

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-822

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

Petition for Adjustment to Energy Service Rates

Order Approving Request for Adjustment to Energy Service Rates

ORDER NO. 26,033

June 28, 2017

APPEARANCES: Matthew J. Fossum, Esq., on behalf of Public Service Company of New Hampshire d/b/a Eversource Energy; Consumer Advocate D. Maurice Kreis, Esq., on behalf of residential ratepayers; and Suzanne G. Amidon, Esq., on behalf of Commission Staff.

This Order approves a mid-year change in Eversource's energy service rate effective with services rendered on and after July 1, 2017. The energy service rate will increase from the current rate of 11.17 cents per kWh to 11.66 cents per kWh. This change, combined with changes to the Company's rates associated with its stranded cost recovery charge, its transmission cost adjustment mechanism, and its reliability enhancement program, all for effect July 1, 2017, will result in an overall increase in monthly bills from \$122.15 to \$124.51, an increase of 1.9 percent, for a residential customer taking energy service from Eversource and using 600 kWh per month. For Eversource residential customers taking service from a competitive supplier, the delivery portion of the monthly bill will decrease by approximately 1.1 percent.

I. PROCEDURAL HISTORY

On May 9, 2017, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a request to adjust its energy service rate for effect with services rendered on

and after July 1, 2017. Initially, in its testimony and exhibits, Eversource estimated that the energy service rate for effect on July 1, 2017, would be 11.60 cents per kilowatt hour (kWh), an increase from the current rate of 11.17 cents per kWh. Eversource attributed the increase to an under-recovery resulting from lower energy service revenues than forecasted, due to increased migration, and a higher-than-forecasted prior year under-recovery.

Eversource's energy service rate includes the charge of 1.72 cents per kWh for recovery of the wet flue gas desulphurization (Scrubber) unit at Merrimack Station. *See* Order No. 25,854 (December 22, 2015). The Scrubber portion of the rate is not changing as part of this proceeding.

On June 16, 2017, Eversource filed an updated estimate of the energy service rate that included actual costs through May 2017 and updated estimates for the remainder of the calendar year. The updated calculation resulted in an energy service rate of 11.66 cents per kWh, an increase of 0.06 cents per kWh from the initial estimate.

The Office of Consumer Advocate (OCA) previously filed a letter of participation in this docket on October 10, 2016. The Commission issued an Order of Notice on May 18, 2017, scheduling a hearing for June 22, 2017.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-822.html>.

II. POSITIONS OF THE PARTIES

A. Eversource

Eversource's energy service costs contain the generation asset revenue requirements, entitlements, and purchased power obligations, including the cost of fuel used in generation. In

addition, energy service costs include the costs and revenues from market purchases and sales, Independent System Operator-New England expenses and revenues, Renewable Portfolio Standards and Regional Greenhouse Gas Initiative (RGGI) costs, and Independent Power Producers' power valued at market prices. As indicated above, it also includes the 1.72 cents per kWh Scrubber rate.

In its June 16, 2017, updated filing, Eversource estimated an increase of 0.06 cents per kWh over its initial estimated rate for energy service. According to the Company, the increase is due to a change in forecasted migration for the July through December 2017 period. Actual customer migration for April and May 2017 was lower than forecasted. As a result, in its updated filing, Eversource predicted a modest decrease in forecasted customer migration, and an increase in sales over those previously forecasted, for the remainder of the year. The forecasted increased sales resulted in an upward adjustment of RPS compliance costs, and an increase in operation and maintenance costs.

B. OCA

The OCA said that the records presented by Eversource support the calculation of the estimated energy service rate of 11.66 cents per kWh, and that the Commission should allow the rate to go into effect on July 1, 2017.

C. Staff

Staff said that, based on its review, the Company had appropriately calculated the energy service rate. Staff recommended that the Commission approve the change as requested by the Company in its updated filing.

III. COMMISSION ANALYSIS

Pursuant to RSA 369-B:3, IV(b)(1)(A), the price for Eversource's energy service shall be its actual, prudent, and reasonable costs of providing the power, as approved by the Commission. Based on our review of the petition and the evidence in the record, we find that the calculations and related documentation support the Company's request for a mid-year adjustment to its energy service rate, and result in just and reasonable rates pursuant to RSA 374:2. The Company's actual 2017 energy service costs and revenues, along with its actual stranded cost recovery charge and revenues, will be subject to a prudence review and reconciliation in its 2017 reconciliation docket, which will be filed next year.

This is one of four dockets in which we are issuing an order today that adjusts Eversource's rates effective on a service rendered basis on and after July 1, 2017. The four dockets are (1) the instant docket, to adjust the energy service rate; (2) DE 16-823, to adjust Eversource's stranded cost recovery charge rate; (3) DE 17-081, to adjust the average transmission cost adjustment mechanism rate; and (4) DE 17-076, Eversource's reliability enhancement program. Overall, the average total bill impact of the four rate changes for residential customers using 600 kWh per month who take supply service from Eversource is a 1.9 percent increase in monthly bills, from \$122.15 to \$124.51. Residential customers who take service from a competitive supplier will experience a 1.1 percent decrease in the non-energy portion of their bills. None of the four orders being issued today will have any effect on the energy portion of the bill for someone receiving energy from a competitive supplier.

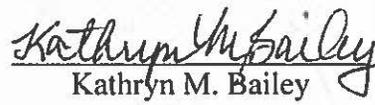
Based upon the foregoing, it is hereby

ORDERED, that Eversource's request to adjust its energy service rate from 11.17 cents per kWh to 11.66 cents per kWh effective with services rendered on and after July 1, 2017, is hereby APPROVED; and it is

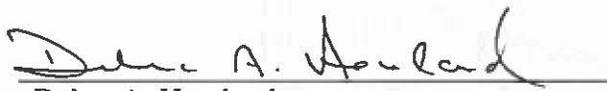
FURTHER ORDERED, that Eversource shall file conforming tariffs pursuant to Puc 1603 within 20 days of the date of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of June, 2017.


Martin P. Honigberg
Chairman


Kathryn M. Bailey
Commissioner

Attested by:


Debra A. Howland
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11(a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**