

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-091

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

Petition for Adjustment of Stranded Cost Recovery Charge

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING,
STATUS CONFERENCE, AND DATA REQUESTS**

On December 15, 2023, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed a petition requesting that the Commission approve an adjustment to its stranded cost recovery charge (SCRC) for effect on February 1, 2024. In support of its petition, Eversource filed the direct testimony of Yi-An Chen and Edward Davis, both personnel with Eversource's service-company affiliate, Eversource Energy Service Company, and related attachments, including proposed revised tariffs. The petition and other docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-091.html>.

I. BACKGROUND

The SCRC is a non-bypassable charge and recovery mechanism established by the Restructuring Settlement Agreement dated August 2, 1999 in Docket No. DE 99-099 (Restructuring Agreement), which was revised and conformed in compliance with the Commission's Order No. 23,549 (September 8, 2000). Its original purpose was to recover a portion of Eversource's stranded costs, and other costs and expenses permitted by the Restructuring Agreement. Restructuring Agreement, Subsection V.B. These stranded costs were divided into three parts: Part 1 was the Rate Reduction

Bonds (RRB) charge; Part 2 consisted of ongoing stranded costs associated with restructuring; and Part 3 costs were the remaining non-securitized stranded costs. *Id.*

The original Part 1 and Part 3 stranded costs have been fully recovered. *Pub. Serv. Co. of N.H.*, Order No. 26,569, at 3 (January 25, 2022). In Docket No. DE 14-238, the Commission approved the 2015 Restructuring and Rate Stabilization Agreement, filed on June 10, 2015 and amended January 26, 2016 (2015 Agreement), which allowed Eversource to recover stranded costs associated with Eversource's divestiture of its generation facilities as new Part 1 costs. *See* Order No. 26,569, at 3 (citing *Pub. Serv. Co. of N.H.*, Order No. 25,920 (July 1, 2016)). In addition, the 2015 Restructuring and Rate Stabilization Agreement provided that Eversource could recover, as Part 2 costs, ongoing independent power producer costs and power purchase agreement (PPA) costs, such as Eversource's existing commitments to buy power from the Burgess BioPower facility in Berlin, New Hampshire (Burgess Plant) and Lempster Wind Power Project in Sullivan County, New Hampshire. *See* 2015 Agreement, Subsections II and III.A.

Pursuant to the 2015 Agreement, the SCRC is allocated to each rate class by different percentages, and there is no uniform SCRC rate charged to all customers or a uniform SCRC rate for each class. Order No. 26,569 at 3-4. The 2015 Agreement required the Company to calculate Part 2 costs for prospective 6-month periods. 2015 Agreement, Subsection III.A.2.

Eversource also uses the SCRC to recover and refund a number of other costs and revenues. Excess Regional Greenhouse Gas Initiative auction proceeds are refunded to Eversource customers through the SCRC pursuant to RSA 125-O:23, II and Order No. 25,664, at 4-5 (May 9, 2014), issued in Docket No. DE 14-048. In Docket No. DE 19-057, the Commission approved a settlement agreement permitting

Eversource to recover certain environmental remediation costs through the SCRC. *Pub. Serv. Co. of N.H.*, Order No 26,433 at 14, 22 (Dec. 15, 2020). The Commission also approved a settlement agreement in Docket No. DE 20-136 providing for an adder to the SCRC that would enable Eversource to recover net metering and group host costs. *Pub. Serv. Co. of N.H.*, Order No. 26,450, at 7-9 (Jan. 29, 2021).

Regarding the Burgess Plant, Ms. Chen's and Mr. Davis's testimony filed on behalf of the Company advised the Commission of recent legislative developments that have major implications for Eversource's calculation of the SCRC for the upcoming rate period. *See Chen/Davis Testimony, December 15, 2023, at Bates Pages 22 and 23.* The Company stated:

"Due to recent legislative activity (i.e., the Governor's veto of House Bill 142 that was later upheld by the House of Representatives) and in compliance with the terms of the Commission-approved PPA with Berlin Station, LLC (i.e., Burgess), beginning December 1, 2023, Eversource is beginning to return the excess cumulative reduction amount over \$100 million to customers. Currently, the excess cumulative reduction amount over \$100 million as of November 30, 2023 is approximately \$710 million [*sic*] (*the Company's source for the figure cited indicates approximately \$71 million: Ed.*). Per the terms of the PPA, the excess cumulative reduction amount will be divided by 12 months (approximately \$5.9 million per month) and applied against the monthly energy payments being made in accordance with the PPA for monthly energy output purchased, until the excess cumulative reduction amount total is recovered. The energy portion due Burgess monthly for Dec 2023 through Nov 2024 will be offset against the \$5.9 million (or as much as is available for offset) and returned back to customers...Per the terms of the PPA, the procurement of Capacity and [Renewable Energy Credit] products will continue and payments will be made to Burgess, as the excess cumulative reduction amount calculation pertains only to the PPA's energy purchases. In addition, with the forecast of ongoing [Burgess Plant] operations, the Ch. 340 Adder monthly excess cumulative reduction amount and reconciliation continues as shown in Attachments YC/EAD-7 and YC/EAD-8, Page 2, line 3." *Id.*

Eversource is currently billing residential customers an SCRC rate of 0.718 cents per kilowatt-hour (kWh), approved by the Commission in Order No. 26,768 (Jan. 30, 2023), issued in Docket No. DE 22-039. In this proceeding, Eversource has

proposed a residential SCRC rate of 0.376 cents per kWh, a reduction of 0.342 cents per kWh.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following general issues: whether the categories of costs and revenues included in Eversource's proposed SCRC rates are consistent with the requirements of RSA 374-F:3, XII(d) and/or are appropriately included consistent with prior Commission orders; whether Eversource appropriately calculated the SCRC rates to reflect the actual and estimated costs and revenues that are appropriately included in the SCRC; whether the costs Eversource seeks to recover through the proposed adjusted SCRC were prudently incurred; and whether the resulting SCRC rates are just and reasonable, as required by RSA 374:2, and RSA 378:5 and 378:7.

With regards to the matter of the Burgess Plant PPA-related charges and credits, additional specific issues are presented: whether the Chapter 340 Adder calculations and reconciliations presented by the Company are accurate, just and reasonable, and in conformity with the provisions of the Burgess Plant PPA and all other applicable law; whether the Burgess Plant refund presented by the Company, and all other credits and debits associated therewith, are accurate, just and reasonable, and in conformity with the provisions of the Burgess Plant PPA and all other applicable law; the provenance of all monies provided to Eversource ratepayers through the SCRC in connection with the Burgess Plant refund presented by the Company (i.e., the Burgess Plant owners, Eversource, or some combination thereof), and whether these arrangements proposed by Eversource are just and reasonable, and in conformity with the provisions of the Burgess Plant PPA and all other applicable law.

Based on a preliminary review of the petition, testimony, and supporting schedules presented by Eversource relating to the Burgess Plant issues, the Commission sees significant ambiguity and uncertainty in the Company's stated position regarding these matters. To aid in the Commission's review, and that of the New Hampshire Department of Energy (DOE) and the Office of the Consumer Advocate (OCA)¹, for this proceeding, the Commission is promulgating three data requests, listed below, to Eversource regarding the Burgess Plant refund accounting presented by the Company, for which the Commission requires responses not later than December 29, 2023. Furthermore, the Commission requests that the DOE, and any other interested party, file its position statement regarding the Eversource approach for the Burgess Plant issues not later than January 5, 2024. In addition to the hearing scheduled in this matter for January 19, 2024, at 9:00 a.m., the Commission will also hold a Status Conference regarding the Burgess Plant matters on January 11, 2024 at 1:00 p.m.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to use a hybrid format to permit remote participation by a specific individual. Such requests will be granted only if the Commission determines a sufficient reason is provided for why an individual is unable to attend in person. Any party requesting a specific individual be permitted to participate remotely must file a written request with the Commission's Clerk's Office no later than fifteen days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

¹ The OCA filed a letter of participation in this matter on November 13, 2023.

III. BURGESS PLANT DATA REQUESTS

Eversource shall respond to the following Commission data requests, pursuant to RSA 374:4 and allied statutes, no later than December 29, 2023:

1. What will be the source of funding for the Burgess Plant refund, included in Eversource's SCRC filing and referenced in the Chen/Davis Testimony at Bates Pages 22-23? Will the refund amounts be paid by the Burgess Plant owner(s) in real time, or will Eversource provide the Burgess Plant refund amounts from its general operating funds, subject to future reconciliation and/or rate recovery? Has Eversource issued an actual demand of the Burgess Plant refund from the Burgess Plant owner(s) in any form, citing the Burgess Plant PPA terms? If so, when and how?
2. Eversource shall provide a more comprehensive narrative description, with supporting tabular presentations and source information citing data through additional attachments as necessary, indicating the flow of Burgess Plant-associated monies in the upcoming SCRC rate period, including any deferral accounts and/or deductions, citing the terms of the Burgess Plant PPA and other applicable authorities that support these adjustments.
3. For Burgess, Eversource shall also provide a simplified one-page summary with reference footnotes to the testimony and relevant attachments, of the \$71 million that is due to ratepayers over the 12-month period, February 1, 2023 to Jan 31, 2024 and the line items added or deducted from the \$71 million to determine the total refund due to ratepayers attributable to Burgess. The total Burgess refund should be reflected as an annualized number delineating the adjustments from Burgess, with source information, that will yield the final dollar value due to ratepayers over this period.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA Chapter 541-A, RSA 374-F:3, XII(d), RSA 374:2, RSA 378:5 and RSA 378:5 and RSA 378:7, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on January 19, 2024, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that Eversource shall file its responses to the above Data Requests not later than the close of business on December 29, 2023; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy, and any other interested party, file its written statement of position regarding the Burgess Plant-related issues delineated herein no later than the close of business on January 5, 2024; and it is

FURTHER ORDERED, that the Commission will hold a Status Conference regarding the Burgess Plant-related issues delineated herein at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on January 11, 2024, at 1:00 p.m. Three hours shall be allotted for this Status Conference; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Eversource and any other parties on the service list, on or before December 29, 2023. The petition shall

state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Code Admin. Rules, Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before January 5, 2024; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is


FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, under N.H. Admin. R., Puc 203.12, Eversource shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on their websites no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before December 29, 2023. In addition, the Clerk shall publish this

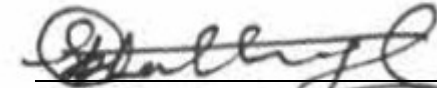
order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

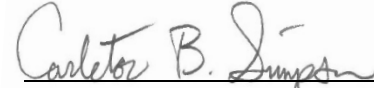
So ordered, this twenty-second day of December, 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 23-091

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