

STATE OF NEW HAMPSHIRE

Inter-Department Communication

NHPUC 28NOV17PM3:37

DATE: November 28, 2017

AT (OFFICE): NHPUC

RF

FROM: Rich Chagnon, Utility Analyst – Electric Division

SUBJECT: Docket No. DE 17-177
Public Service of New Hampshire d/b/a Eversource Energy
Special Contract No. NHPUC-146,
Westinghouse Electric Company, LLC
Staff Recommendation to Approve Special Contract

TO: Debra A. Howland, Executive Director
Chairman Martin P. Honigberg
Commissioner Kathryn M. Bailey
Commissioner Michael S. Giaimo
Tom Frantz, Director – Electric Division

Summary

On November 15, 2017, Public Service of New Hampshire d/b/a Eversource Energy (PSNH or the Company) filed, pursuant to RSA 378:18-a, Puc 202.01 (a), Puc 203.06 and part of Puc 1606, a petition with the Commission for approval of Special Contract NHPUC-146 with Westinghouse Electric Company, LLC (Westinghouse).

PSNH requests in its petition that the new special contract be approved in advance of the scheduled termination of the existing Special Contract NHPUC-145. Special Contract NHPUC-145 expires December 31, 2017. It was approved by the Commission on December 31, 2014 (see Order No. 25,748 in DE 14-339).

Staff has reviewed the petition and the pre-filed testimony of Rhonda J. Bisson, Manager of Rates for PSNH, who filed on behalf of PSNH. Staff also notes that it has conferred with the Office of Consumer Advocate (OCA) concerning this petition and that the OCA takes no position on Special Contract NHPUC-146, to replace the expiring Special Contract NHPUC-145. Staff recommends approval of Special Contract NHPUC-146 prior to the termination date of Special Contract NHPUC-145 on December 31, 2017.

Background

As Ms. Bisson points out in her testimony, PSNH has provided service to Westinghouse or its predecessors under special contracts with similar terms and conditions as this contract for the past thirty-nine years. The main feature of the special contract is the ability of PSNH's Electric System Control Center to directly control and instantaneously terminate electric service to Westinghouse's pump testing facilities in Newington.

Westinghouse's pump testing operation periodically tests large pumps manufactured by Westinghouse for use in nuclear power plants. In order to receive interruptible power under the Special Contract, Westinghouse must contact PSNH's system load dispatcher and provide the amount of interruptible power in megavolt-amperes that it expects to utilize, the approximate time that PSNH should begin furnishing interruptible power and the estimated length of time that interruptible power will be utilized by Westinghouse.

The ability of PSNH to control the load, along with the additional information provided by Westinghouse as stated above allows PSNH to plan, schedule and operate its system with certainty and reliability, without the need for additional distribution upgrades to serve this load.

Under this five-year contract, PSNH will provide electric service to Westinghouse in accordance with its Delivery Service Tariff and the specific provisions of Rate LG, except that the maximum billing demand under Rate LG will be based on fifty percent of the highest kilovolt-ampere (kVA) demand, and will be based on the demands during the current billing period only. The demand ratchet in Rate LG will not apply to the special contract.

With respect to energy service as part of this special contract, Westinghouse will have the option of purchasing its energy service from an energy service provider, directly from ISO-NE under the terms of Self-Supply Service or from PSNH in accordance with the Terms and Conditions of PSNH's Tariff. If Westinghouse purchases energy service from PSNH, the Company will furnish the service in accordance with the provisions of Alternate Default Energy Service Rate ADE until the rate is no longer available. Subsequent to Rate ADE, the Company will furnish the service in accordance with the provisions of Default Energy Service Rate DE applicable to customers receiving delivery service under Large General Delivery Service Rate LG. Other non-interruptible load at Westinghouse will continue to be served by PSNH under standard tariff rates, primarily Rate GV.

PSNH estimates that based on Westinghouse's pump testing load for the period November 2016 – October 2017 and rates effective July 1, 2017, Westinghouse's annual electric bill would be more than 140% higher under standard tariff Rate LG pricing than pricing under Special Contract NHPUC-146.

PSNH also points out that the special contract will provide significant distribution revenue during the five-year term of the contract and that Westinghouse has indicated that it will consider other options for its manufacturing and testing facility in Newington absent approval of this special contract. It is difficult to confirm what actions Westinghouse would or would not invoke absent this special contract, but Staff believes the contract should be approved based on the sound economics and pricing of the contract. Special Contract NHPUC-146 allows PSNH to manage a large interruptible load without incurring any upgrade costs on the distribution system, contribute to the distribution revenues of the system benefiting both PSNH and its customers while allowing Westinghouse to choose from whom it buys its electricity supply.

Recommendation

Staff recommends approval of Special Contract NHPUC-146 prior to the termination date of Special Contract NHPUC-145 on December 31, 2017.

If you have any questions concerning this recommendation, please contact me.

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:**

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- 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.**