

Matthew J. Fossum
Senior Counsel

603-634-2961
matthew.fossum@eversource.com

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Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Docket No. DE 14-238
Public Service Company of New Hampshire d/b/a Eversource Energy
Certification of Exogenous Events

Dear Director Howland:

Pursuant to section III.G. of the June 10, 2015 Restructuring and Rate Stabilization Agreement relating to Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource"), Eversource is to annually file a certification of exogenous events relating to the prior calendar year. Enclosed please find the certification for calendar year 2018 as required by the Agreement.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Matthew J. Fossum
Senior Counsel

Enclosure
CC: Service List

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire dba Eversource Energy

Determination Regarding PSNH's Generation Assets
Docket No. DE 14-238

Certification of Exogenous Events
Calendar Year 2018

I. Introduction

The 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (“2015 Agreement”) approved by the Commission in the docket referenced above includes Section III. G. titled “Exogenous Events” which states that Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”):

will be allowed upon Commission approval to adjust distribution rates upward or downward as a result of Exogenous Events, as defined below. For any of the events defined as State Initiated Cost Change, Federally Initiated Cost Change, Regulatory Cost Reassignment, or Externally Imposed Accounting Rule Change PSNH will be allowed to adjust distribution rates upward or downward (to the extent that the revenue impact of such event is not otherwise captured through another rate mechanism that has been approved by the Commission) if the total distribution revenue impact (positive or negative) of all such events exceeds \$1,000,000 (Exogenous Events Rate Adjustment Threshold) in any calendar year beginning with 2015, until PSNH’s next general distribution rate case.

2015 Agreement at lines 367-376.

The 2015 Agreement provides that Eversource will make an annual filing, no later than March 31 of each year until Eversource’s next distribution rate case, supporting any changes necessitated by the occurrence of a defined exogenous event, or certifying that no such events occurred. This filing meets the certification obligation for 2018.

II. Eversource Certification of Exogenous Events in 2018

For calendar year 2018, Eversource has identified two events qualifying as exogenous events pursuant to the 2015 Agreement. As addressed in Docket No. DE 18-049, for calendar year 2018, there were exogenous events related specifically to Sections 12.2.1 and 12.2.2 of the 2015 Agreement. The “Tax Cuts and Jobs Act” reduced the U.S. federal corporate income tax rate from 35 percent to 21 percent effective January 1, 2018. Second, the State of New Hampshire corporate income tax rate was reduced from 8.2% in 2017 to 7.9% in 2018.

As described in Docket No. DE 18-049, the combined impact of the Federal and State tax rate reductions was \$12.281 million, or \$1.023 million per month plus interest. Through Order No. 26,177 (September 27, 2018), the Commission ordered that customers must receive the benefits of the tax reductions no later than July 1, 2019 – either through a distribution rate case with rates effective July 1, 2019 or before, or by an adjustment to current rates downward until the next distribution rate case.

On March 22, 2019, Eversource filed its notice of intent to file rate schedules with the Commission noting that it intended to file for temporary rates effective as of July 1, 2019 and that the temporary rate calculation will include the above-referenced reductions due to the changes in both the Federal and the State tax law. Accordingly, the impact of the identified exogenous events will be included in that rate filing consistent with Order No. 26,177 and a separate adjustment is not required.

After review, Eversource has determined that there were no exogenous events in 2018 related specifically to Sections 12.2.3, 12.2.4 or 12.3 that would trigger a rate adjustment in accordance with the 2015 Agreement.