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DE 18-089

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May 25, 2018

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Docket No. DE 18-XXX
Public Service Company of New Hampshire d/b/a Eversource Energy
2018 Transmission Cost Adjustment Mechanism

Dear Director Howland:

By Order No. 24,750 (May 25, 2007) in Docket No. DE 06-028, the Commission approved the use of a Transmission Cost Adjustment Mechanism ("TCAM") rate by Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource") for the recovery and reconciliation of costs related to transmission-related services. Pursuant to that order, and its underlying settlement agreement, adjustments to the TCAM were to occur on January 1 of each year. In Docket No. DE 07-068, Eversource requested that the adjustments to the TCAM occur on July 1, rather than January 1, to more closely align with the June 1 rate changes of the regional grid operator, ISO-New England. The July 1 date also aligned with the semi-annual adjustments to Eversource's default Energy Service ("ES") and Stranded Cost Recovery Charge ("SCRC") rates. That change was approved by the Commission in Order No. 24,770 (June 29, 2007).

Recently, Eversource has worked to complete the divestiture of its generating facilities and transition to an ES rate procured through competitive markets. As part of that transition, and consistent with the settlement agreement relative to Eversource's ES in Docket No. DE 17-113 which was approved in Order No. 26,104 (February 2, 2018), Eversource's ES rate will now be adjusted on February 1 and August 1 of each year, rather than January 1 and July 1. Additionally, to align with the changes to the ES rate, the effective date for adjustments to Eversource's SCRC was shifted to February 1 and August 1. In light of the changes to the schedule for Eversource's ES and SCRC rates, the adjustments to the TCAM rate are now no longer aligned with those other rate changes.

There is a general principle in utility ratemaking that rates, and rate changes, should be managed in a way that promotes rate continuity, stability, and understandability, while minimizing customer confusion. To those ends, Eversource proposes, and requests that the Commission approve, shifting the effective date for the adjustments to the TCAM from July 1 to

August 1 each year. This shift would ensure that the adjustment to the TCAM rate is applied at the same time as adjustments to other rates and would, thereby, minimize the number of rate changes customers are required to bear along with the confusion that could attend such adjustments. Moreover, it would be administratively efficient for Eversource, the Office of Consumer Advocate, and the Commission to review the changes to the different rates in a more comprehensive manner which would allow all parties to better understand the impacts on the company and its customers.

Accordingly, by this letter, Eversource requests that the Commission open a docket for Eversource's 2018 adjustment to its TCAM rate and find that adjusting the effective date of the TCAM adjustment to August 1 and February 1 is appropriate. In the near future, Eversource will submit its TCAM filing in a manner consistent with past practice, subject to the adjustment requested herein. Finally, Eversource has communicated with the Commission Staff and the Office of Consumer Advocate regarding this proposed change and reports that they both agree with Eversource's proposal.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Matthew J. Fossum
Senior Counsel

CC: Office of Consumer Advocate