

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-112

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

**Petition for Adjustment of Stranded Cost Recovery Charge for
Effect on February 1, 2025**

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On November 20, 2024, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed a petition requesting that the Commission approve an adjustment to its stranded cost recovery charge (SCRC) for effect on February 1, 2025. In support of its petition, Eversource filed the direct testimony of Ashley N. Botelho and Edward A. Davis, both personnel with Eversource's service-company affiliate, Eversource Energy Service Company, and related attachments, including proposed revised tariffs. As part of its petition, the Company is presenting a proposal to include an Energy Service Reconciliation Adjustment Factor rate as part of the SCRC, designed to eventually collect (or refund) under-collection (or over-collection) balances arising from the Company's provision of default Energy Service for both its Large Customer Group, which includes commercial customers taking default Energy Service from Eversource, and its Small Customer Group, which includes residential customers taking default Energy Service. As with all rates included in the SCRC, the Company intends that this Energy Service Reconciliation Adjustment Factor will be collected from all Eversource distribution customers.

For this upcoming SCRC rate period, commencing on February 1, 2025, the Company proposes that the Energy Service Reconciliation Factor be used to only recover a deferred prior-period under-collection of approximately \$6.87 million

associated with the Large Customer Group. The Company further proposes that the relevant over- or under-recoveries in the Energy Service Reconciliation Adjustment Factor be determined in connection with the Company's Energy Service rate adjustment filing made in June 2025, and then be deferred and accrue carrying charges until they are included in the SCRC rate adjustment to be effective on February 1, 2026, for both Small Customer Group and Large Customer Group Energy Service balances. The petition and other docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-112.html>.

I. BACKGROUND

The SCRC is a non-bypassable charge and recovery mechanism established by the Restructuring Settlement Agreement dated August 2, 1999 in Docket No. DE 99-099 (Restructuring Agreement), which was revised and conformed in compliance with the Commission's Order No. 23,549 (September 8, 2000). Its original purpose was to recover a portion of Eversource's stranded costs, and other costs and expenses permitted by the Restructuring Agreement. Restructuring Agreement, Subsection V.B. These stranded costs were divided into three parts: Part 1 was the Rate Reduction Bonds (RRB) charge; Part 2 consisted of ongoing stranded costs associated with restructuring; and Part 3 costs were the remaining non-securitized stranded costs. *Id.*

The original Part 1 and Part 3 stranded costs have been fully recovered. *Pub. Serv. Co. of N.H.*, Order No. 26,569, at 3 (January 25, 2022). In Docket No. DE 14-238, the Commission approved the 2015 Restructuring and Rate Stabilization Agreement, filed on June 10, 2015 and amended January 26, 2016 (2015 Agreement), which allowed Eversource to recover stranded costs associated with Eversource's

divestiture of its generation facilities as new Part 1 costs. *See* Order No. 26,569, at 3 (citing *Pub. Serv. Co. of N.H.*, Order No. 25,920 (July 1, 2016)). In addition, the 2015 Restructuring and Rate Stabilization Agreement provided that Eversource could recover, as Part 2 costs, ongoing independent power producer costs. *See* 2015 Agreement, Subsections II and III.A.

Pursuant to the 2015 Agreement, the SCRC is allocated to each rate class by different percentages, and there is no uniform SCRC rate charged to all customers or a uniform SCRC rate for each class. Order No. 26,569 at 3-4. The 2015 Agreement required the Company to calculate Part 2 costs for prospective 6-month periods. 2015 Agreement, Subsection III.A.2.

Eversource also uses the SCRC to recover and refund a number of other costs and revenues. Excess Regional Greenhouse Gas Initiative auction proceeds are refunded to Eversource customers through the SCRC pursuant to RSA 125-O:23, II and Order No. 25,664, at 4-5 (May 9, 2014), issued in Docket No. DE 14-048. In Docket No. DE 19-057, the Commission approved a settlement agreement permitting Eversource to recover certain environmental remediation costs through the SCRC. *Pub. Serv. Co. of N.H.*, Order No 26,433 at 14, 22 (Dec. 15, 2020). The Commission also approved a settlement agreement in Docket No. DE 20-136 providing for an adder to the SCRC that would enable Eversource to recover net metering and group host costs. *Pub. Serv. Co. of N.H.*, Order No. 26,450, at 7-9 (Jan. 29, 2021). For the upcoming SCRC year ending January 31, 2026, the Company estimates that the net metering costs qualifying for SCRC rate recovery will total \$30,080,000. *See* Eversource SCRC Petition, Attachment ANB/EAD-10, Bates Pages 66-67.

On August 30, 2024, the Commission issued Order No. 27,053, in Dockets Nos. DE 23-091 and DE 24-032, which terminated the so-called 'Chapter 340 Adder' that

had been included in the SCRC, to cover costs associated with the now-bankrupt Berlin Station, LLC and Burgess BioPower, LLC (Burgess Plant) biomass power facility in Berlin, New Hampshire, pursuant to a Power Purchase Agreement (PPA) between Eversource and Burgess Plant. This PPA was defunct by operation of law as of February 29, 2024, and therefore, the Commission ordered Eversource, as part of Order No. 27,053 and subsequent Orders, to cease collecting Burgess Plant-related costs through the SCRC 'Chapter 340 Adder' as of October 31, 2024. The Commission also ordered the Company to file its final accounting of Burgess Plant PPA and Burgess-Plant-related costs on November 20, 2024, which Eversource provided within its SCRC petition filing considered here. *See, e.g.*, Eversource SCRC Petition, Attachments ANB/EAD-2 and ANB/EAD-3, Page 6, Line 20.

With regard to the proposed Energy Service Reconciliation SCRC rate feature, which Eversource has set at 0.093 cents per kilowatt-hour (kWh) in its petition for the forthcoming SCRC year, the Company advocated for the approval of this new rate feature as "...equitable because all distribution customers benefit from the universal availability of default service as an alternative choice or last resort backstop option, as recognized by the Commission in Order No. 27,022. And that approach also is consistent with the rate recovery treatment currently in effect for the Company's affiliated electric distribution company in Massachusetts." Eversource SCRC Petition, Direct Testimony of Ashley N. Botelho and Edward A. Davis, Bates Pages 28-29. In Order No. 27,022, issued in Docket No. DE 24-046 on June 20, 2024, the Commission had ordered Eversource to create a deferral account to hold, subject to carrying charges specified by the Company's Tariff, the \$6.87 million under-collection associated with Large Customer Group default Energy Service, for which the Company

seeks recovery through the proposed Energy Service Reconciliation SCRC rate feature here.

Eversource is currently billing residential customers an SCRC rate of 0.933 cents per kWh, confirmed by the Commission in Order No. 27,084 (December 5, 2024), issued in Dockets Nos. DE 23-091 and DE 24-032, following the Commission's termination of the 'Chapter 340 Adder' and the Company's filing of compliant Tariff pages presented a recalculated SCRC rate. *See also* Eversource Tariff NHPUC No. 10, 7th Revised Page 21B, Docket No. DE 23-091, Tab 62 (Bates Page 15), and Commission Letter of Tariff Compliance, Issued October 30, 2024. In this proceeding, Eversource has proposed a residential SCRC rate of 0.847 cents per kWh, a reduction of 0.086 cents per kWh.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following general issues: whether the categories of costs and revenues included in Eversource's proposed SCRC rates are consistent with the requirements of RSA 374-F:3, XII(d) and/or are appropriately included consistent with prior Commission orders; whether Eversource appropriately calculated the SCRC rates to reflect the actual and estimated costs and revenues that are appropriately included in the SCRC; whether the costs Eversource seeks to recover through the proposed adjusted SCRC were prudently incurred; and whether the resulting SCRC rates are just and reasonable, as required by RSA 374:2, and RSA 378:5 and 378:7. The Commission will also be considering whether the Company needs to engage in further clean-up of its SCRC rate petition filings to remove historical references to the defunct Burgess Plant PPA costs and terminated 'Chapter 340 Adder;' whether the net-metering costs for which Eversource seeks recovery through the SCRC are adequately documented, and just and reasonable; and whether

the proposed Energy Service Reconciliation SCRC rate feature is just and reasonable, and allowed under the terms of RSA Chapter 374-F, RSA Chapter 369-B, the 2015 Agreement, and all other applicable law.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to use a hybrid format to permit remote participation by a specific individual. Such requests will be granted only if the Commission determines a sufficient reason is provided for why an individual is unable to attend in person. Any party requesting a specific individual be permitted to participate remotely must file a written request with the Commission's Clerk's Office no later than fifteen days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA Chapter 541-A, RSA 374-F:3, XII(d), RSA 374:2, RSA 378:5 and RSA 378:5 and RSA 378:7, RSA Chapter 374-F, and RSA Chapter 369-B, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on January 21, 2025, at 9:00 a.m. One day shall be allotted for this hearing; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy, and any other interested party, is requested to file its written statement of position regarding the SCRC issues delineated herein no later than the close of business on January 15, 2025; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Eversource and any other parties on the service list, on or before December 27, 2024. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Code Admin. Rules, Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before January 7, 2025; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

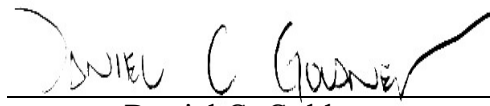
FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written

pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is


FURTHER ORDERED, under N.H. Admin. R., Puc 203.12, Eversource shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before December 27, 2024. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this twelfth day of December, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-112

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Email Addresses

ClerksOffice@puc.nh.gov
ashley.botelho@eversource.com
Michael.J.Cronin@energy.gov
gary.m.cronin@energy.nh.gov
edward.davis@eversource.com
Energy-Litigation@energy.nh.gov
paul.b.dexter@energy.nh.gov
Stephen.R.Eckberg@energy.nh.gov
donald.m.kreis@oca.nh.gov
Molly.M.Lynch@energy.nh.gov
Katie.I.McLaughlin@energy.nh.gov
nhregulatory@eversource.com
elizabeth.r.nixon@energy.nh.gov
amanda.o.noonan@energy.nh.gov
ocalitigation@oca.nh.gov
bryant.robinson@eversource.com
jacqueline.m.trottier@energy.nh.gov
Marc.H.Vatter@oca.nh.gov
david.wiesner@eversource.com