

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire d/b/a Eversource Energy

DOCKET NOS. DE 09-035, DE 11-250, DE 14-238

MOTION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY FOR APPROVAL OF CONTINUATION OF RELIABILITY
ENHANCEMENT PROGRAM

Pursuant to N.H. Code Admin. Rule Puc 203.07 and Puc 203.20, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) hereby moves for the Commission’s approval of the reconciliation and continuation of Eversource’s Reliability Enhancement Program (“REP”) as called for in the “2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement” (the “Agreement”) filed June 10, 2015 and presently pending before the Commission. In support of this Motion, Eversource states as follows:

1. Eversource’s REP was initially established as part of Docket No. DE 06-028, the Company’s 2006 rate case, to provide targeted funding for enhanced capital and O&M spending intended to improve the reliability of Eversource’s distribution system. The REP was updated and expanded through a settlement agreement in the Company’s 2009 rate case, Docket No. DE 09-035, and approved by the Commission in Order No. 25,123 (June 28, 2010). Based upon the availability of REP funding, the Company has been able to successfully develop and implement plans for projects and activities aimed at improving the reliability and resiliency of its distribution system for the benefit of its customers. The targeted funding provided through the REP was scheduled to end on June 30, 2015, coincident with the expiration of Eversource’s settlement agreement in Docket No. DE 09-035.

2. Pursuant to the Agreement, a comprehensive settlement relating to a variety of issues concerning Eversource's divestiture of its existing electric generating fleet, Eversource was permitted to extend and enhance the funding for the REP, subject to the Commission's review and approval. The Agreement contains, as one of its terms, the following:

E. Distribution Reliability Funding

To continue distribution rate funding for grid reliability, resiliency, and automation expenditures until PSNH's next general distribution rate case, PSNH shall continue its Reliability Enhancement Program ("REP") established in Section 6 of the "Settlement Agreement on Permanent Distribution Service Rates" approved by the Commission in Docket No. DE 09-035.

Distribution reliability funding will continue per the following terms:

1. In June 2015, PSNH shall make a filing with the Commission to reconcile the expenses and revenues relating to REP activities between April 1, 2013 and March 31, 2015 and shall include a forecast of activities for the period April 1, 2015 through June 30, 2016. Any rate change required to reconcile these amounts and account for the forecasted activities shall occur on July 1, 2015, and shall be subject to future reconciliation. As of July 1, 2015, PSNH shall continue to collect the annual revenue necessary to recover the revenue requirements associated with REP capital additions, and provide operations and maintenance spending, as available. In addition, rather than end the funding presently supporting recovery of the 2010 wind storm costs as identified in Section 7.2 of the rate settlement in Docket No. DE 09-035, PSNH shall continue to collect the \$3 million in annual revenue attributable to recovery of costs relating to this storm, but shall redirect such funding to support REP activities. In order to prevent a lapse in the funding for the REP, if PSNH's June 2015 filing has not been acted on prior to July 1, 2015, the Settling Parties support the inclusion of the amounts specified herein in rates on a temporary rate basis as of July 1, 2015, with such temporary rate to continue until receipt of Commission approval of this Agreement, at which time the rate will be reconciled and become a permanent rate.

2. In April 2016 PSNH shall make a filing to reconcile the expenses and revenues relating to REP activities between April 1, 2015 and March 31, 2016 and shall include a forecast of activities for the period April 1, 2016 through June 30, 2017. Any rate change required to reconcile these amounts and account for the forecasted activities shall occur on July 1, 2016, and shall be subject to future reconciliation.

Accordingly, in recognition of the benefits to all of Eversource's customers that arise from the implementation of reliability enhancement measures, the parties to the Agreement concluded that continued support for the REP was reasonable and appropriate.

3. Consistent with the above term of the Agreement, Eversource made the first REP-related filing in June 2015. By Order No. 25,793 (June 25, 2015), Eversource was permitted to adjust its distribution rates to collect the annual revenue necessary to recover the revenue requirements associated with REP capital additions, and operations and maintenance expenses. In approving the REP-related adjustment to Eversource's distribution rates, the Commission noted its support for Eversource's REP as being "long-standing and independent of the Settlement Agreement in DE 11-250 and DE 14-238." *Public Service Company of New Hampshire d/b/a Eversource Energy*, Order No. 25,793 (June 29, 2015) at 5. Moreover, in that Order the Commission found "ample reason to continue the REP" and stated that "Eversource's reliability metrics have improved since the inception of the program, and customers have experienced tangible benefits in reduced frequency and duration of outages." *Id.*

4. Consistent with the Agreement, Eversource hereby moves for Commission review and approval of the reconciliation of the expenses and revenues relating to REP activities between April 1, 2015 and March 31, 2016, and for review of Eversource's forecast of activities for the period April 1, 2016 through June 30, 2017. Eversource also requests, consistent with the Agreement, that the Commission review and approve a rate change on July 1, 2016 to account for the reconciliation of past expenses and revenues. Included with this motion is the testimony of Russel D. Johnson describing the Company's prior REP activities, the benefits of the REP, and a projection of expected REP activities that would be permitted by the funding identified in the Agreement. Also included is the testimony of Christopher J. Goulding, explaining the

reconciliation of expenses and revenues and the proposed adjustment to the Company's distribution rates for REP activities.

5. As contemplated in the Agreement, Eversource requests that the Commission permit Eversource to implement a distribution rate change on July 1, 2016 consistent with the enclosed testimony to ensure that there is continued and consistent funding for the Company's REP activities. The Company's REP has, as the Commission has noted, provided tangible benefits to customers, and Eversource requests that it continue.

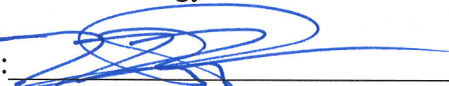
WHEREFORE, Eversource respectfully requests that the Commission:

- A. Approve the distribution rate change proposed for July 1, 2016 to provide for the reconciliation of the costs of REP investments and the forecast of investments; and
- B. Grant such further relief as is just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire d/b/a
Eversource Energy

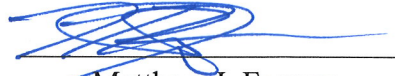
Dated: April 29, 2016

By: 
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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

April 29, 2016
Date


Matthew J. Fossum