

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-823

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

Petition to Adjust Stranded Cost Recovery Charge Rate

Order Approving Adjustment to Stranded Cost Recovery Charge Rate

ORDER NO. 26,032

June 28, 2017

APPEARANCES: Matthew J. Fossum, Esq., on behalf of Public Service Company of New Hampshire d/b/a Eversource Energy; Consumer Advocate D. Maurice Kreis, Esq., on behalf of residential ratepayers; and Suzanne G. Amidon, Esq., on behalf of Commission Staff.

This Order approves a mid-year change in Eversource's average stranded cost recovery charge (SCRC) rate effective with services rendered on and after July 1, 2017. The average SCRC rate will decrease from a charge of 0.027 cents per kWh to a credit of 0.092 cents per kWh. This change, combined with changes to the Company's energy service charge, transmission cost adjustment mechanism, and reliability enhancement program rates, all for effect July 1, 2017, will result in an overall increase in monthly bills from \$122.15 to \$124.51, an increase of 1.9 percent, for a residential customer taking energy service from Eversource and using 600kWh per month. For Eversource residential customers taking service from a competitive supplier, the delivery portion of the monthly bill will decrease by approximately 1.1 percent.

I. PROCEDURAL HISTORY

On May 9, 2017, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a request, with supporting testimony and schedules, to make a mid-year

adjustment to decrease the current average stranded cost recovery charge (SCRC) rate from 0.027 cents per kilowatt hour (kWh) to a credit of 0.109 cents per kWh for effect with services rendered on and after July 1, 2017. On June 16, 2017, Eversource revised its calculation of the average SCRC rate for effect July 1, 2017, to be a credit of 0.092 cents per kWh. The new rate would be in effect from July 1 to December 31, 2017.

The Office of Consumer Advocate (OCA) previously filed a letter of participation in this docket on October 10, 2016. The Commission issued an Order of Notice on May 18, 2017, scheduling a hearing on June 22, 2017.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-823.html>.

II. POSITIONS OF THE PARTIES

A. Eversource

The SCRC recovery mechanism was established pursuant to the Agreement to Settle Public Service Company of New Hampshire Restructuring in Docket No. DE 99-099 (Restructuring Agreement). *See PSNH Proposed Restructuring Settlement*, Order No. 23,549, 85 NH PUC 536 (2000). The Commission subsequently ordered that certain proceeds from the Regional Greenhouse Gas Emissions (RGGI) auctions be rebated to customers through the SCRC. *See Electric Utilities and Competitive Electric Service Providers*, Order No. 25,664 at 4 (May 9, 2014).¹ Eversource refers to this rebate as the "RGGI adder."

The Restructuring Agreement defined stranded costs and categorized them into three parts—Part 1, Part 2, and Part 3. Part 1 and Part 3 costs are fully recovered. The remaining

¹ As required by RSA 125-O:23, II, beginning January 2014, any RGGI auction revenue in excess of one dollar received for each allowance is to be rebated to all electric customers on a per kWh basis as approved by the Commission.

stranded costs, Part 2 costs, consist primarily of the over-market value of energy purchased from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs approved by the Commission.

In its updated filing, Eversource calculated an average SCRC rate as a credit of 0.092 cents per kWh. Eversource explained that the rate consists of a credit of 0.030 cents per kWh related to Part 2 costs, and a credit of 0.062 cents per kWh for the RGGI rebate. The proposed rate is 0.119 cents per kWh lower than the current rate.

B. OCA

The OCA said Eversource had appropriately calculated the average SCRC rate and recommended that the Commission approve the rate change contained in the June 16, 2017, filing.

C. Staff

Staff said it had reviewed the filing and determined that the Company had appropriately calculated the average SCRC rate. Staff recommended that the Commission approve the petition.

III. COMMISSION ANALYSIS

RSA 378:7 and RSA 374:2 authorize us to determine the just, reasonable, and lawful rates to be charged by utilities within our jurisdiction. With respect to stranded cost recovery, the legislature has specifically instructed that any recovery “should be non-bypassable, non-discriminatory, ... fair to all customer classes, lawful, constitutional, limited in duration, consistent with the promotion of fully competitive markets and consistent with these [restructuring policy] principles.” RSA 374-F:3, XII(d). We find that Eversource’s proposal to adjust the SCRC rate to reflect current market conditions is consistent with the statutory

standard, and is just and reasonable. Therefore, we grant the request to change the SCRC rate as requested in the Company's June 16 filing, for effect on a service rendered basis on and after July 1, 2017.

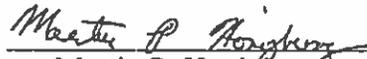
This is one of four dockets in which we are issuing an order today that adjusts Eversource's rates effective on a service rendered basis on and after July 1, 2017. The four dockets are (1) the instant docket, to adjust the stranded cost recovery charge; (2) DE 16-822, to adjust Eversource's energy service rate; (3) DE 17-081, to adjust the transmission cost adjustment mechanism rate; and (4) DE 17-076, Eversource's reliability enhancement program. Overall, the average total bill impact of the four rate changes for residential customers using 600 kWh per month who take supply service from Eversource is a 1.9 percent increase in monthly bills, from \$122.15 to \$124.51. Residential customers who take service from a competitive supplier will experience a 1.1 percent decrease in the non-energy portion of their bills. None of the four orders being issued today will have any effect on the energy portion of the bill for someone receiving energy from a competitive supplier.

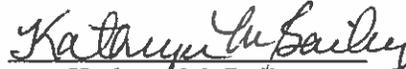
Based upon the foregoing, it is hereby

ORDERED, that the updated request by Eversource for an average SCRC rate as a credit of 0.092 cents per kWh for effect with services rendered on and after July 1, 2017, is hereby **APPROVED**; and it is

FURTHER ORDERED, that Eversource shall file tariff pages conforming to this Order pursuant to Puc Part 1603 within 20 days of the date of this Order.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of
June, 2017.


Martin P. Honigberg
Chairman


Kathryn M. Bailey
Commissioner

Attested by:


Debra A. Howland
Executive Director

