

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

FAX No. 271-1526

Website:
www.energy.nh.gov

May 9, 2024

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DE 24-035; Public Service Company of New Hampshire d/b/a Eversource Energy;
Petition for Approval of Change in Regulatory Reconciliation Adjustment; *Department of Energy Letter Regarding Audit Status*

Dear Chairman Goldner:

By procedural order dated May 5, 2024 in this matter, the Public Utilities Commission (“Commission” or “PUC”) required the Department of Energy (“Department” or “DOE”) to file a report on the results of its audit of the costs proposed for recovery in this proceeding by June 19, 2024. On May 8, 2024 the Department filed a Request to Amend the Hearing Date and Approve the Procedural Schedule, which included a request to amend the deadline to file the DOE recommendation from June 19th to June 14, 2024. The Department’s Audit Division is not currently planning to audit Public Service Company of New Hampshire d/b/a Eversource Energy’s (“Eversource” or “Company”) Regulatory Reconciliation Adjustment (“RRA”) which is filed in this docket, although elements of the RRA are audited in other dockets.

On December 15, 2020, the Commission issued Order No. 26,433 the settlement of Eversource’s permanent rate increase request in Docket No. DE 19-057. The Settlement established the RRA as means for the Company to request recovery of: 1) regulatory Commission annual assessments and consultants hired or retained by PUC Staff (now DOE), Commission, or Office of the Consumer Advocate (“OCA”); (2) calendar year over-or under collections from the Vegetation Management Program; (3) property tax expenses, as compared to the amount in base distribution rates; (4) lost-base distribution revenues associated with net metering; and (5) annual reconciliation of the storm cost amortization.

Concerning audits of certain underlying elements of the RRA, the Department notes that:

- In the proposed RRA, Eversource Energy (“Eversource”) proposes to collect the difference between current regulatory assessments and consultant costs

and that level collected in base rates. The base rate level was reviewed as part of the DE 19-057 rate case audit. The rate case audit report was filed in DE 19-057 as an attachment to the Supplemental Testimony of Donna H. Mullinax, which is Exhibit 57.

- The underlying storm costs that are being amortized and reconciled in the proposed RRA will be reviewed in the ordinary course as part of DE 24-041, but may not be completed until October of 2024.
- The 2023 vegetation management costs are not routinely audited by the Audit Division beyond what was audited in DE 19-057. However, these costs may be audited as part of DE 24-070.
- The 2023 lost base distribution revenues may be audited as part of Eversource's Request for Change in Distribution Rate, DE 24-070.
- The 2023 property tax expenses may be audited as part of DE 24-070.
- Regulatory commission or consultants are not routinely audited.
- The rate case expenses from DE 19-057 that are being amortized and reconciled in the proposed RRA were audited, and an audit report was filed in DE 19-057 (Docket Tab No. 186, dated August 26, 2021, as an attachment to a Staff Recommendation regarding rate case expenses). However, the Audit Division has not audited the amortization of those expenses.

The Department provided a similar audit status report last year concerning Eversource's RRA and its underlying elements, DE 23-021 (Docket Tab No. 12, dated May 15, 2023) and provided a similar report in the prior year as well. See DE 22-010 (Docket Tab No. 11, dated June 16, 2022).

Consistent with the Commission's current practice this letter is being filed only in electronic form. Thank you for your consideration of this issue and the Department is looking forward to working with the parties and the Commission on this docket.

Sincerely,

/s/ *Molly M. Lynch*

Molly M. Lynch
Staff Attorney/Hearings Examiner

cc: Service List

ClerksOffice@puc.nh.gov
adam.mierzwa@eversource.com
amanda.o.noonan@energy.nh.gov
david.wiesner@eversource.com
donald.m.kreis@oca.nh.gov
elizabeth.r.nixon@energy.nh.gov
elli.ntakou@eversource.com
Energy-Litigation@energy.nh.gov
ian.farley@eversource.com
jacqueline.m.trottier@energy.nh.gov
jay.e.dudley@energy.nh.gov
mark.p.tosciano@energy.nh.gov
Molly.M.Lynch@energy.nh.gov
nhregulatory@eversource.com
ocalitigation@oca.nh.gov
paul.b.dexter@energy.nh.gov
robert.allen@eversource.com
sandra.gagnon@eversource.com
scott.anderson@eversource.com
Stephen.R.Eckberg@energy.nh.gov
thomas.c.frantz@energy.nh.gov
yi-an.chen@eversource.com