

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 17-160

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

Petition for Recovery of Annual Assessment and Consultant Costs

Order Approving Petition

ORDER NO. 26,091

December 27, 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.

In this Order, the Commission approves Eversource's petition to recover assessment costs and certain consultant costs associated with the Grid Modernization and Net Metering dockets with services rendered on and after January 1, 2018. The resulting increase in distribution rates is 0.017 cents per kilowatt hour (kWh).

This is one of three orders we are issuing today to change Eversource's rates effective on a service rendered basis on and after January 1, 2018. The three orders pertain to: (1) the instant docket, to recover annual assessment and consulting costs; (2) Docket No. DE 17-150, to adjust the default energy service rate; and (3) Docket No. DE 17-151, to adjust the stranded cost recovery charge. Overall, the average total monthly bill impact of the three rate changes for residential customers who take energy supply service from Eversource and use 600 kWh per month is a 0.7 percent decrease from \$124.50 to \$123.64. Residential customers using 600 kWh per month who take service from a competitive supplier will experience a 2.9 percent increase in the delivery-service portion of their bills. None of the three orders being issued today will have any effect on the energy portion of the bill for those receiving energy from competitive suppliers.

I. PROCEDURAL HISTORY AND BACKGROUND

On October 20, 2017, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a petition for recovery of annual assessment and consultant costs. The petition requests an overall 0.017 cents per kWh increase to its distribution rates to recover such costs. Eversource's submission included prefiled testimony and related attachments. Eversource requested that the rate change associated with this recovery be effective on a service-rendered basis as of January 1, 2018.

On October 24, 2017, the Office of Consumer Advocate (OCA) filed a letter of participation. The Commission issued an Order of Notice on November 21, 2017, scheduling a hearing for December 19, 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://puc.nh.gov/Regulatory/Docketbk/2017/17-160.html>.

II. POSITIONS OF THE PARTIES AND STAFF

A. Eversource

1. Recovery of Commission Assessment

As stated by Eversource, Senate Bill 324 (SB 324) became effective July 1, 2014, amending RSA Chapter 363-A. Among other things, SB 324 changed the manner in which utilities are assessed to recover the expenses of the Commission. In addition to changing the manner of the assessment itself, the legislation also changed the way in which public utilities recover the annual assessment costs from customers. Prior to enactment of SB 324, assessment costs were collected through distribution, generation, and transmission rates. SB 324 requires public utilities to recover the assessment through distribution rates only. The bill provided that

the Commission would establish the manner for recovering the assessments and make annual adjustments as necessary. RSA 363-A:6, III.

In Docket No. DE 14-347, Eversource submitted a filing that was approved by Order No. 25,743 (December 29, 2014) which incorporated a Commission assessment level of \$4.149 million in distribution rates, and an assessment of \$10,000 in energy service rates effective January 1, 2015. The Order also approved the removal of assessment costs from the transmission component of an Eversource customer's bill. The Commission did not approve an automatic annual adjustment in distribution rates to account for increases or decreases in the amount of the Commission's assessment with respect to Eversource.

Since 2015, the changes in the level of assessment have not warranted a change in the rates. For 2016 and 2017, the changes were relatively minor, with 2016 being \$48,000 lower than the amount established in 2014, and 2017 being \$86,000 more than the amount established in 2014.

For 2018, however, the change in assessment is an increase of \$874,000 over the assessment used to establish the rate in effect since January 1, 2015. The total change in the assessment amount for the three years is an increase of \$911,624 over the amount currently being recovered through Eversource's distribution rates. To recover the appropriate assessment amount, Eversource requests that the distribution rate increase by 0.012 cents per kWh. Eversource said it would revisit the distribution rate recovery of Commission assessments when it received the next assessment billing in the fall of 2018.

2. Recovery of Consultant Costs

In addition to recovery of the assessment, Eversource is seeking recovery of the Commission's and the OCA's consultant costs related to Docket No. IR 15-296 (Grid

Modernization), and Docket No. DE 16-576 (Net Metering). Eversource requested recovery of those costs in both dockets pursuant to RSA 365:37, II (authorizing recovery of Commission costs assessed against the utility in a proceeding instituted by the Commission), RSA 365:38-a (authorizing recovery of Commission costs assessed against the utility in utility proceedings before the Commission), and RSA 363:28, III (authorizing the recovery of costs assessed against the utility incurred by the OCA in hiring consultants in proceedings before the Commission).

Eversource is requesting recovery of \$430,569, for the consultant costs over a one-year period from January 1 through December 31, 2018, through distribution rates at a rate of 0.005 cents per kWh. Once those costs are recovered, Eversource will adjust the distribution rates to remove the consultant costs.

Eversource requests that the Commission approve a 0.017 cents per kWh increase to distribution rates to recover the costs associated with the Commission assessment and the consultant costs related to the Grid Modernization and Net Metering dockets, for effect on January 1, 2018, on a service-rendered basis.

B. OCA

The OCA said that it did not object to Eversource's specific request in this matter. The OCA, however, reserved the right to take a different position if the Company presents a petition for recovery in the future that presents different facts.

C. Staff

Staff stated that it supported the petition and recommended that Eversource be audited to ensure that the Company properly accounted for consultant costs.

III. COMMISSION ANALYSIS

Eversource's petition proposes an increase to its base distribution rates to comply with the requirements of RSA 363-A:6, the assessment statute, and statutes which permit a utility to recover costs associated with the Commission and OCA costs in utility proceedings. *See* RSA 365:37, II, RSA 365:38-a, and RSA 363:28, III. We therefore must determine whether the resulting rates are just and reasonable pursuant to RSA 378:5 ("Whenever any schedule shall be filed with the commission stating new and higher rates ... which the public utility filing the same proposes to put into force, the commission may investigate the reasonableness of such proposed rates") and RSA 378:8 (the applicant carries "the burden of proving the necessity of" charging a higher rate).

The Commission has reviewed the proposed adjustment to Eversource's distribution rates to allow full recovery¹ of the Commission's assessment from the time the rate was established through the most recent assessment,² and to recover costs associated with the Commission's investigation into Grid Modernization and Net Metering. We conclude that these adjustments are in the public interest and result in just and reasonable rates. We note that the assessment to recover costs associated with Commission proceedings will expire at the end of December 2018, and find that the recovery through distribution rates of those costs is appropriate. Finally, we agree that the Company's accounting treatment of the consulting fees should be reviewed by Staff.

¹ We note that consistent with Order No. 25,743 the proposed recovery excludes \$10,000 of the annual assessment recovered through energy service rates.

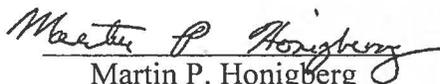
² See 2015 (based on 2014 utility revenue and FY15 PUC budget) and 2018 (based on 2017 utility revenue and FY18 PUC budget) Assessment Booklets at http://www.puc.nh.gov/Home/AboutUs/Assessment_Booklets.htm.

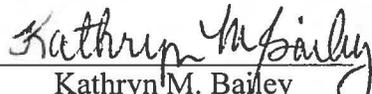
Based upon the foregoing, it is hereby

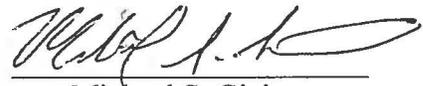
ORDERED, that Eversource's petition to adjust its distribution rates to recover assessment costs and to recover costs incurred in connection with Commission proceedings is hereby APPROVED; and it is

FURTHER ORDERED, that Eversource shall file tariffs conforming to this Order pursuant to New Hampshire Code Admin Rule Puc 1600 within 10 business days of the date of this Order.

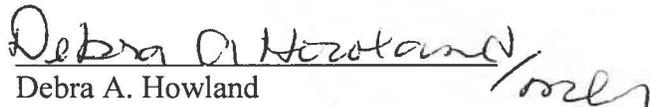
By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 2017.


Martin P. Honigberg
Chairman


Kathryn M. Bailey
Commissioner


Michael S. Giaimo
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.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
christopher.goulding@eversource.com
donald.kreis@oca.nh.gov
leszek.stachow@puc.nh.gov
matthew.fossum@eversource.com
ocalitigation@oca.nh.gov
richard.chagnon@puc.nh.gov
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov

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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.