

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire d/b/a Eversource Energy

2021 Regulatory Reconciliation Adjustment Mechanism Rate

DOCKET NO. DE 21-029

**Petition for Approval of Change In Regulatory Reconciliation Adjustment Mechanism
Rate**

Pursuant to N.H. Code Admin. Rule Puc 202.01 and Puc 203.06, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) petitions the Commission to establish a revised Regulatory Reconciliation Adjustment Mechanism (“RRA”) rate for effect on February 1, 2022. In support of this Petition, Eversource states as follows:

1. On April 26, 2019, the Company filed with the Commission proposed tariffs and rate schedules, testimony, attachments and other information, as well as a Notice of Intent to File Rate Schedules, pertaining to its request for permanent rates in Docket No. DE 19-057. On May 28, 2019, the Company submitted its permanent rate filing. Following extensive process, a comprehensive settlement agreement (the “Settlement Agreement”) was reached between all parties to the docket and filed with the Commission on October 9, 2020. On December 15, 2020, the Commission issued Order No. 25,433 approving the Settlement Agreement.

2. The Settlement Agreement established the RRA as a means for the Company to request recovery or refund of a limited set of costs identified in the Settlement Agreement. The RRA is a component of the Company’s distribution rate and, pursuant to the Settlement Agreement, is adjusted annually to account for any over or under recoveries occurring in prior years(s). Under

the Settlement Agreement, the identified classes of costs included in the RRA are: (1) Regulatory Commission annual assessments and consultants hired or retained by the Commission and Office of Consumer Advocate; (2) calendar year over- or under-collections from the Company's Vegetation Management Program ("VMP"); (3) Property tax expenses, as compared to the amount in base rates; (4) Lost-base distribution revenues associated with net metering; and (5) Storm cost amortization final reconciliation and annual reconciliation. With respect to the VMP, the Settlement Agreement provides that "The first RRA shall recover any over/under recoveries for the July 1, 2020 – December 31, 2020 vegetation management program associated with activities related to ETT, Hazard Tree Removal, and ROW clearing consistent with the expenditures noted in extension of the Temporary Rates Settlement Agreement as described in the Staff's March 24, 2020 letter in this docket." Settlement, Section 9.1(c), page 16.

3. On March 1, 2021, the Company filed part of its first RRA submission relating to the prior year's VMP activity. On April 30, 2021, the Company submitted the remainder of the RRA materials, including testimony and supporting information on the various classes of costs included in the RRA. That later filing was updated on June 30 and July 12, 2021 and a hearing on the RRA was held on July 16, 2021. During the hearing, the Department of Energy ("DOE") Staff raised questions with respect to the use of \$6.00 million as the base rate recovery level RRA calculation.

4. On July 30, 2021, the Commission issued Order No. 26,503 approving the costs in the RRA for inclusion in rates. The Commission also found:

However, the record is not sufficient to permit recovery of the remaining cost category at this time: (1) Vegetation management. The testimony provided by Eversource did not resolve significant questions raised by Energy concerning rate recoupment under the terms of the Settlement for these two cost categories. As a result, we find that Eversource has not met its burden of demonstrating that the proposed costs for vegetation management are reasonable. Thus, we cannot

approve their recovery. Nonetheless, given the fact that the RRA is a reconciling rate, and the fact that the proposed rate is a credit to customers, we will allow the proposed rate to go into effect as an interim provisional rate together with other rate changes scheduled for August 1, 2021. We will hold the record open in this docket for additional filings, testimony if needed, and a further hearing, to resolve issues concerning the Settlement, the recoupment calculation, and the appropriate amounts for recovery of vegetation management costs. We welcome the Office of the Consumer Advocate's involvement in those further proceedings. We approve the balance of the costs proposed in the RRA for recovery, excluding this class of costs.

Order No. 26,503 at 4.

5. In recognition of the issue identified by the Commission relating to the recovery of VMP costs, the Company conducted a further review of the costs and the manner in which they were intended to be recovered. Based upon that further review, and as explained in the accompanying joint testimony and supporting information of Marisa B. Paruta, Erica L. Menard and Jennifer A. Ullram, the Company held a meeting with the DOE Staff on November 13, 2021 to explain its analysis and the Company's conclusion that approximately \$850,000 was incorrectly included in the RRA calculation and that this \$850,000 should be returned to customers.

6. Consistent with that analysis, by this Petition, Eversource seeks to adjust its RRA on February 1, 2022 to return the \$850,000 to customers. Although the RRA is intended to be adjusted on August 1 of each year, in Eversource's view this "off cycle" adjustment should be approved for at least two reasons. First, as noted above, the Commission has held the record open in this matter to specifically resolve this matter. By making an adjustment on February 1, 2022, as proposed the Commission will thereafter be able to close the instant record and proceeding and allow the next RRA filing to be "clean" in that it will not include this issue. Second, in that the identified funds should rightly be returned to customers, and that there will be other rate changes on February 1,

2022, it is reasonable and appropriate to align this adjustment with those other adjustments and mitigate any overall bill impacts that might occur.

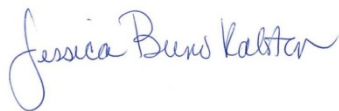
7. Accordingly, in light of the above, Eversource requests that the Commission review and approve the adjustment to the RRA proposed in this Petition for effect on February 1, 2022.

WHEREFORE, Eversource's respectfully requests that the Commission:

- A. Review and approve Eversource's proposed RRA rate change;
- B. Schedule a hearing in sufficient time to assure that the relevant review and approval can occur in time for a February 1, 2022 effective date; and
- C. Grant such further relief as is just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire d/b/a Eversource Energy
By Its Attorney



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