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NHPUC 14AUG'17AMB:27

August 11, 2017

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street Suite 10
Concord, New Hampshire 03301

Re: Docket DE 17-113
Public Service Company of New Hampshire d/b/a Eversource Energy
Petition for Approval of Energy Service Supply Proposal
Report on Technical Session and Staff Response

Dear Ms. Howland:

On Friday, August 4, 2017, the Commission held a prehearing conference in the above-captioned docket. The following parties filed motions to intervene: The Office of Consumer Advocate (OCA) filed a letter of participation in the docket pursuant to RSA 363:28. New England Power Generators Association (NEPGA), Retail Energy Supply Association (RESA), Exelon Generation Company (Exelon), NextEra Energy Marketing (NextEra) and EnerNOC, Inc. The Commission granted all motions to intervene at the prehearing conference with the exception of EnerNOC's, which it took under advisement. With the exception of Eversource, no party objected to EnerNOC's intervention.

At the prehearing conference, NEPGA expressed general support for Eversource's proposal. NextEra said that more detail on Eversource's proposal was needed to understand the proposal and, as this proposal was Eversource's first market based procurement of energy service supply, ensure that it was right. RESA took no initial position on the proposal. EnerNOC proposed to provide information about a methodology to procure wholesale power outside the request for proposal process. The OCA said it was still evaluating the filing. Exelon did not have a representative at the prehearing conference. Staff expressed concerns about the proposal's proposed effective date and the limited time to review the proposal in detail.

The parties met in technical session to discuss a proposed procedural schedule. NextEra recommended two sets of discovery followed by a technical session, an opportunity for Intervenor testimony, and an opportunity for rebuttal testimony, followed by a hearing, possibly sometime in early November. Eversource said if their plan was approved by the Commission, such approval

would need to occur by the end of October to allow for the issuance of a RFP for energy supply in early November. Most parties expressed interest in reviewing a proposed procedural schedule before committing to the January 1, 2018, proposed implementation, but nonetheless tentatively supported the efforts to complete the review on an expedited basis. The Office of Consumer Advocate agreed to support the expedited timeline only if the parties would agree to support EnerNOC's admission as a formal intervenor. Staff accepted the task of putting together a proposed procedural schedule for parties to review.

After the technical session, Staff met internally to discuss the proposed schedule. Staff continues to support an expedited schedule, but is concerned about Eversource's proposal to have a process in place to procure energy supply by the end of October, for energy supply beginning with services rendered on and after January 1, 2018, despite the fact that divestiture may not be completed by that later time. As Staff discussed in the technical session, Staff's understanding of the 2015 Settlement Agreement is that the change in energy service and stranded costs rates as a result of securitization were to be aligned to occur on the same date.

At the technical session, the divestiture schedule was briefly referenced, and it appears that, by the end of this month, more will be known about the schedules for financial closing. Staff will work toward a January 1, 2018, change in default service using a RFP for procurement similar to that proposed by Eversource; however, Staff believes if closing is delayed beyond 2017, implementing a procurement model will have ratemaking effects that should be considered by the Commission before approval of a new default service rate. Finally, in Staff's opinion, EnerNOC can provide information that is relevant in this docket, and should be granted intervention.

Based on the foregoing, Staff proposes to commence a procedural schedule as follows:

| | |
|-------------------------|---------------------------------|
| First Set Data Requests | August 18, 2017 |
| Responses to DRs | September 1, 2017 |
| Technical Session | September 8, 2017 at 10:00 a.m. |

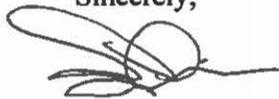
If this schedule is approved, the parties could discuss the most recent public information available on the potential timing of divestiture at the technical session to determine if the proposed schedule should continue or be modified, with the purpose of assuring that changes in energy service and stranded costs rates occur at the same time.

Staff provided a copy of this letter to parties prior to its filing. Positions were given as follows: the OCA agreed to an expedited schedule provided that EnerNOC be allowed full intervention; NextEra expressed general agreement but stated that there should be an opportunity and time for intervenors to prepare and file testimony, EnerNOC said, that although its intervention status is pending, it could work with the schedule proposed by Staff, and NEPGA did not respond. Eversource maintained that the start date of January 1, 2018 is essential. RESA expressed concerns about the timing of the proposal and recommended that the Commission require Eversource to divest its generation before allowing the Company to begin serving its customers through energy procured on the competitive market, and said that an expedited schedule would not permit full investigation of the proposal. RESA suggested a start date of April 1, 2018 or July 1, 2018, as proposed effective dates.

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Staff respectfully requests that the proposed procedure and schedule set out above be approved by the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzanne G. Amidon', with a large, stylized flourish at the end.

Suzanne G. Amidon
Staff Counsel
cc Service List (electronically)

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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Docket #: 17-113-1 Printed: August 11, 2017

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
EXECUTIVE 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.