at the hearing:

A substation transformer, especially newer ones, have, in addition to the transformer, there is a separate mechanical piece of equipment that allows you to regulate the voltage coming out of that transformer within a certain range, generally plus or minus 10 percent. That device is called a “load tap changer”. It changes what are called “taps” within the transformer, changes them under load, hence the name “load tap changer”. Associated with that load tap changer is a control, which monitors the voltage, it has program settings. And, as long as -- if the voltage goes outside those limits that are programmed into the control, it adjusts the taps such that it will change the voltage coming out of that transformer. That’s a “load tap changer”.

Tr. at 91. Accordingly, an LTCC is a piece of equipment attached to a transformer that aids the transformer in controlling voltage. As Eversource stated, it is common for an LTCC to be replaced separately from the replacement of the transformer to which it is attached. Tr. at 92. Eversource has, since 2012, treated LTCCs as capital items consistent with the relevant FERC regulations. Ex. 63 at 21. In the Order, the Commission concluded that LTCCs should be

treated as a maintenance expense item “on a going forward basis.” Order at 8. This conclusion requires reconsideration as well as clarification.

24. As to the issue of reconsideration, the Commission’s conclusion in the Order runs counter to the express understanding of the Settlement Agreement as approved in Order No. 26,433. The Settlement Agreement specifies the capital projects and capital project types that are to be included in the step adjustments and specifically references LTCCs as a capital item in the steps. *See* Exhibit 58, at page 54 (red), line 99; page 59 (red), lines 104 and 122; and page 60 (red), line 136. Accordingly, it was the express intent of the settling parties, and the Commission, that these be included as a capital item within the step adjustments.

25. As noted, Eversource has been treating LTCCs as a capital item since 2012, including through the time of the audit conducted on the Company’s underlying rate case filing. That audit did not identify any issues or concerns with the treatment of LTCCs as a capital item. Consistent with long-standing Commission practice and procedure,² the audit report on the rate case was not submitted as a stand-alone document from which the Commission was intended to reach its own conclusions. Rather, the rate case audit was referenced in Staff’s written testimony and formed the basis for various recommendations by the Staff which, notably, did not relate to each issue in the audit report, but only to those the Staff viewed as worth noting. *See* Ex. 57. As a result, there was no opportunity for Eversource to address the treatment of LTCCs as a capital item in the context of the rate case hearing. Accordingly, through testimony in the rate case, Eversource had notice and a public opportunity to address the matters deemed relevant from the

² *See e.g.*, Docket Nos. DE 20-062, DE 19-105, and DE 19-050 – Staff recommendations filed following the completion of audits of Eversource’s storm costs; Docket No. DG 20-105, Staff testimony filed on March 18, 2021 incorporating results of audit report; Docket No. DG 17-048 Staff testimony filed on November 30, 2017 incorporating results of audit report; Docket No. DG 17-070 Staff testimony filed on December 20, 2017 incorporating results of audit report.

audit report; however that notice and opportunity did not extend to the LTCCs, which the Commission has now ruled upon without any process.

26. The Commission's Audit Staff issued its audit report on Eversource's first step in February 2021. From that time to the date of the hearing on the second step in July 2021, nothing further happened with the audit report. There was no report, recommendation, or testimony of the Staff that sought to implement the audit report or any portion of it. *See* Ex. 68. In other words, there was no public indication that there were continuing issues with the items identified in the audit report generally or with LTCCs specifically. Moreover, there was no opportunity for Eversource to explain or defend any position it took relative to the issues identified in the audit report, nor an opportunity to cross-examine Staff on its recommendations. Eversource was confined to responding to questions during the hearing on a matter it was not aware was in issue in this case.

27. The issue with this inadequate process is made more acute by the fact that there is no indication as to the reasons that the audit or the Staff singled out LTCCs for this treatment. As stated in the audit report, "Audit reviewed the FERC reference to account 362, Station Equipment, and agrees that the initial installation of items of property shall be capitalized. The issue here relates to the replacement of property initially capitalized which should then be expensed as replaced." Ex. 63 at 21. Putting aside for the moment whether Eversource agrees with this conclusion (which it does not), this recommendation is based upon the Audit Staff's reading of a particular FERC regulation that applies to more than just LTCCs. Presuming that the Commission is adopting the audit's recommendation as the correct in interpretation and application of the FERC regulation (which it is not), this conclusion creates confusion as to the application of the relevant accounting standards for items other than LTCCs. As an example, in

the case of the Pemigewasset Substation discussed above, Eversource installed a new control house to contain the equipment necessary to control the substation's operation. In doing so, the entire control house was properly treated as a capital item. Should Eversource replace the door to that control house in the future, the audit report would seem to indicate that the door should be treated as an expense item rather than as part of the larger capital asset to which it is affixed. Because there was no opportunity for a public discussion on this issue, the Commission's blanket adoption of the audit report's conclusion raises questions about the accounting treatment of assets other than just LTCCs. The Order overlooks the truncated process and the long-term confusion created by its conclusions and reconsideration is proper.

28. As a further issue regarding the conclusion on the LTCCs, it should be noted that Eversource has treated LTCCs as a capital item and included the LTCCs in the steps because LTCCs are capital items as specified in the Settlement Agreement. Therefore, Eversource's rates reflect the treatment of those devices as capital assets and Eversource's current rates include the revenue requirement associated with the LTCCs, rather than the full cost of those items as a maintenance expense. Accordingly, should the Commission's conclusion stand, provision must be made within Eversource's rates to allow for recovery of the costs as an expense item, rather than capital.³ That shift would be best accomplished in a rate case where other changes affecting costs and revenues could be properly addressed. In that the Order overlooks the need for a rate adjustment, reconsideration on this item is appropriate.

29. Lastly, if reconsideration is not granted, or if it is, but is conditioned or maintains the change between capital and expense treatment, additional clarification is needed. In

³ Similarly, in 2019 Eversource transitioned from treating Enhanced Tree Trimming (ETT) as a capital item to an expense item based upon the Commission's preference. To do so required an adjustment to Eversource's rates to account for that shift. *See* Order No. 26,112 (March 12, 2018).

particular, the Order specifies that the adjustment between capital and expense will be on a “going forward basis.” Order at 8. The Order, however, does not define a date from which this adjustment is to occur. In other words, going forward from when? Based on the language in the Order, it appears that the adjustment was not intended to occur for this second step adjustment for projects in service in calendar year 2020. However, it is not clear whether the Commission would intend for it to apply to the third and final step adjustment for calendar year 2021 projects. In that 2021 is more than half complete, and that LTCCs have been treated as a capital item through the rate case and the first two step adjustments, it would be eminently reasonable to include the LTCCs as a capital asset for 2021 and to make the adjustment no earlier than calendar year 2022, subject to proper rate treatment until Eversource’s next rate case. Eversource submits that should the Commission not delay the shift until Eversource’s next rate case, allowing treatment as capital through at least the final step adjustment aligns with the intent of the Settlement Agreement and is otherwise reasonable and appropriate.

30. In addition to the above items, Eversource requests clarification of one additional item in the Order. With respect to the accounting treatment of property damage claims, as noted in the Order, the issue was raised in relation to the initial step adjustment and was addressed in that order. In that order, the Commission stated:

[W]e direct Staff to inquire further regarding the Company’s treatment of damage to plant from a third party, and the treatment of billing to liable third parties for the repair of damage done to Eversource’s facilities. We direct Staff to report on the conclusions they reach following this review, including any further recommendations by Staff regarding the treatment and reporting of how Eversource handles claims for property damage by third parties. Based on Staff’s recommendations, as approved by the Commission, the recovery of costs relating to third party property damage may be subject to reconciliation, as appropriate.

Order No. 26,439 at 7 (December 23, 2020).

31. As of the date of this submission, the further inquiry required of the Staff has not begun and the Staff has not created or submitted any recommendations relating to it. This matter may be covered by the BPA, but it is unclear what additional review the Commission anticipates from the Staff. In Eversource's assessment, the Commission should clarify its expectations relative to the Staff review of this item to assure that it does not improperly interfere with any review contemplated in the BPA.

32. Additionally, in the Order (as well as the order on the initial step), the Commission states that the costs included for this item are approved "subject to reconciliation." It is unclear, however, what reconciliation is anticipated here. The Staff has identified some concerns with the manner in which property damage claims are handled; however, this is the extent of Staff's suggestion. There is not, at this point, anything to reconcile and it is unclear how long this issue would remain open. Eversource requests clarification on how long this matter would remain open for reconciliation.

WHEREFORE, Eversource respectfully requests that the Commission:

- A. Grant reconsideration and/or clarification as provided above; and
- B. Grant such further relief as is just and equitable.

Respectfully submitted,
Public Service Company of New Hampshire d/b/a Eversource Energy
By Its Attorney




Dated: August 27, 2021

By: _____
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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Motion to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

____ August 27, 2021 ____
Date



Matthew J. Fossum