

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY**

Docket No. DE 18-XXX

**PETITION FOR ADJUSTMENT OF STRANDED COST RECOVERY CHARGE
FOR EFFECT ON APRIL 1, 2018**

Pursuant to Puc 202.01(a) and Puc 203.06, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or “the Company”) hereby petitions the New Hampshire Public Utilities Commission (“Commission”) for a proceeding to adjust its Stranded Cost Recovery Charge (“SCRC”) for effect on April 1, 2018 pursuant to the requirements of RSA 374-F:3 and RSA 369-B:3, the Agreement to Settle PSNH Restructuring (Revised and Conformed) in Docket No. DE 99-099 (“Restructuring Settlement”), the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement in Docket No. DE 14-238 (the “2015 Agreement”), and the Settlement Agreement in Docket No. DE 17-113. In support of its Petition, Eversource says the following:

1. The SCRC was established under the Restructuring Settlement and originally capped at an average of 3.40 cents per kilowatt hour. Once the Part 3 Stranded Costs were fully collected, the Restructuring Settlement provided that the SCRC would be set on a forecasted basis every six months and would include any over- or under-recovery of Part 1 and Part 2 stranded costs from the previous period.

2. In Order No. 24,641 (June 30, 2006), the Commission approved the reduction of the SCRC rate beginning July 1, 2006 to reflect the complete recovery of Part 3 Stranded Costs. The Part 1 costs were fully amortized in 2013 and the final disposition of the funds relating to the Part 1 costs was the subject of Order No. 25,815 (September 18, 2015)

which, among other things, permitted the Company to recoup certain of those funds. As the recoupment was completed in 2016, the Part 1 costs have been completely recovered.

3. In Order No. 26,090 (December 27, 2017) in Docket No. DE 17-151, the Commission approved an average SCRC rate for effect on January 1, 2018 of 0.042 cents per kilowatt-hour, after inclusion of the Regional Greenhouse Gas Initiative (“RGGI”) credit applied pursuant to RSA 125-O:23, II and Order No. 25,664 (May 9, 2014). That is the SCRC rate presently in effect.

4. Consistent with the 2015 Agreement, which was approved by the Commission along with a related litigation settlement in Order No. 25,920 (July 1, 2016), no later than six months after the final financial closing resulting from the divestiture of Eversource’s generating assets, Eversource will transition to a competitive procurement process for default Energy Service (“ES”). On June 29, 2017 in Docket No. DE 17-113 Eversource sought Commission approval of a proposal for procuring and providing ES to customers on a competitive basis, rather than through its traditional method, in line with this requirement of the 2015 Agreement. A Settlement Agreement relating to competitive procurement was approved by Order No. 26,092 (December 29, 2017). That settlement provides, in relevant part:

The Settling Parties agree that as of the Effective Date, Eversource will also implement changes to its SCRC. The changes to the SCRC will, on the Effective Date, shift all remaining non-hydro costs and revenues to the SCRC and out of the ES rate for costs and revenues relating to the carrying charge on the stranded thermal assets prior to securitization, and for any IPPs or PPAs held by Eversource. Such costs and revenues shall remain in the SCRC until the completion of the sale of any remaining generating assets, at which time the SCRC shall be adjusted to account for the completion of the sale and implementation of the requirements of the 2015 Agreement relative to the SCRC rate. Subsequent to the Effective Date, routine adjustments and reconciliations for the SCRC rate will be contemporaneous with ES rate changes as described in paragraph D below, unless otherwise required by implementation of the 2015 Agreement or other legal or regulatory requirements.

November 27, 2017 Settlement Agreement in Docket No. DE 17-113 at Section II.C.

5. On January 12, 2018, Eversource filed a letter in Docket No. DE 18-002 stating that the competitive procurement for ES had commenced, and that Eversource was anticipating that the new ES would be effective on April 1, 2018. A hearing was held on February 14, 2018 in Docket No. DE 18-002 with respect to Eversource's proposed ES rates for April 1, 2018 following completion of a competitive solicitation. Thus, assuming Eversource's proposed ES rates are approved, the "Effective Date" as identified in the settlement agreement in Docket No. DE 17-113 is April 1, 2018. In keeping with the requirement in the settlement in Docket No. DE 17-113, Eversource now seeks to adjust its SCRC, effective on April 1, 2018, to align with the Effective Date of the new ES rates.

6. Enclosed with this Petition are the pre-filed testimony and attachments of Christopher J. Goulding supporting a change in the SCRC rates applicable to the Company's various rate classes. The calculations in this filing are in line with the requirements of the above-cited provision of the settlement agreement in Docket No. DE 17-113, and take into account the allocations of stranded costs called for in the 2015 Agreement. The enclosed attachments and exhibits contain only Eversource's current estimates of the SCRC rates for the Company's customer classes for effect on April 1, 2018. The increase in the SCRC for each customer class is attributable to the inclusion in the SCRC of the generation divestiture costs that had not been addressed in other rate elements. Eversource is not requesting approval of any specific rates at this time, but will update its estimates with more recent data before a hearing on the merits is held in March.

WHEREFORE, Eversource respectfully requests that the Commission open a proceeding, set a schedule for the conduct of this matter, and order such further relief as may be just and equitable.

Respectfully submitted this 16th day of February, 2018.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY**

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