

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 20-005

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

Audit of Stranded Costs Following Divestiture

ORDER OF NOTICE

On November 27, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a Motion for Commencement of Audit of Divestiture-Related Costs. The motion and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

Eversource requests that the Commission "initiate an audit of the Company's rate-reduction bond (RRB) transaction, including the principal amount financed and total divestiture-related costs, to enable recovery of such costs as prudent divestiture-related costs." Eversource Motion at 2. The motion follows the Commission's approval of the 2015 New Hampshire Restructuring and Rate Stabilization Agreement (2015 Settlement), which provided for Eversource's divestiture of its remaining fossil and hydro generation facilities. Order No. 25,920 (July 1, 2016). In Order No. 25,956 (October 21, 2016), the Commission approved removal of mercury boilers from Schiller Station, with removal work beginning before sale of that facility. Pursuant to the terms of the 2015 Settlement, Eversource's generation facilities were sold at auction. The Commission approved the sale of Eversource's fossil fleet in Order No. 26,078 (November 28, 2017), and that sale closed on January 10, 2018. The Commission approved the sale of Eversource's hydro fleet in Order No. 26,080 (November 29, 2017), and that sale closed

on August 24, 2018. The removal of mercury boilers and associated equipment at Schiller Station was completed on March 31, 2019.

Meanwhile, the Commission approved Eversource's securitization of a principal amount of up to \$690 million of RRBs to recover the divestiture-related costs. Order No. 26,099 (January 30, 2018). The Company issued its RRBs on May 8, 2018, in the aggregate principal amount of \$635,663,200. This principal amount was based on Eversource's estimate of divestiture-related costs including: mercury removal costs; unrecovered deferrals; transaction costs; tax stabilization payments; employee protections; and other costs as provided by the 2015 Settlement. Eversource asserts that its actual divestiture-related costs are \$654,046,809, leaving an unrecovered balance of \$18,383,609 after recovery from the RRBs. The Company proposes to recover this balance over one year through the Stranded Cost Recovery Charge (SCRC) Part 2 and plans to include this amount in its August 2020 update of the SCRC.

The filing raises, inter alia, issues related to whether the divestiture-related costs are accurately accounted for and whether those costs represent prudent and reasonable costs as required by RSA Chapter 374-F, RSA Chapter 369-A, RSA Chapter 369-B, RSA 378:7, and RSA 378:28. This docket will determine the full amount of prudently incurred stranded costs resulting from divestiture, but will not set the stranded cost recovery rate. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. R., Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on February 14, 2020, at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the motion and any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

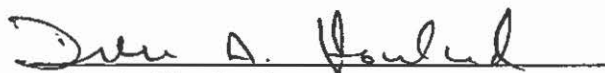
FURTHER ORDERED, that, immediately following the Prehearing Conference, Eversource, the Staff of the Commission, and any Intervenors hold a Technical Session to review the motion; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Eversource shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than January 30, 2020, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before February 11, 2020; and it is

FURTHER ORDERED, that consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Eversource and the Office of the Consumer Advocate on or before February 11, 2020, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before February 14, 2020.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of January, 2020.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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