

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 19-057

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

Staff Motion to Remove Electric Vehicle Investment from Proceeding

Order Addressing Motion

ORDER NO. 26,361

May 28, 2020

In this Order, the Commission removes issues related to rate design for charging electric vehicles (EV) raised by intervenors to Docket No. IR 20-004, the Commission's investigation of EV charging rates and rate structure. The Commission denies Staff's motion regarding the proposed EV investment in charging station infrastructure, and allows the proposed investment to remain part of Eversource's distribution rate case.

I. PROCEDURAL HISTORY

On May 28, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed a Notice of Intent to File Rate Schedules, along with supporting testimony and related exhibits and attachments. In that filing, Eversource proposed a rate plan that included step increases. In one of those step increases, Eversource indicated that it might add \$2 million in base distribution rates for electric vehicle charging infrastructure.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-057.html>.

On January 10, 2020, the Commission opened Docket No. IR 20-004, to investigate EV charging rate design standards and EV time of day rates for residential and commercial

customers. On February 5, Staff filed a motion (Motion) to remove the \$2 million costs for EV infrastructure from the calculation of any distribution rate increase from the instant docket. Staff suggested that parties and intervenors interested in the EV charging issue could be heard in Docket No. IR 20-004. Clean Energy New Hampshire (CENH) and the New Hampshire Department of Environmental Services (DES) filed objections to Staff's Motion. The Office of the Consumer Advocate (OCA) filed a letter in support of Staff's Motion. Eversource did not submit any comments on Staff's Motion.

II. POSITIONS OF THE PARTIES AND STAFF

A. Eversource

In its Petition for Permanent Rates, Eversource requested a rate change of \$69.9 million. Eversource stated that it is "exploring options for a public-private partnership to develop an electric vehicle (EV) fast charging corridor for New Hampshire in coordination with the state EV Commission. Through this project, Eversource would invest approximately \$2 million of base capital to construct distribution facilities, primarily service drops, to energize a series of EV fast chargers." *See* Testimony of William J. Quinlan, at Bates page 53. Eversource stated that EV expenditures would be included with other base capital investments in one of the proposed step increases Eversource included in its rate plan. Eversource's filing provided no additional details on its proposed investment in EV charging infrastructure.

B. Staff

Staff argued that, given the limited period of time allowed for review of the distribution rate case, and the opening of Docket No. IR 20-004, the Commission should order Eversource to remove the EV proposal from its request for an increase in distribution base revenues. Staff recommended that the Commission direct intervenors and parties interested in EV charging issues to offer their comments in IR 20-004 and any subsequent related proceedings that may follow.

Staff included the Company's response to Staff Data Request 13-012 with its motion. Staff Data Request 13-012 asked whether the revenue requirement for EV was included in the calculation of any step increase, and, if so, where that calculation could be found in the filing. Staff also asked if Eversource included the proposed EV revenue requirements in the calculation of rates, and, if so, where that calculation could be found. In its response, the Company stated:

Eversource has calculated illustrative revenue requirements based on the capital expenditure forecast currently available. However, please note that the calculations included in this proceeding are for illustrative purposes. The Company is not at this time requesting that the PUC authorize the precise step adjustment in future years that has been calculated in this case. Here, the Company is requesting to implement step adjustments on a going forward basis that will be calculated based on actual plant placed in service through the end of the year prior to the year.

See Attachment to Staff Motion at 1.

Staff argued that Eversource had not provided sufficient information to support its EV infrastructure investment, and emphasized that time spent on the issue diverted attention from the myriad issues in this rate case. Staff also pointed out the magnitude of the rate increase and the complexity of the case resulting from the fact that Eversource had not filed for a distribution revenue increase for 10 years. Staff additionally, pointed out that the statute imposes limits on the time allowed to review a rate case. Because the Commission opened Docket No. IR 20-004 to study EV charging issues, Staff recommended that the issue be withdrawn from this docket and included in the investigation initiated by Docket No. IR 20-004.

C. CENH

CENH objected to Staff's Motion. In its objection, CENH argued that Docket No. IR 20-004 will not deal with individual utilities or their distribution rates nor will it review Eversource's proposal to make a capital investment in EV charging infrastructure using revenue derived from customer rates. CENH opined that a distribution rate case is the appropriate place to review such a proposal, because Eversource plans to fund its investment through distribution

revenue. CENH claimed that it does not make sense to do as Staff suggests because other parties have already intervened and expended resources on the EV issue in the instant distribution rate case.

D. DES

DES objected to Staff's Motion claiming that Staff misunderstands the nature of Eversource's EV charging infrastructure proposal and the scope of SB 575 which resulted in the Commission opening Docket No. IR 20-004.

DES stated that it intervened in this docket for the sole purpose of addressing EV rate design as it relates to reducing emissions from the transportation sector. DES argued that statements in the direct testimonies of Mr. Quinlan, Mr. Purington and Mr. Lajoie provide an overview of the Grid Transformation and Enablement Program (GTEP). DES said that Eversource proposed to invest approximately \$2 million in an EV make-ready program as part of GTEP, and that the investment can be characterized as a typical utility capital investment.

In addition, DES opined that the legislation resulting in Docket No. DE 20-004 intended the investigation of price signals that influence charging behavior and not the investigation of proposed capital investments or programs of any specific utility. DES agreed that time-of-use pricing could be considered in DE 20-004.

E. The Office of the Consumer Advocate

The OCA filed a letter supporting Staff's Motion. The OCA stated that when Eversource submitted its petition to increase distribution rates it did not file evidence to support the inclusion of any investments related to EV charging in its rate base. The OCA cited RSA 378:8; establishing that the burden of proof for charging higher rates is on the petitioner. The OCA argued that Eversource has not met that burden. The OCA stated it is far from clear whether

Eversource is seeking an order in this docket for EV rate design or investment in EV charging infrastructure. On that basis, the OCA agreed with Staff that the issue of EV infrastructure investment should be removed from the instant docket.

III. COMMISSION ANALYSIS

We have reviewed the Motion and the arguments presented by the parties. While we appreciate Staff's position on the need to spend time investigating aspects of the rate case other than proposed funding for EV charging infrastructure, we agree with CENH that Staff's Motion comes too late in the proceeding. As CENH points out, both CENH and DES participated in this docket in large part because of the EV proposal described, however briefly, in Eversource's filing. Therefore, we decline to remove the issue at this point in the proceeding.

We disagree with CENH regarding the merits of leaving rate design for charging electric vehicles in the rate case, as we have opened Docket No. IR 20-004 for the investigation of rate design issues associated with electric vehicle charging. Eversource did not submit any proposed rate design for EV charging in this docket. We conclude, therefore, that it is more appropriate to consider general EV charging rate design issues in the context of the investigation initiated in IR 20-004. Accordingly, any party that has an interest in EV charging rate design, should present its position or proposal in Docket No. IR 20-004.

Insofar as Eversource proposed cost-recovery of EV charging infrastructure investment through some potential step increase in a future year, we allow that issue to remain in the instant proceeding. As the OCA identified in its letter of support for the Motion, Eversource has the burden of proving the merits of its proposal. RSA 378:8. We will decide the issue in the context of the entire rate proposal presented by Eversource.

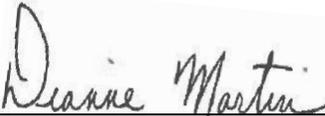
In conclusion, the Commission finds that it is appropriate for parties to this case that have an interest in the development of EV rate design to present their concerns and proposals in Docket No. IR 20-004. In that docket, the Commission is considering the merits of various rate designs to apply to EV charging, including whether a demand charge is appropriate for electric vehicles. The issue of whether Eversource will be entitled to cost recovery through distribution rates for possible future EV infrastructure investment will remain in the current proceeding.

Based upon the foregoing, it is hereby

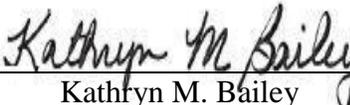
ORDERED, that the issues related to electric vehicle charging rate design shall be removed to Docket No. IR 20-004; and it is

FURTHER ORDERED, that the issue of whether Eversource will be authorized to include any capital costs associated with electric vehicle charging infrastructure in its proposed step adjustment to distribution rates will remain in this rate proceeding.

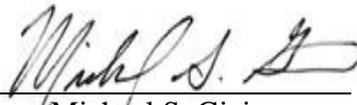
By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of May, 2020.



Dianne Martin
Chairwoman

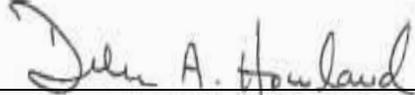


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director

Service List - Docket Related

Docket# : 19-057

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