

NHPUC 15AUG18PM2:14

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 15, 2018

AT (OFFICE): NHPUC

FROM: Rich Chagnon
Utility Analyst – Electric Division

SUBJECT: DE 18-089
Public Service Company of New Hampshire d/b/a Eversource Energy
Petition to Change Transmission Cost Adjustment Mechanism Rate

Commission Staff's review of Lead/Lag Study

TO: Commissioners
Debra Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
Amanda Noonan, Director, Consumer Services and External Affairs
Les Stachow, Assistant Director, Electric Division
Suzanne Amidon, Staff Attorney
D. Maurice Kreis, the Consumer Advocate

Summary

On July 31, 2018, the New Hampshire Public Utilities Commission ("Commission") issued Order No. 26,163 approving the request of Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) to adjust its Transmission Cost Adjustment Mechanism Rate (TCAM). In the above order, the Commission authorized Eversource to "use the results of the lead/lag study in its calculation of rates subject to the review of Staff and the OCA and subject to any reconciliation as a result of any approved changes arising from that review."

Staff and the OCA have completed its review of Eversource's lead lag study used for the calculation of Cash Working Capital (CWC) requirements for the TCAM rate adjustment. Staff and the OCA believe that the results of lead/lag study are reasonable, and appropriately determine the calculation of the required CWC component of the TCAM rate. Staff and the OCA recommend that the Commission accept the lead/lag study results as filed.

Staff and the OCA Analysis

Staff and the OCA reviewed Eversource's filing for each component used in the Company's lead/lag study for calculation of its CWC requirements for the reconciliation of the TCAM rates for January 2017 through June 2017, for reconciliation of the TCAM rates for July 2017 through July 2018, and for the use of determining the TCAM rates for August 2018 through July 2019. Staff and the OCA also analyzed the live Excel files provided by the Company to confirm the methodology used and the accuracy of each component in the lead/lag study for each timeframe listed above. Staff also met with Eversource to review the lead/lag study results used in the Company's TCAM rates and to confirm the methodology for use in the Company's lead/lag study for the calculation of CWC requirements in future TCAM filings.

Staff and the OCA believe that the results of lead/lag study are reasonable, and appropriately determine the calculation of the required CWC component of the TCAM rate. Staff and the OCA recommend that the Commission accept the lead/lag study results as filed.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
donald.kreis@oca.nh.gov
james.brennan@oca.nh.gov
leszek.stachow@puc.nh.gov
matthew.foosum@eversource.com
ocalitigation@oca.nh.gov
richard.chagnon@puc.nh.gov
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.