

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 19-057**

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

**Petition for Permanent Increase to Distribution Rates**

**Order Suspending Tariff and Scheduling Prehearing Conference**

**ORDER NO. 26,256**

**June 7, 2019**

This order suspends Eversource's proposed tariff for a permanent rate increase pending further investigation. It also schedules a Prehearing Conference on June 21, 2019, at 1:00 p.m.

On May 28, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed proposed new tariff pages seeking a \$69.9 million increase in its revenue requirement. Previously, on April 26, pursuant to RSA 374:27, Eversource requested authority to recover approximately \$33 million of that amount through temporary rates effective July 1, 2019. If the permanent rate request is approved, that will represent a 20 percent increase in revenue from current distribution rates. Eversource requested both temporary and permanent rates for effect on July 1, 2019. The Commission suspended the temporary rate tariff in Order No. 26,250 (May 8, 2019) pursuant to RSA 378:6. I.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <http://www.puc.nh.gov/Regulatory/Docketbk/2019/19-057.html>.

Under Eversource's proposed permanent tariff, the percentage increase to customer bills would vary by rate class due to differences between and among rate class structures. The percent increase would also vary within each class due to differing customer consumption characteristics.

With the exception of outdoor lighting rates, which Eversource proposed to decrease, customers would experience total bill increases between 1.9 percent and 7.4 percent.

Monthly bills for a residential customer taking energy service from Eversource using 600 kilowatt hours (kWh) would increase by 7.4 percent on a total bill basis. The monthly customer service charge for residential customers would increase from the current charge of \$12.69 to \$13.89, and the distribution charge would increase from 4.14 cents per kWh, to 5.44 cents per kWh.<sup>1</sup>

The total monthly bill for General Delivery Service (Rate G) customers would increase on average by 4.3 percent. The Rate G monthly customer charge would increase from \$14.89 to \$18.00 for single-phase service and from \$29.76 to \$36.00 for three-phase service. The distribution charge for customer load in excess of 5 kW would increase from \$8.72 to \$10.50 per kW. Rate G distribution charges per kWh would increase from 6.99 to 7.65 cents per kWh for the first 500 kWhs; from 1.47 to 1.89 cents per kWh for the next 500 kWhs; and from 0.612 to 0.670 cents per kWh for additional usage.

According to Eversource, the Company has made significant capital investments in the distribution system since the approval of the company's last distribution rate adjustment in 2010. Eversource has also experienced significant changes to distribution operating revenue requirements. Using calendar year 2018 as a test year, Eversource made pro forma adjustments to demonstrate the increased costs in property taxes, employee-related costs, and other operations that are contributing to a revenue deficiency.

Eversource proposes several policy changes, including a proposal to recover the cost of a new, proposed "Fee Free" program through rate base. Under the Fee Free program, Eversource would contract with a vendor who offers bill payment by credit card with no additional fees. The

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<sup>1</sup> All distribution charge rates per kWh have been rounded.

cost of the Fee Free program would be included in the Company's revenue requirement.

Eversource also proposes a four-year rate plan with step adjustments related to capital investment, and implementation of a new "distribution recovery adjustment mechanism" (DRAM) to be recovered as an add-on to distribution rates.

The DRAM would apply to five programs: (1) a redesigned major storm cost reconciling mechanism, (2) a vegetation management program reconciling mechanism, (3) a regulatory reconciliation adjustment mechanism, (4) costs associated with a new, proposed arrearage forgiveness program, and (5) a "Grid Transformation and Enablement Program" (GTEP) reconciling mechanism. Eversource said the GTEP reconciling mechanism revenue would increase annual capital investment in the distribution system, and fund two demonstration projects designed to provide learning opportunities for the Company to meet customer demand for integrated clean energy resources.

Eversource's proposed tariff provisions include a general increase in rates and require further investigation. Pursuant to RSA 378:6, I(a), we suspend the proposed tariffs until such time that the Commission has held a hearing and ruled on the merits of the proposed rates.

The filing raises, inter alia, issues related to whether it is appropriate and in the public interest to consider Eversource's GTEP reconciling mechanism while the Commission has an open investigation on grid modernization (Docket No. IR 15-296); whether it is appropriate and in the public interest to consider policy changes such as the "Fee Free" program and the arrearage forgiveness program in a rate case and not in a generic proceeding for all electric utilities; whether it is appropriate to manage storm, vegetation management, and regulatory assessment costs and other costs through a reconciling mechanism; whether the proposed permanent rate increases will yield a just and reasonable rate of return on the prudent cost of plant, equipment, and capital improvements used and useful in Eversource's provision of service to the public less accrued depreciation, as

required by RSA 378:27 and RSA 378:28; whether Eversource appropriately calculated its revenue requirement and whether the resulting rates are just and reasonable as required by RSA 378:7; and whether the rate design proposed by Eversource is fair and equitable. Each party has the right to have an attorney represent the party at the party's own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that the proposed tariff pages issued May 28, 2019, with an effective date of July 1, 2019, are hereby suspended pursuant to RSA 378:6, I(a), pending investigation and further order of the Commission; and it is

**FURTHER ORDERED**, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on June 21, 2019, at 1:00 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

**FURTHER ORDERED**, that Eversource, the Staff of the Commission, the Office of Consumer Advocate, and any Intervenors hold a Technical Session on June 21, 2019, following the 1:00 p.m. hearing to review the petition, discuss a procedural schedule, and allow Eversource to provide any amendments or updates to its filing; and it is

**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, Eversource shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 13, 2019, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 18, 2019; and it is

**FURTHER ORDERED**, that Eversource's publication requirements pursuant to N.H. Code Admin. Rules Puc 1604.03(d) are hereby waived, and, in lieu of that requirement, the Executive

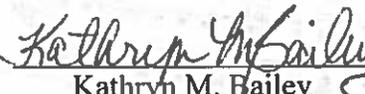
Director shall publish a copy of this order on the Commission's website no later than June 7, 2019; and it is

**FURTHER ORDERED**, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Eversource and the Office of the Consumer Advocate on or before June 18, 2019, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interest 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 June 21, 2019.

By order of the Public Utilities Commission of New Hampshire this seventh day of June, 2019.

  
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Martin P. Honigberg  
Chairman

  
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Kathryn M. Bailey  
Commissioner

  
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Michael S. Giaimo  
Commissioner

Attested by:

  
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Lori A. Davis  
Assistant Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

ExecutiveDirector@puc.nh.gov  
allen.desbiens@eversource.com  
brian.buckley@oca.nh.gov  
donald.kreis@oca.nh.gov  
dvenora@keeganwerlin.com  
eemerson@primmer.com  
eric.chung@eversource.com  
erica.menard@nu.com  
james.brennan@oca.nh.gov  
johndefever@yahoo.com  
kristi.davie@eversource.com  
madeleine@cleanenergynh.org  
marc.lemenager@eversource.com  
mcampbell@keeganwerlin.com  
melissa.price@eversource.com  
ocalitigation@oca.nh.gov  
pradip.chattopadhyay@oca.nh.gov  
rburke@nhla.org  
rmelson@strategen.com  
robert.bersak@eversource.com  
tklaes@blueridgecs.com  
tmlarkinassociates@gmail.com  
matthew.fossum@eversource.com  
amanda.noonan@puc.nh.gov  
david.wiesner@puc.nh.gov  
dmullinax@blueridgecs.com  
elizabeth.nixon@puc.nh.gov  
Jacqueline.Trottier@puc.nh.gov  
jay.dudley@puc.nh.gov  
karen.moran@puc.nh.gov  
kurt.demmer@puc.nh.gov  
richard.chagnon@puc.nh.gov  
suzanne.amidon@puc.nh.gov  
tom.frantz@puc.nh.gov