

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire d/b/a Eversource Energy

DOCKET NO. DE 09-035
Distribution Service Rate Case

MOTION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY FOR APPROVAL OF RECONCILIATION AND
CONTINUATION OF RELIABILITY ENHANCEMENT PROGRAM

Pursuant to N.H. Code Admin. Rule Puc 203.07 and Puc 203.20, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) hereby moves for the Commission’s approval of the reconciliation and continuation of Eversource’s Reliability Enhancement Program (“REP”). In support of this Motion, Eversource states as follows:

1. Eversource’s REP was initially established as part of Docket No. DE 06-028, the Company’s 2006 rate case, to provide targeted funding for enhanced capital and operation and maintenance (“O&M”) spending intended to improve the reliability of Eversource’s distribution system. The REP was updated and expanded through a settlement agreement in Docket No. DE 09-035, the Company’s 2009 rate case. That settlement agreement was approved by the Commission in Order No. 25,123 (June 28, 2010). Based upon the availability of the REP funding, the Company has been able to successfully develop and implement plans for specific projects and activities aimed at improving the reliability and resiliency of its distribution system. The targeted funding provided through the REP was scheduled to end on June 30, 2015, coincident with the expiration of Eversource’s settlement agreement in Docket No. DE 09-035.

2. On June 10, 2015, and following extensive negotiations, Eversource and numerous other parties filed the “2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement” (the “Agreement”), a comprehensive settlement relating to a variety of issues concerning Eversource’s divestiture of its existing electric generating fleet. The Agreement contained, as one of its terms, the following:

E. Distribution Reliability Funding

To continue distribution rate funding for grid reliability, resiliency, and automation expenditures until PSNH’s next general distribution rate case, PSNH shall continue its Reliability Enhancement Program (“REP”) established in Section 6 of the “Settlement Agreement on Permanent Distribution Service Rates” approved by the Commission in Docket No. DE 09-035.

Distribution reliability funding will continue per the following terms:

1. In June 2015, PSNH shall make a filing with the Commission to reconcile the expenses and revenues relating to REP activities between April 1, 2013 and March 31, 2015 and shall include a forecast of activities for the period April 1, 2015 through June 30, 2016. Any rate change required to reconcile these amounts and account for the forecasted activities shall occur on July 1, 2015, and shall be subject to future reconciliation. As of July 1, 2015, PSNH shall continue to collect the annual revenue necessary to recover the revenue requirements associated with REP capital additions, and provide operations and maintenance spending, as available. In addition, rather than end the funding presently supporting recovery of the 2010 wind storm costs as identified in Section 7.2 of the rate settlement in Docket No. DE 09-035, PSNH shall continue to collect the \$3 million in annual revenue attributable to recovery of costs relating to this storm, but shall redirect such funding to support REP activities. In order to prevent a lapse in the funding for the REP, if PSNH’s June 2015 filing has not been acted on prior to July 1, 2015, the Settling Parties support the inclusion of the amounts specified herein in rates on a temporary rate basis as of July 1, 2015, with such temporary rate to continue until receipt of Commission approval of this Agreement, at which time the rate will be reconciled and become a permanent rate.

2. In April 2016 PSNH shall make a filing to reconcile the expenses and revenues relating to REP activities between April 1, 2015 and March 31, 2016 and shall include a forecast of activities for the period April 1, 2016 through June 30, 2017. Any rate change required to reconcile these amounts and account for the forecasted activities shall occur on July 1, 2016, and shall be subject to future reconciliation.

Contemporaneously with the filing of the Agreement, Eversource moved for a continuation of the REP consistent with the above terms.

3. By Order No. 25,793 (June 25, 2015), the Commission granted Eversource's motion and permitted the Company to adjust its distribution rates to collect the annual revenue necessary to recover the revenue requirements associated with REP capital additions and O&M expenses. In approving the REP-related adjustment to Eversource's distribution rates, the Commission noted its support for Eversource's REP as being "long-standing and independent of the Settlement Agreement in DE 11-250 and DE 14-238." *Public Service Company of New Hampshire d/b/a Eversource Energy*, Order No. 25,793 (June 25, 2015) at 5. Moreover, in that Order the Commission found "ample reason to continue the REP" and stated that "Eversource's reliability metrics have improved since the inception of the program, and customers have experienced tangible benefits in reduced frequency and duration of outages." *Id.*

4. On April 29, 2016, the Company filed for Commission review and approval of the reconciliation of the expenses and revenues relating to REP activities between April 1, 2015 and March 31, 2016, and for review of Eversource's forecast of activities for the period April 1, 2016 through June 30, 2017, consistent with the Agreement and Order No. 25,793. On June 28, 2016, the Commission issued Order No. 25,913 approving Eversource's request. In its Order the Commission noted that there was, at that time, "no proposal to reconcile actual costs with revenues for the twelve months ending June 2017." Order No. 25,913 at 5. However, the Commission stated "Regardless of the future of Eversource's REP program beyond June 2017, we require Eversource to provide an annual report of its REP activities for the period ending June 2017 as it did following the approval of the REP program activities in Order No. 25,123, and a reconciliation of the revenues and expenses incurred during that period." *Id.* The

Commission further stated “In the event that Eversource seeks to continue its REP activities outside of a distribution rate case, we require the Company to work with Staff and the OCA to develop the program.” *Id.*

5. Consistent with the directives of the Commission in Order No. 25,913, Eversource herein provides its report and reconciliation for REP events through the most recent data available in 2017. The enclosed testimony of Lee Lajoie, Eversource’s Manager of System Resiliency, and Brian Dickie, Eversource’s Director of System Operations, describes the investments made through the REP and the impact of those investments on the reliability of the Company’s system. The enclosed testimony of Christopher Goulding, Eversource’s Manager of Revenue Requirements for New Hampshire, explains the reconciliation of expenses and revenues for the REP.

6. In addition to the report and reconciliation, Eversource also moves for an extension of the REP program for a period of 24 months, to June 30, 2019. The initial extension of the REP through June 30, 2017 was predicated on the assumption that Eversource’s divestiture of its generating assets would be substantially complete, consistent with the Agreement, by that time. As the Commission is aware, however, that process continues and is currently predicted to be complete in late 2017 or early 2018. Therefore, the presumption underlying the duration of the REP in 2015 has not held, and the Company believes an extension of the program is appropriate.

7. Moreover, the Company notes that two recently completed dockets – Docket No. IR 15-296 relating to grid modernization, and Docket No. DE 16-576 relating to net metering – have not yet been ruled upon by the Commission. While Eversource does not yet know what the Commission may require as a result of those proceedings, it is reasonable to conclude that additional planning and investments will likely be required. In that developing, and then

implementing, whatever planning may be required by the Commission will take time, and that the investments that may be undertaken following that planning may overlap with some of the investments that are undertaken through the REP, extending the REP through mid-2019 would help align that program with any additional planning required by the Commission. Conversely, allowing the REP to lapse would not only cut short the gains that have been realized through that program to date, it would also mean that any new planning would be required to assume that the REP investments will not take place.

8. For the above reasons, the Company herein moves for an extension of the REP. The Company has developed a plan and proposal for the REP over the 24 month period following June 30, 2017 that is largely a continuation of the existing program. The continuation plans are included in the same testimony of Messrs. Lajoie, Dickie, and Goulding filed with this motion. Of significant note, the Company's plan includes the use of funding that would be redirected from other sources such that the net impact on customers' rates over the 24 month period would be zero. In other words, should the Commission approve the Company's plan as filed, implementing the REP for the next 24 months would require no rate increases. Eversource also reports that it has met with both the Commission Staff and the OCA with respect to its plan to discuss the proposed programs and activities, as well as the required funding. In making this submission, Eversource has incorporated information and analysis requested by the Staff and OCA as contemplated by the Commission.

9. As the Commission has acknowledged, Eversource's REP has proven valuable to customers, and the Commission has previously found "ample reason to continue the REP," Order No. 25,793 at 5. In recognition of these benefits, Eversource seeks to continue this program and requests that the Commission accept the enclosed reconciliation and grant the

motion to continue the REP.

WHEREFORE, Eversource respectfully requests that the Commission:

- A. Review and approve the enclosed reconciliation of expenses and revenues as it relates to the REP;
- B. Grant Eversource's motion to continue the REP through June 30, 2019; and
- C. Grant such further relief as is just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire d/b/a Eversource Energy
By Its Attorney

Dated: May 1, 2017

By: 

Matthew J. Fossum

Senior Counsel

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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Motion to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

May 1, 2017
Date


Matthew J. Fossum