THE STATE OF NEW HAMPSHIRE

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August 21, 2019

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Re: DE 19-057, Public Service Company of New Hampshire d/b/a Eversource Energy

Notice of Intent to File Rate Schedules Authorizing Amendment of Petition

To the Parties:

On July 31, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a letter stating that it would withdraw two proposed pilot projects, which were included as part of its rate case filing in the above-captioned docket, and resubmit them for the Commission's consideration in separate, expedited dockets. Eversource represented that Commission Staff (Staff) and intervenor The Way Home did not object to this proposal. The Office of Consumer Advocate (OCA) agreed that the pilot projects should not be included in this docket, but did not consent to the proposed expedited dockets. Clean Energy New Hampshire (CENH) objected to Eversource's proposal for separate, expedited dockets.

In its petition for permanent rates filed on May 28, 2019, Eversource proposed a Grid Transformation and Enablement Program (GTEP), a series of initiatives which includes two pilot projects: (1) the Westmoreland Clean Innovation Project, to address a reliability issue through the integration of battery storage and other measures; and (2) the Oyster River Clean Innovation Project to create a microgrid with the University of New Hampshire and the Town of Durham. GTEP activities would be paid by customers through a Distribution Rate Adjustment Mechanism (DRAM) instead of through base distribution rates. Eversource stated in its July 31 letter that it submitted these projects as part of its rate case in order to obtain preauthorization to move forward. However, according to Eversource, it learned during the June 21, 2019 technical session and subsequent discussions that Staff, the OCA, and others preferred that the Commission review the pilot projects in a proceeding separate from the rate case.

On August 7, 2019, CENH filed a letter with the Commission opposing Eversource's proposal to resubmit the two pilot projects for consideration in separate proceedings. CENH argued that, if the pilot projects were removed from the rate case, the GTEP activities described in testimony would appear to be distribution system maintenance, not meaningful grid transformation or enablement. In addition, CENH suggested that, with the GTEP, Eversource is attempting to begin grid modifications before other issues, such

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as cost recovery, have been resolved in Docket No. IR 15-296, the Commission's docket to investigate grid modernization. CENH contended that Eversource's proposal to remove the projects constituted an amendment to its petition which should be denied, because creating additional dockets would not encourage a just and timely resolution of the entirety of the issues. See N.H. Code Admin. Rules Puc 203.10(a).

After reviewing Eversource's proposal and CENH's response, the Commission has determined that it is appropriate for Eversource to remove the two pilot projects from the rate proceeding and for interested parties and Staff to review those projects in separate dockets. By removing the pilot projects from consideration in Eversource's rate case, Staff and parties to this docket can focus on the matters identified in RSA 378:27 and :28 that must be completed within a year. See RSA 378:6, I(a). The Commission also finds that permitting this amendment to Eversource's petition will promote the orderly and just resolution of this proceeding and not cause undue delay. Accordingly, the Commission authorizes Eversource to remove the two pilot projects from the instant docket and to resubmit those proposals for consideration in separate proceedings, which may be expedited upon agreement of the parties in those dockets. The GTEP DRAM cost recovery mechanism will remain an issue for consideration in the permanent rate case.

Sincerely,

Debra A. Howland Executive Director

cc: Service List (Electronically)

Docket File

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