

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 21-029

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

Petition for Approval of Change in Regulatory Reconciliation Adjustment Rate

Order Approving Regulatory Reconciliation Adjustment Rate

ORDER NO. 26,570

January 25, 2022

In this order, the Commission approves an adjustment to Eversource's regulatory reconciliation adjustment rate effective for service rendered on and after February 1, 2022. For residential class customers, the average regulatory reconciliation charge rate will decrease by 0.016 cents per kWh, from a credit of 0.016 cents per kWh to a credit of 0.032 cents per kWh. This rate decrease is designed to return \$850,000 dollars in vegetation management costs to ratepayers over the next six months.

This is one of three dockets that the Commission issues orders in today that will result in an overall decrease of approximately 3.6 percent to the delivery portion of electric energy bills for residential ratepayers for service rendered on and after February 1, 2022. The three dockets are: (1) the instant docket (DE 21-029), to decrease Eversource's Regulatory Reconciliation Adjustment Rate for residential customers by .016 cents per kWh; (2) DE 19-057, to increase Eversource's average distribution charge rate for residential customers by .019 cents per kWh; and (3) DE 21-117, to decrease Eversource's average stranded cost recovery charge rate for residential customers by .436 cents per kWh. Taken together, the average bill impact of the three rate changes for residential customers using an average of 650 kWh per

month is approximately 3.6 percent decrease to non-energy service bill components in monthly bills, from an average delivery service charge of \$77.81 to \$75.00 Residential customers who also take energy service from Eversource will experience a net percent increase of approximately 6.8 percent in their overall bill for energy supply and delivery services combined when the energy supply costs approved in Order No. 26,557 (December 16, 2021) also take effect on February 1, resulting in an average overall monthly bill increase from \$135.18 to \$144.35. None of the three orders being issued today will have any effect on the energy supply portion of the bill for customers receiving energy from a competitive supplier.

I. BACKGROUND AND PROCEDURAL HISTORY

On July 30, 2021, the Commission issued Order No. 26,503, addressing Public Service Company of New Hampshire d/b/a Eversource Energy's (Eversource) first petition to approve a regulatory reconciliation adjustment (RRA) rate following the establishment of the RRA rate mechanism. The RRA rate mechanism was established as a term of a settlement agreement in Eversource's most recent full distribution rate case, in Docket DE 19-057, and approved by Order No. 26,433 (December 15, 2020). Order No. 26,503 provisionally approved an RRA rate, but held the record open "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." *Id.* at 4.

On December 15, 2021, Eversource filed a Petition for Approval of Change in Regulatory Reconciliation Adjustment Rate (Petition). In its Petition, Eversource requested authorization to adjust its RRA rate on February 1, 2022 to return \$850,000 in vegetation management costs to customers over the course of six months.

In Support of its Petition, Eversource pre-filed the written testimony of Marisa B. Paruta, Eric L. Menard and Jennifer A. Ullram.

On December 23, 2021, the Commission scheduled a hearing on Eversource's Petition to occur on January 14, 2021. On January 4, 2022, Eversource filed an updated version of its Petition for Approval of Change in Regulatory Reconciliation Adjustment Rate. The hearing was conducted as scheduled on January 14, 2022. The petition and subsequent docket filings are posted on the Commission's website at: <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-029.html>.

II. PARTY POSITIONS

a. Eversource

At hearing, Marisa B. Paruta, Eric L. Menard and Jennifer A. Ullram adopted their pre-filed testimonies and responded to questions from the Department of Energy and members of the Commission. Eversource explained the process it used to evaluate the rate calculation issue relating to the vegetation management reconciliation adder held open by Order No. 26,503. According to Eversource, a calculation issue was traced back to reconciling temporary rates, which were extended from a 12-month term to an 18-month term pursuant to emergency orders relating to the COVID-19 pandemic, with a decrease in annual vegetation management costs ultimately approved as a term of the Settlement Agreement on Permanent Rates in docket DE 19-057. Eversource calculated that approximately \$850,000 should be returned to ratepayers. Based on this conclusion, Eversource proposed returning \$850,000 through an adjustment to the vegetation management adder, decreasing the adder from a 0.016 cent per kWh credit to a 0.032 cent per kWh credit for the six-month period from February 1, 2022 through July 31, 2022. Eversource therefore requested approval of its Petition as filed.

b. New Hampshire Department of Energy

At hearing, the Department of Energy supported the rate change presented, expressing support for the resolution of the outstanding issue from the July 2021 hearing.

III. COMMISSION ANALYSIS

Pursuant to RSA's 374:2, 378:7, and 378:28, the Commission may approve proposed rate changes if it finds they are just and reasonable. In determining whether rates are just and reasonable, the Commission acts as arbiter between the interests of customers and the regulated utility. RSA 363:17-a. The utility bears the burden of demonstrating that rates are appropriate for recovery. RSA 378:8. In addition, the Commission will consider whether the rates are consistent with the terms of the Settlement Agreement approved by Order No. 26,433, and consider the issues that resulted in the provisional, interim approval of Eversource's current RRA rates in Order No. 26,503.

Based on the record before us, we find Eversource appropriately reviewed its vegetation management costs that were provisionally approved and subject to further investigation by Order No. 26,503. We agree that returning a sum of \$850,000 to ratepayers is an appropriate resolution to the outstanding issue. Pursuant to section 9.2 of the Settlement Agreement on Permanent Rates approved by No. 26,433, the RRA is a reconciling mechanism. As such, we find the proposed reduction to Eversource's RRA rate to be just and reasonable.

Based upon the foregoing, it is hereby

ORDERED, that Eversource's Petition for Approval of Change in Regulatory Reconciliation Adjustment Rate, as updated on January 4, 2022, is **APPROVED** as discussed in the body of this order; and it is


FURTHER ORDERED, that Eversource's request to return \$850,000 in vegetation management costs to customers over the course of six months through its regulatory reconciliation adjustment rate is **APPROVED**, and it is

FURTHER ORDERED, that that Eversource shall file properly annotated tariff pages in compliance with this order no later than 20 days from the issuance date of this order, as required by N.H. Admin. R., PART Puc 1603.


Based upon the foregoing, it is hereby

ORDERED,

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of January, 2022.



Daniel C. Goldner
Chairman



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket# : 21-029

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