

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-039

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

Petition for Adjustment to Stranded Cost Recovery Charge

Order Approving Adjustment to Stranded Cost Recovery Charge

O R D E R N O. 26,658

July 28, 2022

In this order, the Commission approves an adjustment to the Stranded Cost Recovery Charge (SCRC) for Eversource's customers effective with services rendered on and after August 1, 2022. For residential class customers, the average SCRC rate will decrease from 0.453 cents per kilowatt-hour (kWh) to 0.268 cents per kWh.

I. PROCEDURAL HISTORY

On June 24, 2022, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed a petition to adjust its SCRC rate for the six-month period beginning August 1, 2022. On July 5, 2022, the Commission issued a Commencement of Adjudicative Proceeding and Notice of Hearing Order, scheduling a hearing for July 20, 2022.

On July 15, 2022, the Commission issued a Procedural Order requesting that the Company supply live Excel spreadsheets, and other supporting data, in connection with its petition, to the Commission directly. Eversource complied with this request, submitting its responses to the Commission on July 18, 2022, as ordered.

The hearing was held as scheduled on July 20, 2022. In addition to the Company, representatives of the New Hampshire Department of Energy (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/2022/22-039.html>

II. 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 in conformance 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. *See* 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, 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 (IPP) costs and power purchase agreement (PPA) costs, such as Eversource's existing commitments to buy power from the Burgess BioPower facility in Berlin, New Hampshire and the Lempster Wind Power Project in Sullivan County, New Hampshire. *See* Subsections II and III.A.

Pursuant to the 2015 Restructuring and Rate Stabilization 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 agreement required Eversource to calculate Part 2 costs for prospective 6-month periods. 2015 Restructuring and Rate Stabilization 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 (RGGI) 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. Eversource was authorized to recover the over-market costs of electric energy purchased from Burgess BioPower facility (commonly known as "Chapter 340 Costs") for a three-year suspension period pursuant to the settlement agreement approved by the Commission in Order No. 26,333 (February 18, 2020), issued in Docket No. DE 19-142 in response to 2018 N.H. Laws, chapter 340.¹ 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 (December 15, 2020). The Commission 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 (January 29, 2021).

Eversource is currently billing residential customers an SCRC rate of 0.453 cents per kilowatt-hour (kWh), approved by the Commission in Order No. 26,569 (January 25, 2022), issued in Docket No. DE 21-117. In this proceeding, Eversource has proposed a residential SCRC rate of 0.268 cents per kWh, a reduction of 0.185 cents per kWh.

¹ 2018 N.H. Laws, chapter 340 directed the Commission to suspend the operation of the cap on the cumulative reduction factor for three years. See Order No. 26,333, at 2. The Governor recently signed SB 271, "relative to the Burgess BioPower facility," requiring the Commission to amend certain orders to extend the suspension of the operation of the cap for an additional 1-year period. 2022 N.H. Laws, ch. 275:1.

III. POSITIONS

A. Eversource

The proposed August 1, 2022, average SCRC rates (including the RGGI rebate and all Chapter 340, net metering, and environmental remediation adders) are (Ref. Hearing Exhibit 1, Bates Pages 12-13):

Rate Class	Current Rate (Cents/kWh)	Proposed Rate (Cents/kWh)
R	0.453	0.268
G	0.440	0.136
GV	0.319	0.136
LV	(0.024)	(0.172)
OL/EOL	0.677	(0.154)

These proposed rates, supporting attachments, and further explanation were delineated and provided by the Company's witness Ms. Marisa B. Paruta (Director of New Hampshire and Connecticut Revenue Requirements for Eversource Energy Service Company). See Hearing Exhibit 1. Ms. Paruta's pre-filed testimony was sponsored and discussed by Mr. Douglas P. Horton (Vice President, Distribution Rates & Regulatory Requirements for Eversource Service Company), and Mr. Bryant K. Robinson (New Hampshire Team Leader, Revenue Requirements for Eversource Service Company) at the July 20, 2022, hearing.

The overall decrease in SCRC rates proposed for effect as compared to the current rates is due primarily to, as described in Ms. Paruta's testimony: (1) a slight increase in Part 1 Costs of \$1.4 million; (2) a decrease in Part 2 Above Market IPP and PPA costs of (\$0.8) million; (3) a decrease in other Part 2 costs of (\$6.2) million; and (4) an increase due to the change in prior period (over)/under recovery amount of (\$2.1 million). Hearing Exhibit 1 at Bates Page 13. Ms. Paruta stated that the cumulative impact of these changes is a decrease in the SCRC rate. *Id.* at 13-14.

The Company also noted that it has considered annual, as opposed to semi-annual, SCRC rate filings, but advocated for such changes to be considered for effect as of February 1, 2023. Hearing Exhibit 1 at 25.

B. DOE

The DOE, in a statement made at hearing, stated that Eversource appropriately calculated SCRC rates to reflect updated actual and estimated costs, and recommended approval of the proposed rates as just and reasonable. The DOE also indicated that it was "generally supportive" of the Company's concept of moving to an annual SCRC rate-setting paradigm in the future.

IV. COMMISSION ANALYSIS

RSA 378:7 authorizes the Commission to determine the just, reasonable, and lawful rates to be charged by public utilities. Any recovery of stranded costs "should be through a non-bypassable, non-discriminatory, appropriately structured charge that is fair to all customer classes, lawful, constitutional, limited in duration, consistent with the promotion of fully competitive markets, and consistent with [restructuring] policy principles." RSA 374-F:3, XII(d). The Commission must determine whether categories of costs included within the proposed SCRC rates are consistent with the requirements of RSA 374-F:3, XII(d), or are appropriately included consistent with prior Commission orders concerning costs eligible for recovery.

We find that Eversource appropriately calculated the SCRC rates to reflect updated and actual costs for Part 1 and Part 2 as well as adder costs related to the RGGI rebate, net metering component, environmental remediation, and the Chapter 340 component. We find the resulting rates are just and reasonable as required by RSA 374:2 and RSA 378:7 and approve them. We await the Company's proposals regarding moving to an annual SCRC rate-filing paradigm in its upcoming filings made in 2023.

The Commission again reminds the parties, for the second year in a row, that the Commission requires live Excel spreadsheets and other information supporting the Company's SCRC-related calculations at the time of filing so that they can be made part of the record available to the Commission in the review proceeding, in a timely, administratively-efficient way. See Order No. 26,502 (July 29, 2021).

Based upon the foregoing, it is hereby

ORDERED, that Eversource's SCRC rates, for effect on a service-rendered basis for the six-month period beginning August 1, 2022, as presented in Hearing Exhibit 1, Bates Pages 12-13, are hereby APPROVED; and it is

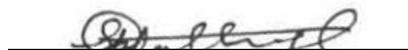
FURTHER ORDERED, that Eversource shall, on an ongoing basis, reconcile the estimate Part 2 SCRC costs with actual costs, and include the reconciliation in subsequent rate calculations; and it is

FURTHER ORDERED, that Eversource shall file its calculations, allocations, and conforming tariff pages, all as approved herein, within 20 days of the date of this order, consistent with N.H. Code Admin. Rules, Puc 1603.

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



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket# : 22-039

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