

THE STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY
Petition for Permanent Increase to Distribution Rates

AARP PETITION REQUESTING THAT
EVERSOURCE BE ORDERED TO FILE SUPPLEMENTAL TESTIMONY
REGARDING IMPACT OF THE COVID-19 CRISIS
AND SUSPENSION OF TEMPORARY RATE INCREASE

Pursuant to Rules Puc 202.01 and Puc 203, AARP is respectfully submits this Petition requesting (1) that Eversource be required to update its testimony in this rate case to reflect the expected impacts of the ongoing COVID-19 pandemic and the resulting economic crisis, and (2) that the Commission immediately suspend Eversource's collection of the temporary rate increase that took effect on July 1, 2019.

In support, AARP states as follows:

1. There is no question that dramatic changes have occurred in the world, and in the service territory of the Eversource, since the utility filed its March 3, 2020 rebuttal testimony in this ongoing rate case. These changes include a drop in interest rates and

other changes in the financial marketplace¹, significant changes and shifts in usage and a sharp drop in electric demand², along with a surge in unemployment and other impacts squeezing the ability of many households to pay for their monthly utility bills.

Need for Supplemental Testimony

2. The dramatic societal and economic changes, brought about by an unprecedented pandemic, have been so severe that AARP believes that the best course of action in this rate case would be to have the record *updated* to provide the Commission with testimony and exhibits that would more accurately reflect the period of time for which new electric rates are going to be in effect. This petition is predicated upon the need to consider the economic impact of COVID-19 upon the national³ and New Hampshire economy⁴, ratepayers' personal finances, bond markets, stock markets and other key economic sectors and indicators, in order to be able to rely upon competent and substantial evidence in this matter, as well as to ensure that the public interest is well served by the ultimate decisions made in this rate case.

3. The record can and should be updated to include refreshed calculations and projections that underlie Eversource's proposed revenue requirement (i.e., projections of

¹ See, <https://www.washingtonpost.com/opinions/2020/03/19/this-recession-is-going-be-bad-really-bad/>; and see, <https://www.cnn.com/2020/03/19/investing/premarket-stocks/index.html>.

² See, <https://www.utilitydive.com/news/utilities-are-beginning-to-see-the-load-impacts-of-covid-19-as-economic-sh/574632/> ("In the near term, utilities will likely see some reduced sales volumes as major sporting events, concerts and businesses scale back drastically, compounded even further by social distancing requirements being mandated or recommended by federal and local governments across North America," S&P said in a March 19 report.)

³ See Associated Press News, "Economists expect worst year since Great Depression", April 14, 2020.

⁴ For New Hampshire-specific unemployment numbers, see: <https://www.usatoday.com/story/money/2020/04/14/coronavirus-unemployment-claims-caused-covid-19-crisis-state/5130034002/> ("Unemployment claims since mid-March: 96,971 (12.6% of labor force); Most recent week's unemployment claims (March 29 – April 4): 36,214 . . .; Increase in weekly claims from one year ago: 35,717 (7,186.5%).")

an inflation rate, calculations underlying a proposed ROE, calculations/projections of forward-looking commodity prices and sales, and other elements of a revenue requirement). At the time this rate case was filed by Eversource, there was no way to predict that the current pandemic would occur, and in order to ensure just and reasonable electric rates, AARP submits that the record must be supplemented with the best information available regarding all significant changes in revenues, expenses or income. Other parties deserve to see any such changes to testimony early enough to respond, and to have an opportunity to test any estimates and projections, rather than have that information provided at the last minute before the rate case hearing.

4. Fortunately, the 3-month delay that has been granted in this rate case gives the Commission and parties sufficient opportunity to file and to review new evidence of these dramatic changes. The utility should be given a deadline to update and supplement its filing in this case, and then the Staff, OCA, and intervening parties should be allowed to conduct reasonable discovery and file responsive testimony, if they wish.

Need to End the Temporary Rate Increase

5. Relevant New Hampshire law on temporary rate increases by the Commission states as follow:

378:27 Temporary Rates. – In any proceeding involving the rates of a public utility brought either upon motion of the commission or upon complaint, the commission may, after reasonable notice and hearing, if it be of the opinion that the public interest so requires, immediately fix, determine, and prescribe for the duration of said proceeding reasonable temporary rates; provided, however, that such temporary rates shall be sufficient to yield not less than a reasonable return on the cost of the property of the utility used and useful in the public service less accrued depreciation, as shown by the reports of the utility filed with the commission, **unless there appears to be reasonable ground for questioning the figures in such reports.**

...

378:29 Adjustment. – Temporary rates so fixed, determined, and prescribed under this subdivision shall be effective until the final determination of the rate proceeding, **unless terminated sooner by the commission. . . . [Emphasis added.]**

These statutes provide ample authority for the Commission to terminate the temporary rate increase currently in effect.

In addition, the Commission has authority to suspend the temporary increase under its emergency ratemaking statute, which provides as follows:

RSA 378: Emergency. Whenever the commission shall be of the opinion that an emergency exists, it may authorize any public utility temporarily to alter, amend, or suspend any existing rate, fare, charge, price, classification or rule or regulation relating thereto.

In the case of *Petition of Public Service Co. of New Hampshire*, 130 N.H. 265, 539 A.2d 263, 273 (1988), the Supreme Court of New Hampshire explained the broad powers of the Commission under the Emergency Statute:

The statute grants the commission broad discretionary powers. The commission may determine whether a state of emergency exists for a public utility or **the public**, increase or **decrease rates**, and disregard existing rules and regulations without requiring the customary complement of formal hearings and investigations. The statute does not define ‘emergency,’ but this court, in an earlier case, determined that emergency is synonymous with crisis and that ‘the Legislature ... intended ... to vest in the commission as a fact finding body wide discretionary powers to decide whether a crisis is of sufficient severity to warrant relief and if so the extent of relief.’ *Petition of Public Service Co.*, 97 N.H. 549, 550, 84 A.2d 177, 178 (1951). **[Emphasis added]**

6. On June 27, 2019, long before the impact of COVID-19 was known, the Commission ordered the implementation of a temporary rate increase on consumers, pending the ultimate resolution of this rate case (Order No. 26,265). Electric rates were temporarily increased by 8.9% effective July 1, 2019. The fixed customer charge for residential customers was temporarily increased from \$12.69/month to

\$13.81/month. The residential distribution charge was temporarily increased from 4.141 cents/kWh to 4.508 cents/kWh. For a typical customer using 600 kWh per month, the impact is \$3.32 per month.

7. It is reasonable to assume that the impact is now greater for customers who are now working from home, due to increased household usage. Furthermore, it is reasonable to assume that this extra temporary rate increase will be greater per average household during the upcoming summer months.

8. AARP believes that many Eversource consumers are hurting now from the current economic impacts of the COVID-19 crisis and that those consumers deserve rate relief now. The Commission has the authority to revisit its temporary rate order based upon the current emergency situation, and it should act as quickly as possible to help customers make it through the COVID-19 lockdown period.

9. As a result of the economic changes described above, it is also likely that the evidentiary justifications for a permanent rate increase have significantly diminished since the time that the 8.9% temporary rate increase was approved on June 27, 2019. Thus, revisiting the temporary rate increase is also justified by the dramatically changed economics underlying the temporary rate increase request filed by Eversource nearly a year ago (on April 26, 2019). Leaving the temporary rate at its current high level through the COVID-19 crisis period and into the higher usage summer months would be unfair. Ending the temporary rate increase on customers, or at the least mitigating it significantly, would be in the public interest and would provide customers with a modest bit of economic relief during this unprecedented crisis.

WHEREFORE, for the reasons stated herein, AARP respectfully requests that the Commission grant its Petition:

a) Requiring Eversource to update its request for increased rates with supplemental testimony in this proceeding,

b) Permitting Staff, OCA, and the intervening parties an opportunity to respond to Eversource's supplemental testimony, and

c) Staying the temporary rate increase approved in this case on June 27, 2019.

Respectfully submitted,

/s/ John B. Coffman

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Dated: April 16, 2020



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Dated: April 16, 2020

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the foregoing have been served via electronic filing with the New Hampshire Public Utilities Commission to official service list in Docket No. DE 19-057, on this 16th day of April, 2019.



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