



780 N. Commercial Street
P.O. Box 330
Manchester, NH 03105-0330

Robert A. Bersak
Chief Regulatory Counsel

603-634-3355
robert.bersak@eversource.com

March 13, 2015

NHPUC 13MAR15PW4104

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, New Hampshire 03301

**Re: *Docket No. DE 11-250, Public Service Company of New Hampshire,
Investigation of Scrubber Costs and Cost Recovery***

Docket No. DE 14-238, Determination Regarding PSNH's Generation Assets

***Docket No. IR 13-020, Investigation into Market Conditions Affecting PSNH and its
Default Service Customers and the Impact of PSNH's Ownership of Generation on
the Competitive Electric Market***

Dear Director Howland:

Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource" or the "Company") is pleased to report that the ongoing discussions between it and representatives of the State have produced an agreement in principle in the form of an executed Term Sheet. The intent of that agreement is to resolve myriad issues pending before the Commission including:


- Divestiture of the Company's generating assets
- Recovery of the Company's investment in the scrubber less \$25 million
- Refinancing and recovery of stranded costs via securitization
- Continuation of the current distribution rate agreement for an additional two years
- Capitalization by Eversource of a \$5 million clean energy fund
- Protections for employees affected by the divestiture
- A continuation of grid reliability expenditures
- Payments in lieu of taxes to mitigate the loss of property taxes for impacted municipalities

Attached is a copy of the executed Term Sheet as well as the draft legislation required to implement the terms of the Term Sheet introduced as an amendment to SB 221, "AN ACT relative to electric rate reduction financing." The Commission has previously received (in Docket No. IR 90-218) a copy of the Company's March 12, 2015, Form 8-K filing with the U.S. Securities and Exchange Commission containing the joint press release issued by the parties to the Term Sheet.

Consummation of the understandings in the Term Sheet is conditioned upon the parties reaching a final comprehensive settlement agreement, enactment of the legislation described above, and approval of the final agreement from the Commission. As noted in the Term Sheet, a final, comprehensive "2015 Eversource Restructuring and Rate Stabilization Settlement" intended to incorporate and supersede the provisions of the Term Sheet is targeted for April 1, 2015. The parties to the Term Sheet will continue to update the Commission on the progress being made toward reaching that final comprehensive settlement agreement, and will file such an agreement as soon as it is completed.

Please let me know if the Commission has any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Bersak". The signature is fluid and cursive, with a prominent initial "R" and "B".

Robert A. Bersak
Chief Regulatory Counsel

Attachments (Term Sheet; Legislation)

cc: Service List, DE 11-250
Service List, DE 14-238
Service List, IR 13-020