

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-046

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

2024 Energy Service Solicitations

**Hearing Examiner Report of Alexander Speidel, Esq.
Senior Advisor, New Hampshire Public Utilities Commission**

This Hearing Examiner Report is filed pursuant to my appointment, under the terms of RSA 363:17, as examiner by the Commission to hear the parties, report the facts, and make recommendations to the Commission in relation to the December 17, 2024 public hearing in the above-captioned matter. This appointment was presented in a November 20, 2024 procedural order issued by the Commission, which scheduled the hearing for December 17, and which also specified that I was to render my report by today, December 18, 2024. This filing meets that directive.

I. BACKGROUND OF PETITION AND OVERVIEW OF RATES & RATE IMPACTS

On December 12, 2024, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) made its petition filing, pursuant to the terms of Order No. 27,064 (October 15, 2024) and predecessor Commission Orders, and the terms of the 2015 Restructuring/Divestiture Settlement Agreement entered into by Eversource, presenting: (1) the results of its latest Request for Proposals (RFP) requirements-contract round for energy supply for its default Energy Service (ES) customers; (2) Eversource's proxy prices, following the Commission directives in Orders Nos. 27,064 and 27,022 (June 20, 2024), for its 30-percent ISO-New England market-based procurement tranche for Small Customer Group ES customers, which includes residential customers taking default ES from Eversource, and Eversource's

100-percent ISO-New England market-based procurement tranche for its Large Customer Group ES customers, which includes certain commercial customers taking default ES from Eversource; and (3) the proposed ES rates, for the Small and Large Customer Groups, derived therefrom, for the upcoming February 1, 2025 to July 31, 2025 ES rate period.

At the December 17, 2024 public hearing in this matter, I served as presiding officer. Representatives of Eversource, the New Hampshire Department of Energy (DOE), and the Office of the Consumer Advocate (OCA) appeared. No members of the public appeared, nor were any written comments from the public filed in advance of or after the December 17 hearing. Eversource, with no objection from the DOE or the OCA, proposed that the public, redacted version of the December 12 Eversource ES petition filing be entered into evidence as HEARING EXHIBIT 6; that the confidential, unredacted version of the December 12 ES filing, for which Eversource sought confidential treatment under the terms of N.H. Code Admin. Rules Puc 201.06 and Puc 201.07, be entered into evidence as CONFIDENTIAL HEARING EXHIBIT 7; and that Eversource's Summary of Attachments ANB/EAD 1 through 3, which were originally filed as part of the December 12 ES petition, be marked as HEARING EXHIBIT 8. No other party objected to Eversource's request for confidential treatment, and I entered these Exhibits into the record.

Eversource also presented the sworn oral testimony of its witnesses Parker Littlehale, Luann Lamontagne, Ashley Botelho, and Edward Davis at the December 17 hearing; Eversource engaged in direct questioning of these witnesses, followed by DOE and OCA cross-examination, my questioning as Hearings Examiner, and limited re-direct questioning by Eversource's counsel. The DOE, OCA, and Eversource also

presented closing statements on the record at the conclusion of the December 17 hearing.

Hearing Exhibit 7, the Confidential version of the Eversource December 12 petition filing, provides extensive technical pricing detail regarding the results of the Eversource RFP process for this round, which launched on October 31, 2024. Following this, offers from bidders were received on December 10, 2024, and Eversource selected winning third-party suppliers on the same day, and transaction confirmations were executed by Eversource and its counter-parties on December 11, 2024. See Hearings Exhibit 6 at Bates Page 9. Eversource selected RFP offers from NextEra Marketing, LLC and Constellation Energy Generation, LLC to serve the 70 percent of Small Customer Group load covered by requirements contracts for the upcoming ES rate period. Hearings Exhibit 6 at Bates Page 27.

For the 100 percent of Large Customer group load to be supplied by ISO-New England market-based procurements, and the 30 percent of Small Customer Group load to be supplied by market-based procurements, Eversource applied the proxy-price methodologies specified by the Commission in Orders Nos. 27,064 and 27,022 to derive the resultant ES rates. Hearing Exhibit 6 at Bates Pages 10-11.

The requirements-contract bids, and the market-based-procurements proxy prices, resulted in a proposed ES rate by Eversource for the Small Customer Group of **8.929 cents per kilowatt-hour (kWh)**. On Bates Page 46 of Hearing Exhibit 6, Eversource presents the following comparison of the proposed ES rates for the Small Customer Group with those in effect during the last two six-month ES periods:

Small Customer Energy Service Rates (Average \$ per kWh)					
Docket No. DE 23-043 Approved Rates Order No. 26,920 (December 21, 2023)		Docket No. DE 24-046 Approved Rates Order No. 27,034 (July 12, 2024)		Docket No. DE 24-046 Proposed Rates (December 12, 2024)	
February 2024 to July 2024	\$0.08285	August 2024 to January 2025	\$0.10403	February 2025 to July 2025	\$0.08929

For the Large Customer Group, the proposed monthly ES rates are as follows, with a comparison to the last two six-month ES periods' rates provided by Eversource on Bates Page 47 of Hearing Exhibit 6:

Large Customer Energy Service Rates (\$ per kWh)					
Docket No. DE 23-043 Approved Rates Order No. 26,920 (December 21, 2023)		Docket No. DE 24-046 Approved Rates Order No. 27,034 (July 12, 2024)		Docket No. DE 24-046 Proposed Rates (December 12, 2024)	
February 2024	\$0.18173	August 2024	\$0.08614	February 2025	\$0.10937
March 2024	\$0.12061	September 2024	\$0.07540	March 2025	\$0.06827
April 2024	\$0.09495	October 2024	\$0.06974	April 2025	\$0.06026
May 2024	\$0.09004	November 2024	\$0.09212	May 2025	\$0.05942
June 2024	\$0.09443	December 2024	\$0.13595	June 2025	\$0.06505
July 2024	\$0.11602	January 2025	\$0.18333	July 2025	\$0.07727

For Small Customer Group residential ES customers, Eversource stated that for a typical 600 kWh monthly residential bill, the impact of Eversource's proposed ES rate changes would result in a monthly bill decrease of approximately 5.9 percent, or \$8.84, compared to current rates. See Hearings Exhibit 6 at Bates Pages 50-51. In its pre-filed testimony, Eversource also noted that the Commission's directives presented in Order No. 27,022 relating to the deferral of the \$6.5 million (\$6.9 million with carrying charges) Large Customer Group ES under-recovery balance were integrated into its calculations for this ES filing.

II. POSITIONS OF THE PARTIES

A. Eversource

At the December 17 hearing, and within its petition filing materials, Eversource advocated for the Commission's approval of its ES rate proposal, including the RFP results and other technical methodologies embedded therein, as producing just and reasonable ES rates, reflective of current energy market conditions, and involving a fair and competitive RFP solicitation process. Eversource also noted that it did not generate a profit from ES provision; rather, Eversource provides default ES to its customers on a pass-through cost basis.

On my questioning, Eversource clarified that, in its view, the reconciliation treatments presented within its ES filing (and also referenced in its Stranded Cost Reconciliation Charge (SCRC) filing, made in Docket No. DE 24-112), should be approved by the Commission as filed, as the Small Customer Group rates presented in its current ES filing include an over-collection refund to Small Customer Group customers. Also, Eversource's witness Mr. Littlehale stated that he had knowledge of the Commission's approach relating to Unitil Energy Systems, Inc.'s (Unitil's) default energy service filing approval in Docket No. DE 24-065, in Order No. 27,085 (December 12, 2024), wherein the Commission required that Unitil file a proposal for expanded market-based procurements for default energy service by January 31, 2025, for integration into rates beginning on August 1, 2025, for consideration in a separate phase of the DE 24-065 docket. This would require Unitil to propose expanded procurements through the ISO-New England markets with a "floor" of at least 50 percent for its small and medium customer groups. The Commission stated that it proceeded with this directive on the basis of favorable market data, which indicated that expanded market-based procurements could offer significant savings for Unitil

customers. Mr. Littlehale advised that the Commission proceed with caution regarding such an expansion directive for Eversource, insofar as Eversource would like to see how the results of the recent market-based-procurement expansions further develop as compared with proxy-price projections. Mr. Littlehale noted that Eversource's primary concern centered on the potential downside risk for ES customers resulting from actual market prices exceeding proxy-price projections used in setting ES rates, but also stated that Eversource saw potential recovery (or refund) of ES reconciliation balances through the SCRC, as proposed in Docket No. DE 24-112, from all Eversource distribution customers (as is the current practice in Massachusetts) as offering scope to "ameliorate" this risk.

Eversource also provided some background regarding the progress of Community Aggregation in its service territory, which results in a trend of customer migration away from ES. Ms. Lamontagne stated that after towns' Community Aggregation Plans are approved by the Commission, the actual migration of customers away from ES largely takes place on an ad-hoc basis, without a specific planning timeline communicated to Eversource by the Community Aggregators, and with approximately 60 days of lead time provided to Eversource to prepare to transfer ES customers to Community Aggregation. According to Ms. Lamontagne, this makes longer-term projection of Community Aggregation-related customer migration difficult for Eversource.

B. DOE

The DOE recommended that the Commission approve the Eversource ES petition as being in conformity with the relevant review standards, and as reflective of energy market conditions. The DOE also stated that it believed that the deferral of the Large Customer Group reconciliation balance should be "part of a separate hearing," (a

possible reference to the currently-pending DE 24-112 SCRC proceeding). The DOE also thanked Eversource for its participation in a recent Eversource-DOE-OCA technical session regarding the ES filing.

C. OCA

The OCA stated that it supported Commission approval of the Eversource ES petition as filed. The OCA also stated that it appreciated the “robust dialogue” regarding the Eversource ES proposal held at the technical session referenced above. However, the OCA expressed that it was “troubled” with the “direction that this is moving in,” in relation to the OCA’s view that Eversource’s ES proposal incorporated an “extremely high reliance on the spot [electricity] market,” and, via the Eversource SCRC proposal for reconciliation balances, could result in a “socialization of costs.” The OCA stated that it had an “objection” to the “general approach” developed by the Commission directives related to market-based procurements, and also stated that the pricing outcomes resulting from these procurements could undermine the competitive position of (private) Competitive Suppliers and Community Aggregators, to which the OCA expressed its opposition.

III. HEARING EXAMINER’S RECOMMENDATIONS TO THE COMMISSION

Having reviewed the Eversource ES petition and supporting evidence, and having heard the positions of the parties related thereto, I RECOMMEND that the Commission approve the Eversource ES petition as filed, including all embedded technical aspects presented by Eversource, through an Order issued by the close of business tomorrow, December 19, 2024. The RFP results, though higher in price than the ISO-New England market-based procurement components by a significant margin, as is usual, were generally satisfactory when compared to past procurements, and the resultant rates, when blended with the market-procurement

proxy prices prepared by Eversource, would be just and reasonable. The Commission may also wish to present Eversource with an expanded market-based procurement directive with a 50 percent “floor,” as was given to Unitil in Order No. 27,086, to enhance future ES pricing results, and to maintain congruence between Eversource and its peer New Hampshire electric utilities (with Liberty Utilities’ electric affiliate already having a 50 percent market-based procurement component).

Hereby Submitted, December 18, 2024:

/s/ A. Speidel

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Senior Advisor

Service List - Docket Related

Docket#: 24-046

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