

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-010

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

Petition for Approval of Change in Regulatory Reconciliation Adjustment Rate

Order Approving Regulatory Reconciliation Adjustment Rate

O R D E R N O. 26,653

July 26, 2022

In this order the Commission approves an average regulatory reconciliation adjustment charge amount of 0.034 cents per kilowatt hour (kWh) effective August 1, 2022, to be assessed on Eversource distribution customers. This compares with a credit amount of 0.013 cents for this rate approved in Order No. 26,503 (July 30, 2021), and currently effective.

I. PROCEDURAL HISTORY

On December 15, 2020, the Commission issued Order No. 26,433 approving the settlement of the Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) permanent rate increase request in Docket No. DE 19-057 (Settlement). The Settlement established the Regulatory Reconciliation Adjustment Rate (RRA) as a means for the Company to request recovery or refund of a limited set of costs specifically identified in the Settlement. The RRA is a component of Eversource's distribution rate and, pursuant to the Settlement, will be adjusted annually to account for any over- or under-recoveries occurring in prior year(s).

Under the Settlement at Section 9, the classes of costs eligible for inclusion in the RRA are: (1) regulatory Commission annual assessments and consultants hired or retained by the New Hampshire Department of Energy (DOE), the Commission, and the Office of the Consumer Advocate; (2) calendar year over- or under-collections from the

Company's Vegetation Management Program (VMP); (3) property tax expenses, as compared to the amount in base distribution rates for the Company; (4) lost-base distribution revenues associated with net metering; and (5) storm cost amortization final reconciliation and annual reconciliation. Eversource filed a petition on March 1, 2022, requesting approval of its RRA for effect on August 1, 2022. This petition was updated by the Company with a filing made on May 2, 2022. Also on May 2, 2022, the Commission issued a Commencement of Adjudicative Proceeding and Notice of Hearing Order, scheduling a hearing for June 23, 2022. The Company, based on technical input from the DOE, submitted a second update to its filing on June 3, 2022, and then a third update on June 16, 2022, which will be considered in this order as the governing filing. See Hearing Exhibit 6.

The hearing was held as scheduled on June 23, 2022, where representatives of the DOE also appeared. 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/2022/22-010.html>

II. POSITIONS

A. Eversource

Eversource proposed the following RRA rate components for effect on August 1, 2022, on a service-rendered basis, in its updated June 16, 2022, RRA petition:

<u>Cost Category</u>	<u>Proposed Rate (¢/kWh)</u>
Regulatory Assessments/DOE and OCA Consult Costs	0.007
Vegetation Management Program	(0.011)
Property Tax Expense	0.029
LBR due to Net Metering	0.007
Storm Cost Amortization Reconciliation	(0.003)
Rate Case Expense Amortization ¹	0.005
TOTAL Average RRA	0.034¢

¹ This RRA cost item was authorized by the Commission in Order No. 26,634 (May 27, 2022).

The actual RRA charge assessed by the Company varies by rate class. See Attachment MBP/EAD-8, Page 1 of 8, Hearing Exhibit 6. Residential (Rate Class R) customers would be assessed an RRA charge of 0.046 cent per kWh.

In support of its petition, Eversource provided the testimony and supporting rate schedules of Marisa B. Paruta (Director of New Hampshire and Connecticut Rate Requirements at Eversource Energy Service Company) and Edward A. Davis (Director of Rates at Eversource Energy Service Company). Ms. Paruta's and Mr. Davis' testimony and schedules provided technical details regarding how each component of the RRA rate package was developed and calculated by the Company. See Hearing Exhibits 2 and 4.

At the June 23, 2022, hearing, the Company stated its position that the proposed rate adjustments considered in this proceeding were calculated accurately and appropriately to support Commission approval. See Transcript of June 23, 2022 Hearing (Tr.) at 190-191. The Company also provided a Record Request response to the DOE on July 8, 2022, with a subsequent revision on July 12, 2022, regarding a question involving the treatment of a property tax adjustment of \$716,580 for the City of Nashua. See Company Record Request Response RR-1, and Revised Attachment RR-1.

B. DOE

On June 16, 2022, the DOE made a filing delineating the audit status of various RRA items under consideration in this proceeding. The DOE, in a statement made at hearing, stated that though the DOE was "generally supportive" of the RRA rate proposal by the Company, it had concerns related to the Nashua property tax issue. Tr. at 183-186. In a written filing made on July 15, 2022, the DOE indicated that after the Company's initial Record Request response, a technical session on July 11, 2022, and the filing of the revised Record Request response, the DOE had no outstanding issues of concern; the DOE stated that it "...now understands that Eversource has accurately

included one year of property taxes paid to the City of Nashua into the RRA calculation...which the [DOE] believes is appropriate. Accordingly, the Department has no objection to the RRA as filed in Exhibit 6 and recommends that the Commission approve the Company's filing and the RRA rate for effect on August 1, 2022." Written Statement of DOE filed on July 15, 2022.

III. COMMISSION ANALYSIS

Pursuant to RSA 374:2, 378:7, and 378:28, the Commission may approve the proposed RRA rates if it finds they are just and reasonable, and reflect capital improvements that are found to be prudent, used, and useful. In determining whether rates are just and reasonable, the Commission acts as an arbiter between the interests of customers and the regulated utility. RSA 363:17-a. The utility bears the burden of demonstrating that rates are appropriate for recovery. RSA 378:8. In addition, the Commission will consider whether the costs proposed for inclusion in the RRA are consistent with the terms of the Settlement approved by Order No. 26,433 (December 15, 2020).

Based on the record before us, we find that Eversource has appropriately calculated the underlying rate elements and is entitled to recovery of the various categories of costs included in the RRA, subject to future reconciliation.

This rate change will occur simultaneously with proposed adjustments to Eversource's transmission cost adjustment rates (considered in Docket No. DE 22-034) and the Company's distribution rates (Step Adjustment, considered in Docket No. DE 22-030), for effect on August 1, 2022.

Based upon the foregoing, it is hereby

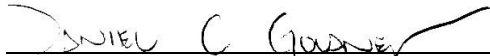
ORDERED, that an average RRA charge in the amount of 0.034 cents per kilowatt hour shall be effective for service rendered on and after August 1, 2022, with the specific

RRA charges for each rate class to be assessed pursuant to the rate schedule presented in MBP/EAD-8, of Hearing Exhibit 6; and it is

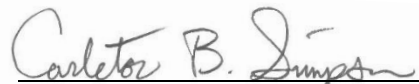
FURTHER ORDERED, that the over- or under-collection shall accrue interest at the prime rate as reported by the Federal Reserve Statistical Release of Selected Interest Rates, with the rate to be adjusted annually; and it is

FURTHER ORDERED, that Eversource shall promptly file properly annotated tariff pages for these RRA rates in compliance with this order no later than 20 days from the issuance date of this order, as required by N.H. Code Admin. Rules, PART Puc 1603.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of July, 2022.



Daniel C. Goldner
Chairman



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket# : 22-010

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