

State of New Hampshire
Public Utilities Commission

Petition for Approval of Energy Service Supply Proposal

Docket No. DE 17-113

Settlement Agreement

This Settlement Agreement (the “Agreement”) is entered into this 27th day of November, 2017, by Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”), the Staff of the New Hampshire Public Utilities Commission (“Staff”), the Office of the Consumer Advocate (“OCA”), Exelon Generation Company, LLC, and EnerNOC, Inc. (collectively, the “Settling Parties”) with the intent to resolve all issues pertaining to the above-referenced proceeding.

I. INTRODUCTION

In Order No. 25,950 issued on October 6, 2016, the Commission concluded that, “the overriding principle of restructuring, . . . is to harness the power of competitive markets to reduce costs to consumers by separating unregulated generation from fully regulated distribution.” To that end, the legislature has enacted legislation finding that, “The divestiture of electric generation by New Hampshire electric utilities will facilitate the competitive market in generation service” (RSA 369-B:1, II) and “that divestiture of PSNH’s generation plants and securitization of any resulting stranded costs pursuant to RSA 369-B:3, IV(c) is in the public interest... .” (RSA 369-B:3-a, I). Such divestiture will require a change in the methodology that Eversource has used for supplying default service.

On June 10, 2015, and following extensive negotiations, Eversource and numerous other parties filed the 2015 PSNH Restructuring and Rate Stabilization Agreement (the “2015

Agreement”), which was approved by the Commission along with a related litigation settlement in Order No. 25,920 (July 1, 2016). Relevant to this matter, the 2015 Agreement provides, at lines 294-302:

Default Service will provide a safety net and assure universal access for customers who do not receive energy from a Competitive Supplier. Default Service shall be acquired and provided in accordance with RSA Chapter 369-B until divestiture of PSNH’s generating assets. No later than six months after the final financial closing resulting from the divestiture of PSNH’s generating assets, PSNH will transition to a competitive procurement process for default service. The competitive process utilized shall be consistent with the process determined by the Commission in its Docket No. IR 14-338, “Review of Default Service Procurement Processes for Electric Distribution Utilities,” as may subsequently be modified by the Commission.

Consistent with this provision, on June 29, 2017 Eversource filed a petition and supporting testimony with the Commission seeking approval of Eversource’s proposal for procuring and providing default Energy Service (“ES”) to customers on a competitive basis, rather than through its traditional method. Following the intervention of numerous parties, discovery was undertaken on Eversource’s proposal.

On August 16, 2017, the Commission issued a secretarial letter that, among other things, requested that briefs be filed on the issue of whether Eversource could transition to a new, competitively procured ES model on January 1, 2018, or another date, prior to the sale of its generating plants consistent with the 2015 Agreement. Following briefing, the Commission issued Order No. 26,056 on September 21, 2017 where it found that “no generation-related costs can be included in stranded costs until such time that those costs are recognized in connection with divestiture.” Order No. 26,056 at 8. Additionally, the Commission’s order states “If a different set of facts are presented to us, for example, generation plants are identified for retirement, or financial closing is achieved for some plants but not others, we may reach a

different conclusion as to whether Eversource should structure a competitive solicitation to replace the generation it no longer owns.” *Id.*

On October 12, 2017, in Docket No. DE 17-124 Eversource filed materials requesting the Commission’s approval of two purchase and sale agreements covering Eversource’s generating assets. On October 13, 2017, the Commission issued a secretarial letter in that docket which, among other things, established relevant dates for that docket with the result being that a sale of at least some, if not all, of Eversource’s generating assets may be accomplished before the end of 2017. In recognition of this possibility and to address other concerns expressed in the instant proceeding, the Settling Parties undertook settlement negotiations. Those discussions have resulted in this Agreement, which the Settling Parties request be approved and implemented.

II. TERMS OF AGREEMENT

A. Eversource will implement a new competitively procured default ES rate within approximately ninety (90) calendar days following the closing of the sale of Eversource’s thermal generating assets (the “Effective Date”). The Settling Parties agree that approximately ninety (90) days permits Eversource a reasonable and appropriate period of time to solicit market participants and prepare an appropriate ES rate submission to the Commission for approval consistent with the Commission’s customary expedited process for review and approval of competitively supplied default service rates for utilities in New Hampshire. The Effective Date shall occur on the first day of the month in which the competitively procured default ES will be implemented. For clarity, included below is a

representative schedule showing the chronology necessary to implement the “90-day” process discussed above in an orderly manner assuming an April 1, 2018 Effective Date.

Issue RFP	Jan 5, 2018
Final Bids Due - 10 AM	Feb 6, 2018
Award Group Selected - 3 PM	Feb 6, 2018
Transaction Confirmations Executed & Financial Assurance In-Place	Feb 7, 2018
NH PUC Filing	Feb 8, 2018
NU PUC Hearing	Feb 13, 2018
Requested PUC Decision - <i>No Later Than</i>	Feb 22, 2018
Service Begins (“Effective Date”)	Apr 1, 2018

The Settling Parties agree that the “90-day” schedule, as discussed and shown above, is a reasonable and feasible means for implementation of competitively procured ES rates.

Changes to customers on rate ADE as described in Eversource’s initial filing will be timed to coincide with the Effective Date. During the months between the sale of Eversource’s thermal generating assets and the Effective Date, Eversource shall self-manage its default service obligations with remaining owned generation, PPAs, IPPs, and market-based supply purchases as necessary. Any non-scrubber over or under recoveries resulting prior to and during the period of self-management through the Effective Date will be reconciled and recovered as a Part 2 stranded cost via the Stranded Cost Recovery Charge (“SCRC”) to ensure that there is a clean transition to the new competitively procured energy service.

In the event that Eversource’s hydroelectric generating assets have not been sold as of the Effective Date, the Settling Parties agree that the competitively procured ES rate shall incorporate a “hydro adjuster,” a cents per kWh rate for the upcoming rate term, consisting of the estimated costs and revenues relating to the hydroelectric assets amortized over

forecasted ES sales. The existence and an estimate of the “hydro adjuster” will be disclosed in the RFP to ensure that wholesale suppliers are cognizant of the adjuster. The “hydro adjuster” will be included in Eversource’s ES rate submission to the Commission for approval and removed from energy service rates at the time of the first rate change following the sale of the hydroelectric assets.

B. The Settling Parties agree that as of the Effective Date, Eversource will also implement changes to its SCRC. The changes to the SCRC will, on the Effective Date, shift all remaining non-hydro costs and revenues to the SCRC and out of the ES rate for costs and revenues relating to the carrying charge on the stranded thermal assets prior to securitization, and for any IPPs or PPAs held by Eversource. Such costs and revenues shall remain in the SCRC until the completion of the sale of any remaining generating assets, at which time the SCRC shall be adjusted to account for the completion of the sale and implementation of the requirements of the 2015 Agreement relative to the SCRC rate. Subsequent to the Effective Date, routine adjustments and reconciliations for the SCRC rate will be contemporaneous with ES rate changes as described in paragraph D below, unless otherwise required by implementation of the 2015 Agreement or other legal or regulatory requirements.

C. The Settling Parties agree that Eversource’s competitive procurement as implemented under this Agreement will be in the form of a sealed bid RFP consistent with Eversource’s initial proposal. The Settling Parties agree that any party may, in the future, petition the Commission to amend the manner of ES procurement and supply should circumstances warrant a change and Staff, the OCA and Eversource agree to participate in such a docket. Eversource agrees to continue to evaluate procurement methods other than sealed bid RFP.

The Settling Parties agree that any new proposed method, if approved by the Commission, shall be implemented as ordered by the Commission.

D. The Settling Parties agree that if the Effective Date is on or before May 1, 2018 Eversource's initial competitive procurement will be for delivery in the period of the Effective Date through July 31, 2018. If the Effective Date is on June 1, 2018 or later Eversource's initial competitive procurement will be for delivery in the period of the Effective Date through January 31, 2019. Subsequent procurements shall be for 100 percent of the load to be delivered each 6-month period thereafter with ES rates being effective from February 1 to July 31, and August 1 to January 31 of each year.

E. Consistent with Order No. 26,056, Eversource has made its customary filing for annual ES and SCRC rates for effect on January 1, 2018 in Docket Nos. DE 17-150 and 17-151. The Settling Parties agree that Eversource shall implement changes to the ES or SCRC rates consistent with its customary filing for effect on January 1, 2018, except that the ES rate shall be calculated as a 3-month rate, rather than as an annual rate.

F. Eversource agrees that competitive procurements shall be for 100 percent of the load to be delivered in the period and to forego the use of laddering for purposes of implementing this Agreement. The Settling Parties agree that Eversource's procurements will be:

For the small customer class (as defined in Eversource's initial filing and consisting of customers in Residential Rates R and R-OTOD; General Service Rates G and G-OTOD; private area lights associated with these residential and small general service accounts and billed under Outdoor Lighting Rate OL; and municipal lighting on Outdoor Lighting Rates OL and EOL) Eversource shall use a single procurement every 6 months for full

requirements, load following service for a 6 month term. The rate for the small class will be set at a flat cents per kWh level for each 6 month term. Tranches offered to bidders will be designed as percentages of load aimed at being approximately 100MW in size.

For the large customer class (as defined in Eversource's initial filing and consisting of customers in Primary General Service Rate GV, Large General Service Rate LG, Backup Service Rate B, and any private area lighting associated with these accounts and billed under Outdoor Lighting Rate OL) Eversource shall use a single procurement every 6 months for full requirements, load following service for a 6 month term. The rate for the large class will vary monthly in line with the monthly pricing identified by the winning bidder.

G. The Settling Parties agree that Eversource will provide all customer communications materials regarding the change in ES procurement to the Commission Staff for review prior to issuance.

H. The Settling Parties agree Eversource will manage its RPS obligation in a manner consistent with Commission precedent for other regulated electric utilities in New Hampshire. As to Eversource's RPS obligation relevant to Class I, the Settling Parties agree that it shall be managed in a manner consistent with that described on page 14 of the initial Testimony of Shuckerow, White & Goulding in this proceeding. The Settling Parties further agree that the reconciliation of ES costs and revenues will be handled consistent with Eversource's initial proposal and included with the August 1 rate proposal annually beginning in 2019.

I. The Settling Parties Agree that Eversource will provide notice to the Commission of any future changes to the terms of its RFP or Master Power Supply Agreement.

J. The Settling Parties agree that implementing competitive procurement and otherwise amending its ES and SCRC rates in the manner identified in this Agreement is just and reasonable and otherwise consistent with the laws of the State of New Hampshire relating to such procurement.

III. CONDITIONS

This Agreement is expressly conditioned on the Commission's acceptance of all its terms, without change or condition. If the Commission does not accept this Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Agreement, and any of the Settling Parties notify the Commission within five business days of their disagreement with any such changes, conditions, or findings, the Agreement shall be deemed to be withdrawn, in which event it shall be deemed to be null and void and without effect, shall not constitute any part of the record in this proceeding, shall not be relied on by any party to this proceeding or by the Commission for any other purpose.

The Settling Parties agree that the Commission's approval of this Agreement will not constitute continuing approval of, or precedent for, any particular principle or issue, but such acceptance does constitute a determination that the provisions stated in their totality are just and reasonable and consistent with the public interest.

The discussions that produced this Agreement were conducted on the understanding that all offers of settlement and settlement discussions relating to this docket shall be confidential, shall not be admissible as evidence in this proceeding, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

The Settling Parties agree that all testimony and supporting documentation should be admitted as full exhibits for purposes of reviewing this Agreement. The Settling Parties' agreement to admit all testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate or what weight, if any, should be given to the views of any witness, except as may be specifically provided in this Agreement. The identification of the resolution of any specific issue in this Agreement does not indicate any of the Settling Parties' agreement to that resolution for purposes of any future proceeding, nor does the reference to any other document bind the Settling Parties to the contents of, or recommendations in, that document for purposes of any future proceeding. The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the rates resulting from the agreement, and other specific conditions stated in this Agreement are just and reasonable and otherwise consistent with the law.

This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

Dated: November 27, 2017

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



By its Attorney, Matthew J. Fossum

Dated: November 27, 2017

Office of the Consumer Advocate

By the Consumer Advocate, D. Maurice Kreis

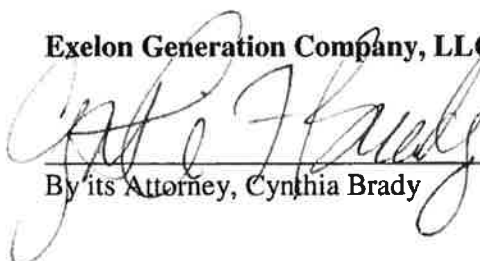
Dated: November 27, 2017

**Staff of the New Hampshire Public Utilities
Commission**

By its Attorney, Suzanne Amidon

Dated: November 27, 2017

Exelon Generation Company, LLC



By its Attorney, Cynthia Brady

Dated: November 27, 2017

EnerNOC, Inc.

By its Attorney, Marcia A. Brown

The Settling Parties agree that all testimony and supporting documentation should be admitted as full exhibits for purposes of reviewing this Agreement. The Settling Parties' agreement to admit all testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate or what weight, if any, should be given to the views of any witness, except as may be specifically provided in this Agreement. The identification of the resolution of any specific issue in this Agreement does not indicate any of the Settling Parties' agreement to that resolution for purposes of any future proceeding, nor does the reference to any other document bind the Settling Parties to the contents of, or recommendations in, that document for purposes of any future proceeding. The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the rates resulting from the agreement, and other specific conditions stated in this Agreement are just and reasonable and otherwise consistent with the law.

This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.


Dated: November 27, 2017

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

By its Attorney, Matthew J. Fossum

Dated: November 27, 2017

Office of the Consumer Advocate


By the Consumer Advocate, D. Maurice Kreis

Dated: November 27, 2017

**Staff of the New Hampshire Public Utilities
Commission**



By its Attorney, Suzanne Amidon

Dated: November 27, 2017

Exelon Generation Company, LLC

By is Attorney, Daniel W. Allegretti

Dated: November 27, 2017

EnerNOC, Inc.

By its Attorney, Marcia A. Brown

Dated: November 27, 2017

**Staff of the New Hampshire Public Utilities
Commission**

By its Attorney, Suzanne Amidon

Dated: November 27, 2017

Exelon Generation Company, LLC

By its Attorney, Daniel W. Allegetti

Dated: November 27, 2017

EnerNOC, Inc.

Marcia A. Brown

By its Attorney, Marcia A. Brown



**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
d/b/a Eversource Energy**

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY FOR ENERGY SERVICE**

For the Delivery Term commencing
April 1, 2018

January 12, 2018

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

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY
FOR ENERGY SERVICE**

January 12, 2018

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Attachment 1 - Table of Credit Exposure Limits

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

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY FOR ENERGY SERVICE**

January 12, 2018

I. Introduction and Background

Public Service Company of New Hampshire, d/b/a Eversource Energy (“PSNH” or the “Company”) is requesting wholesale power supply bids to provide Full Requirements Energy Service¹ to its customers on PSNH’s Energy Service tariff, commencing April 1, 2018. The full terms of the procurements are detailed in this Request for Proposals (“RFP”). Final bids are due on Wednesday, February 7, 2018 by 10 A.M. EPT.

PSNH is a subsidiary of Eversource Energy, with a principal place of business in Manchester, New Hampshire. PSNH is hereby issuing this RFP for power supply offers from qualified power suppliers (“Suppliers”) to supply firm, load-following power to meet the Energy Service requirements (as defined below) for customer groups for the Delivery Term. Although Suppliers need not provide bids for all tranches of Energy Service, Suppliers must provide separate fixed monthly prices for each tranche of Energy Service for which bids are offered. PSNH plans to award the power supply for Energy Service based on the proposals that provide the best value and satisfy the needs of its customers.

II. Energy Service Requirement

PSNH is soliciting offers for Full Requirements Energy Service to supply PSNH’s “Small Customer” class consisting of customers in the following delivery service classes: Residential Rates R and R-OTOD, General Service Rates G and G-OTOD, private area lights associated with these residential and small general service accounts and billed under Outdoor Lighting Rate OL, and municipal lighting on Outdoor Lighting Rates OL and EOL; and “Large Customer” class consisting of delivery service customers in the following classes: Primary General Service Rate GV, Large General Service Rate LG, Backup Service Rate B, and any private area lighting associated with these accounts and billed under Outdoor Lighting Rate OL. Energy Service is provided to retail customers who are not taking service from a competitive supplier. Energy Service to customers can be initiated by: (a) a customer notifying PSNH that it wishes to terminate service from its competitive supplier and commence Energy Service; (b) a competitive supplier notifying PSNH that it is terminating service to a customer; (c) a competitive supplier ceasing to provide service to a customer; or (d) a customer moving into PSNH’s service territory, who has not affirmatively chosen a competitive supplier.

Under this RFP, PSNH will purchase 100% of both the Small and Large Customers’ Energy Service loads for April 1 through July 31, 2018. Bidders must offer to supply the entire load for the applicable Delivery Period in each customer group tranche bid upon. PSNH will consider only fixed price bids that can be evaluated on a monthly \$/MWh basis.

¹ See the attributes of “Full Requirements Energy Service” described in Section IV. “Nature of Service.”

As a condition resulting from Eversource's divestiture of its owned generation resources, in the event that Eversource's hydroelectric generating assets have not been sold as of the time of its rate filing for the delivery term herein, energy service rates will incorporate a "hydro adjuster," a c/kWh rate consisting of the estimated revenue requirements net of market revenues relating to the hydroelectric assets for the period April through July, 2018, amortized over forecasted ES sales for the same period. The "hydro adjuster" will be included in Eversource's energy service rates submission to the Commission for approval and removed from energy service rates at the time of the first rate changes following the sale of the hydroelectric assets. Eversource estimates the hydro adjuster will be plus or minus 0.3 c/kWh.

Small Customer Group

The first delivery term begins on hour ending 0100 Eastern Prevailing Time (EPT) on April 1, 2018 and terminates at the end of hour ending 2400 EPT on July 31, 2018. There are four (4) tranches of 25% each totaling 100% of Small Customer energy service load. The Small Customer group is comprised of the following load asset:

Zone	Asset Name	Asset ID #
NH:	PSNH SMALL CUSTOMER LOAD	752

Large Customer Group

The delivery term begins on hour ending 0100 EPT on April 1, 2018 and terminates at the end of hour ending 2400 EPT on July 31, 2018. There is one tranche of 100% of Large Customer energy service load. The Large Customer group is comprised of the following load asset:

Zone	Asset Name	Asset ID #
NH:	PSNH LARGE CUSTOMER LOAD	43493

III. Delivery

The Full Requirements Energy Service supply is to be delivered to Pool Transmission Facilities ("PTF") within the PSNH metering domain. PSNH will make arrangements for NEPOOL Regional Network Service, which provides for transmission over PTF, and Local Network Service from any applicable local transmission provider(s) within the PSNH metering domain, which provides for transmission over non-PTF facilities within the PSNH metering domain. PSNH will be billed by ISO New England Inc. ("ISO-NE") and the applicable local transmission provider(s) for these services. PSNH will pay these bills and recover the costs, along with its distribution costs, from its customers through its retail distribution tariffs. Any other transmission or distribution costs will be the Supplier's responsibility.

IV. Nature of Service

Each Supplier with an accepted proposal will be assigned a share of the appropriate PSNH load asset in the ISO-NE settlement system, and will be required to satisfy all ISO-NE Tariff obligations associated with that load asset. The Supplier of Energy Service for each customer group shall be responsible for meeting the fixed percentage of the service requirements for PSNH's customers in the customer group and load zone taking such service as specified above. These service requirements include delivery to the PTF within the NH load zone for the portion of the electric capacity, energy, ancillary services, and all other ISO-NE market products and expenses assessed to load serving entities required to meet the needs of PSNH's Energy Service customers pursuant to the terms of ISO-NE Tariffs and the applicable Master Power Supply Agreement ("MPSA"). Supplier shall be responsible for all transmission and distribution losses associated with delivery of energy from the Delivery Points to the ultimate customers' meters.

The Supplier(s) of Full Requirements Energy Service are not required to provide PSNH's Renewable Portfolio Standards obligations. These requirements will be managed separately by PSNH and their forecasted costs will be included in Eversource's energy service rates submission to the Commission for approval.

V. Expected Loads

To help Suppliers determine the potential load requirements PSNH is providing the following information electronically via Eversource's web site at:

[https://www.eversource.com/content/nh/about/about-us/doing-business-with-us/energy-supplier-information/wholesale-supply-\(new-hampshire\)](https://www.eversource.com/content/nh/about/about-us/doing-business-with-us/energy-supplier-information/wholesale-supply-(new-hampshire))

- ☐ A copy of this RFP.
- ☐ A copy of the Master Power Supply Agreement.
- ☐ A Bid Form.
- ☐ Aggregate historical hourly energy service load as measured at the low side of the PTF by customer group, for the period January, 2015 through 2017.
- ☐ Historical daily ICAP data, by customer group, for the period January, 2015 through 2017.

PSNH cautions Suppliers that historical load data is not a guarantee of future load volumes. It is understood and agreed that PSNH shall have no liability or responsibility to any entity resulting from the use or reliance upon any such information. Suppliers are responsible for forecasting their obligations on an hourly, daily, and monthly basis. However, PSNH will provide Suppliers with certain information to facilitate the projection of load requirements. Such data includes the history of Energy and peak Energy Service load, with periodic updates to such information.

Suppliers may not limit the amount of supply that may or must be purchased by PSNH in each tranche.

VI. Proposals

Each proposal must be approved by an authorized representative of the Supplier, containing the bid price information required in the Bid Form, and submitted electronically to PSNH. Suppliers must have an executed Master Power Supply Agreement and demonstrate an ability to comply with PSNH's financial assurance requirements prior to submitting a proposal. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary. Each proposal must conform to the requirements of Section "VII. Terms and Conditions" below, and must specify in the Bid Form the price at which the Supplier will provide Energy Service for each customer group. Proposals shall be stated on an "as-delivered" energy basis with prices stated on a fixed \$/MWH basis. Prices may vary by calendar month, but must be uniform for the entire calendar month and cover the entire Delivery Term of the tranche selected by the Supplier. The prices for each tranche and customer group may be different. Each tranche for each customer group will be evaluated separately and the best bids will be selected. In addition, prices may not contain demand components or vary by time-of-use within a calendar month. Proposals that contain restrictions on the amount of power supply in any tranche, or any other conditions other than as expressly permitted herein shall be rejected.

An authorized officer or other authorized representative of the Supplier certifies by its submission of its bid that: the Supplier has reviewed the RFP and all attachments and has investigated and informed itself with respect to all matters pertinent to the RFP and its proposal; the Supplier's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws; and, the Supplier is bidding independently and that it has no knowledge of the substance of any proposal being submitted by another party in response to this RFP. Violation of any of the above requirements may be reported to the appropriate government authorities.

VII. Terms and Conditions

All proposals shall constitute an offer to sell to PSNH Energy Service to the applicable customer groups and such offers shall be required to be delivered to PSNH no later than 10 A.M. EPT on Wednesday, February 7, 2018 and held open until the earlier of 3 P.M. EPT on Thursday, February 22, 2018 or the date and time at which such offer is either accepted or rejected by PSNH, based on NH PUC review. Pricing or other terms contained in such offer may not be changed or withdrawn during this period. PSNH is not required to consider submissions received after the 10 A.M. deadline.

Each winning Supplier selected by PSNH will provide Energy Service to PSNH in accordance with the terms and conditions of the MPSA. All Suppliers are required to have in place an executed MPSA and agreed form of Transaction Confirmation prior to submitting bids. Winning suppliers will be required to execute the applicable MPSA Transaction Confirmation documents within one (1) business day of being notified that it has been selected as a winning Supplier, and to provide any required financial assurance in accordance with the terms of the MPSA.

If a Supplier does not currently have a MPSA in place and intends to request PSNH to consider any changes to the form of MPSA prepared by PSNH, such request should be presented in the form of a mark-up to the MPSA to PSNH by 4 p.m. EPT on Friday, January 26, 2018. A Supplier must have a fully-executed MPSA in place with PSNH prior to the submission of any proposal pursuant to this RFP.

VIII. Right to Select or Reject Supplier

Although it is PSNH's intention to select Suppliers as a result of this RFP, PSNH shall have the exclusive right to select or reject any or all of the proposals submitted, at any time and for any reason. PSNH may also disregard any bid submission not in accordance with the requirements contained in this RFP. Further, PSNH expressly reserves the right, in its sole and absolute discretion, to seek clarifications of any submissions, to negotiate to seek modifications to any submissions, to unilaterally change the schedule described herein or modify any of the rules, requirements and procedures referenced herein, to seek additional information, to terminate the process described herein, and to invite any (or none) of the Suppliers to participate further in the process, all without prior notice to other potential parties.

A person's or an entity's preparation for this process, submission of a bid or information in response to this RFP, or participation in this process shall not operate to vest any rights in that person or entity or to create any duties or obligations for PSNH.

IX: Supplier Requirements for Energy Service

Each Supplier must obtain all necessary regulatory and other approvals prior to submission of a proposal that are required to enable it to provide the applicable service. Each Supplier responding to this RFP must meet certain conditions, including but not limited to:

- A. Each Supplier must be a member of NEPOOL and have an accepted Market Participant Service Agreement and settlement account established with the ISO-NE and be in good standing and in compliance with all ISO-NE Policies (including, without limitation, the Financial Assurance Policy) at the time of its proposal submission and throughout the term of the period covered by this RFP;
- B. Demonstrate that it has the financial resources to perform its obligations. Further, the Supplier must be prepared to provide financial assurances and instruments satisfactory to PSNH to cover PSNH's costs in the event of a Supplier default. PSNH shall calculate the potential exposure associated with a Supplier default, and in the event such exposure exceeds the applicable unsecured credit rating limit, Supplier shall be required to provide an irrevocable letter of credit or other security in a form and amount and from an issuer acceptable to PSNH. If Supplier requires a Guarantor to satisfy these credit requirements, Supplier shall deliver to Buyer prior to bid submission a guaranty in a form acceptable to Buyer for prompt payment by Guarantor when due of all present and future payment obligations of Supplier in an amount that is no less than \$5 million;
- C. Demonstrate its own experience and qualifications (not that of its affiliates or special purpose entities) to provide the Energy Service offered;
- D. Commit to assisting and cooperating with PSNH in any regulatory or judicial process relating to the proposed purchase, at the Supplier's expense;

- E. Demonstrate the ability to meet the labeling and disclosure requirements of New Hampshire regulations.
- F. Each Supplier must be authorized by the Federal Energy Regulatory Commission to sell wholesale power.
- G. Comply with the requirements set forth in this RFP.

X. Retail Customer Relationships

All customers taking Energy Service covered by this RFP remain retail customers of PSNH. As the retail provider, PSNH performs billing and customer service functions for all Energy Service customers.

XI. Regulatory Approval

Any agreement(s) entered into for the delivery of Energy Service pursuant to this solicitation will be subject to the NH PUC's favorable review of the results of PSNH's solicitation for Energy Service. Section 3.2 of the PSNH Master Power Supply Agreement reflects this review standard. The Supplier is responsible for obtaining any applicable regulatory approvals for its obligations as stated above, and for satisfying any reporting requirements of the Federal Energy Regulatory Commission.

XII. Process and Schedule

A. Schedule

PSNH intends to adhere to the following schedule, although it reserves the right to modify the schedule at any time at its sole discretion.

Request for Proposal Issued	January 12, 2018
Final Bids due	<u>Wednesday, February 7, 2018 – 10:00 a.m. EPT</u>
Award Group selected	Wednesday, February 7, 2018, no later than 3:00 p.m. EPT
Transaction Confirmation Documents Executed	Thursday, February 8, 2018
NH PUC Filing	Friday, February 9, 2018
NH PUC Hearing	Scheduled for Wednesday, February 14, 2018
Requested PUC Decision	No Later Than Thursday, February 22, 2018
Service Begins	April 1, 2018

B. Communications

All offers for supply must be made by E-mail, addressed to both the primary and alternate contact listed below.

All other communications regarding this RFP may be made by E-mail, or addressed to:

Public Service Company of New Hampshire, d/b/a Eversource Energy
107 Selden Street
Berlin, CT 06037
Attn: Rick White
David Errichetti Fax: 860-665-4583
E-mail: rick.white@eversource.com
E-mail: david.errichetti@eversource.com

If you have any questions, please call either:

Primary Contact: Rick White (860) 665-2572

Alternate: David Errichetti (860)-665-4519

C. Confidentiality

PSNH agrees that it shall use commercially reasonable efforts to treat the non-public information it receives from Suppliers in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided, that, in any regulatory, administrative or jurisdictional proceeding in which confidential information is sought, PSNH shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or orders seeking protective treatment, and shall inform the Supplier if confidential information is being sought. Notwithstanding the foregoing, in any regulatory proceeding in which such confidential information is sought and a request for confidential treatment is made to the NH PUC, PSNH shall not be responsible in the event that it is determined that the request for treating information in a confidential manner is not warranted. The Supplier shall be required to use commercially reasonable efforts to treat all information received from PSNH in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party.

D. Evaluation

Proposals will be evaluated on the following criteria:

1. Lowest evaluated bid price by customer group;
2. Compliance with non-price bidding requirements and bidder qualifications;

and

3. Risk relative to price and ability to serve the load.

In evaluating bid prices, PSNH will evaluate monthly bids using a forecast of the monthly Energy Service load.

Attachment 1

Table of Credit Exposure Limits

This table sets forth the maximum unsecured credit exposure that PSNH may have to any individual entity based on its credit rating tier. The applicable credit rating tier is based on an entity's senior unsecured debt ratings, or in the absence of such ratings, the entity's Corporate Credit ratings. In the case of split credit ratings, the lower of such ratings shall apply unless such ratings differ by more than one tier, in which case, one tier above the lower of such ratings shall apply. For entities that are guarantors of counterparties, the maximum exposure is the lesser of the amount of the guaranty or the Rating Limit set forth in this table. Please note that the "Rating Limits" are subject to change in PSNH's sole discretion.

Credit Rating (Supplier or Guarantor)			Unsecured Credit Limit (the lesser of)		
S&P	Moody's	Fitch	% Tangible Net Worth	Guarantee Amount	Fixed Amount
AA- or higher	Aa3 or higher	AA- or higher	12% TNW	Per § 7.1	\$30 million
A+, A	A1, A2	A+, A	10% TNW	Per § 7.1	\$25 million
A-	A3	A-	8% TNW	Per § 7.1	\$20 million
BBB+	Baa1	BBB+	6% TNW	Per § 7.1	\$15 million
BBB	Baa2	BBB	4% TNW	Per § 7.1	\$10 million
BBB-	Baa3	BBB-	2% TNW	Per § 7.1	\$5 million
Below BBB- or unrated	Below Baa3 or unrated	Below BBB- or unrated	0% TNW	Per § 7.1	\$0

Attachment FBW-3
Eversource RFP Results - April 1 through July 31, 2018

<u>Loads</u>	<u>MWh</u>				
	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Period</u>
Forecasted Loads					
Large Customer Group					
Small Customer Group - Total					
Small Customer Group - Per Tranche					

<u>\$/MWh</u>							
<u>Large Customer Suppliers</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Period</u>	<u>Period \$</u>	<u>Rank</u>
Exelon Generation Company, LLC							
<u>Small Customer Suppliers</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Period</u>	<u>Period \$</u>	<u>Rank</u>
NextEra Energy Marketing, LLC							
NextEra Energy Marketing, LLC							
NextEra Energy Marketing, LLC							
NextEra Energy Marketing, LLC							

<u>\$/MWh</u>						
<u>Winning Small Customer Offers</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Period</u>	<u>Period \$</u>
Overall Result						

Notes:
\$/MWh prices shown are delivered to the ISO-NE PTF in the New Hampshire load zone.

Attachment FBW-4
Eversource RPS Adder - April 1 through July 31, 2018

RPS Component	Apr-Jul, 2018
Forecast Sales - MWh	1,020,879
<u>Percentage of Sales Requirement</u>	
Class I	7.50%
Class I - Thermal	1.20%
Class II	0.50%
Class III	8.00%
Class IV	1.50%
<u>RECs Requirement</u>	
Class I	76,566
Class I - Thermal	12,251
Class II	5,104
Class III	81,670
Class IV	15,313
<u>Current Inventory - RECs</u>	
Class I	
Class I - Thermal	
Class II	
Class III	
Class IV	
<u>Current Inventory Cost - \$/REC</u>	
Class I	
Class I - Thermal	
Class II	
Class III	
Class IV	
<u>Current Market Prices - \$/REC</u>	
Class I	24.50
Class I - Thermal	25.69
Class II	30.00
Class III	33.75
Class IV	25.00
<u>RPS Rate Adder - c/kWh</u>	
Class I	0.184
Class I - Thermal	0.031
Class II	0.015
Class III	0.270
Class IV	0.038
Total RPS Adder - c/kWh	0.537

Notes:

The RPS Adder is applied to kWh sales at the customers' meters.
Current inventory RECs are 4/12ths of total current 2018 inventory.

Attachment FBW-5

Eversource Proxy Prices - April 1 through July 31, 2018

Large Customers	Apr-18	May-18	Jun-18	Jul-18	Period
Load Forecast - MWh	19,476	19,870	20,463	23,468	83,276
Monthly Hours - Peak	336	352	336	336	1,360
Monthly Hours - Off-Peak	384	392	384	408	1,568
All-Hours	720	744	720	744	2,928
<u>Forward Energy Prices - \$/MWh</u>					
Peak	35.25	30.68	30.48	38.95	
Off-Peak	27.38	22.33	21.92	25.89	
All-Hours	31.05	26.28	25.91	31.79	
Load-Weighted Period Average					28.86
Capacity - \$/MWh					
Load-Weighted Period Average					
<u>Energy Price Bid Multiplier</u>					
Low					
High					
<u>Term Proxy Price - \$/MWh</u>					
Low					
High					

Small Customers	Apr-18	May-18	Jun-18	Jul-18	Period
Load Forecast - MWh	233,931	227,883	253,080	300,484	1,015,378
Monthly Hours - Peak	336	352	336	336	1,360
Monthly Hours - Off-Peak	384	392	384	408	1,568
All-Hours	720	744	720	744	2,928
<u>Forward Energy Prices - \$/MWh</u>					
Peak	35.25	30.68	30.48	38.95	
Off-Peak	27.38	22.33	21.92	25.89	
All-Hours	31.05	26.28	25.91	31.79	
Load-Weighted Period Average					28.92
Capacity - \$/MWh					
Load-Weighted Period Average					
<u>Energy Price Bid Multiplier</u>					
Low					
High					
<u>Term Proxy Price - \$/MWh</u>					
Low					
High					

Notes:

Forward energy prices are NYMEX closing prices on 2/6/18.

Energy price bid multiplier includes the costs of load following, ISO-NE ancillaries & expenses, and suppliers' margins & risk premiums.