

THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire

RECONCILIATION OF STRANDED COST RECOVERY
AND ENERGY SERVICE CHARGES FOR 2013

Docket No. DE 14-120

Stipulation and Settlement

This Stipulation and Settlement Agreement (“Agreement”) is entered into as of the date written below between Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”), the Staff of the Public Utilities Commission (“Staff”), the Office of Consumer Advocate (“OCA”) and the Conservation Law Foundation (“CLF”), collectively referred to as the “Settling Parties”. This Stipulation and Settlement Agreement resolves, and represents a compromise of, all of the issues in this proceeding.

I. Background

On May 1, 2014, Eversource filed its reconciliation of stranded costs and energy service costs incurred in 2013 with revenues recovered in 2013 through the Stranded Cost Recovery Charge (“SCRC”) and Default Energy Service (“Energy Service” or “ES”) rate.

The OCA filed its letter of participation on May 19, 2014 and on June 3, 2014, CLF petitioned to intervene in the proceeding. That petition was granted by the Commission in Order No. 25,689 (July 7, 2014) following a pre-hearing conference in the proceeding. Thereafter, discovery was conducted on Eversource’s filing, and on March 18, 19 and 26, 2015 the testimony of Staff and OCA witnesses was filed in the docket. Following those submissions, the parties engaged in settlement negotiations culminating in this Agreement.

II. Settlement Terms

A. Power Supply and Procurement

The Company, Staff and OCA agree that Eversource’s filing contains an accurate representation of capacity and energy purchases, and generation operation costs and dispatch decisions in 2013, subject to the clarification in Section II.E., below. The Company, Staff and OCA agree that Eversource made sound management decisions with regard to such purchases, and that capacity factor projections used for 2013 market purchases were appropriate. They further agree that there will be no disallowance of replacement power costs, or with respect to generation operations costs and dispatch

decisions, and that there is no admission or finding of imprudence for any outages identified and reviewed or for generation operations costs and dispatch decisions.

B. Transient Stability Analyses

Left open following Eversource's last annual reconciliation in Docket No. DE 13-108 was Recommendation 2012-10 concerning transient stability studies undertaken by Eversource personnel on Eversource's low voltage system. The Company, Staff and OCA agree that this item will be closed.

C. Hazard Tree Removal

The Company, Staff and OCA agree that Eversource will continue its program to assess and to trim or remove hazard or risk trees within and along its distribution and transmission rights-of-way as discussed in Recommendation 2012-11 in Docket No. DE 13-108. Eversource will continue to submit the results of its transmission and distribution efforts to remove hazard trees both along, and outside when identified and easements allow, its rights-of-way as part of its annual filing of ES/SCRC costs and revenues for the next three filings beginning in May, 2015. At the end of that time the distribution and transmission systems will have completed their on-going 5-year vegetation management cycles.

D. Rate Reduction Bonds

The Company, Staff and OCA acknowledge that there had been a difference of opinion with respect to the disbursement of the funds remaining in the general and reserve sub-accounts upon disposition of Eversource's Rate Reduction Bonds ("RRBs") in 2013. In recognition of that difference of opinion, Eversource had credited the entire principal amount of \$5.745 million to customers in June 2013 through the SCRC rate beginning on July 1, 2013, subject to its further review in the instant docket. By this Agreement, the Settling Parties agree that Eversource shall be entitled to collect one-half of the funds in question, with interest, and that it shall be entitled to include such collection in the calculation of its SCRC rate for effect on January 1, 2016.

E. Other Terms

The Settling Parties agree that CLF's participation in the Agreement does not indicate CLF's agreement that Eversource's 2013 costs or dispatch decisions for its generation resources were prudent or reasonable, but that for purposes of this proceeding only, CLF agrees that settlement of this docket on the terms reflected in the Agreement is appropriate under the circumstances, including the partial return of RRB funds to ratepayers (as discussed in Section II. D., above) and the pending settlement of Docket Nos. DE 11-250 and DE 14-238 that will ultimately result in divestiture of Eversource's generation assets. Therefore, CLF agrees that it will not in this docket either: (i) challenge Eversource's 2013 costs or dispatch decisions for its generation resources; or (ii) oppose Commission approval of the Agreement.

The Settling Parties also agree that for purposes of this docket the OCA shall not advance or promote the “risk sharing mechanism” identified in the March 18, 2015 testimony of James Brennan.

F. Miscellaneous

The Settling Parties agree that all testimony and supporting documentation should be admitted as full exhibits for purposes of consideration of the Agreement. Agreement to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate nor is it indicative of what weight, if any, should be given to the views of any witness. Furthermore, in light of the fact that they have entered into the Agreement, the Settling Parties have agreed to forego cross-examining witnesses regarding their pre-filed testimony and, therefore, the admission into evidence of any witness’s testimony or supporting documentation shall not be deemed in any respect to constitute an admission by any party to the Agreement that any allegation or contention in this proceeding is true or false. Nor shall the terms of the Agreement constitute admissions to be used in future dockets.


The Agreement is expressly conditioned upon the Commission’s acceptance of all of its provisions without change or condition. If such acceptance is not granted, the Agreement shall be deemed to be null and void and without effect, and shall not constitute any part of the record in this proceeding nor be used for any other purpose. The Settling Parties agree to support approval of the Agreement before the Commission, shall not oppose this Agreement before any regulatory agencies or courts before which this matter is brought.

The terms of the Agreement shall not be used for precedent in future dockets. Moreover, the Commission’s acceptance of the Agreement does not constitute continuing approval of or precedent regarding any particular issue in this proceeding, but such acceptance does constitute a determination that the provisions set forth herein are just and reasonable. The discussions which have produced the Agreement have been conducted on the understanding that all offers of settlement and discussion relating thereto are and shall be privileged, and shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any further proceeding or otherwise.

IN WITNESS WHEREOF, the Settling Parties to Docket No. DE 14-120 have caused this Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

Date: 7/9/2015

Staff of the Public Utilities Commission

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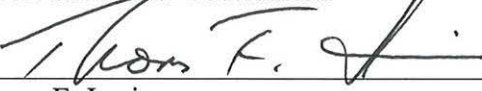
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