



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

January 24, 2020

NHPUC 24JAN20PM3:56

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

**Re: DOCKET NO. DE 19-142 - PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a
EVERSOURCE ENERGY
Rate Recovery of Costs in Excess of the Cumulative Reduction Cap
Under the Power Purchase Agreement with Berlin Station, LLC**

Supplemental Responses to Commission's Request for Exhibits

**DOCKET NO. DE 19-108 - PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a
EVERSOURCE ENERGY
Petition for Adjustment to Stranded Cost of Recovery**

Hearing Exhibit 13

Dear Director Howland:

Attached please find corrected copies of exhibits in the two referenced proceedings. Redlined versions are also being provided to illustrate the corrections.

In Docket No DE 19-142, these exhibits were marked as Exhibit 1 and Exhibit 2.

In Docket No. DE 19-108, these exhibits were collectively marked as Exhibit 13.

Please let me know if you have any questions.

Sincerely,

Robert A. Bersak
Chief Regulatory Counsel

cc: Service Lists

ExecutiveDirector@puc.nh.gov
robert.bersak@eversource.com
james.brennan@oca.nh.gov
brian.buckley@puc.nh.gov
richard.chagnon@puc.nh.gov
pradip.chattopadhyay@oca.nh.gov
jessica.chiavara@eversource.com
Stephen.Eckberg@puc.nh.gov
matthew.fossum@eversource.com
tom.frantz@puc.nh.gov
cholahan@foleyhoag.com
donald.kreis@oca.nh.gov
amanda.noonan@puc.nh.gov
ocalitigation@oca.nh.gov
F.Ross@puc.nh.gov
Christa.Shute@oca.nh.gov
cboldt@dtclawyers.com
suzanne.amidon@puc.nh.gov
kristi.davie@eversource.com
paul.dexter@puc.nh.gov
marc.lemenager@eversource.com
erica.menard@eversource.com

EXHIBIT 13 - Docket No. DE 19-108

CORRECTED VERSION - January 24, 2020

Supplemental Exhibit 1 – Commission Record Request made during Prehearing Conference of January 9, 2020

The Commission asked for the monetary impact that implementation of 2018 N.H. Laws, Chapter 340 (SB 577) relating to the Burgess BioPower facility in Berlin would have on a typical Residential (Rate R) customer. Eversource responded to the Commission's requests on January 14, 2020.

Subsequently, Commission Staff and the OCA have suggested that instead of following the timing of the underlying PPA whereby above-market energy costs paid by Eversource to Burgess for energy during the PPA operating year would be recovered in rates in the following year, those costs should be recovered more-or-less contemporaneous with the payment of those costs by Eversource to Burgess.

This Supplemental Exhibit 1 updates the original response to describe how that change would be accomplished and the rate impacts thereof.

In the Company's routine SCRC filings, the above-market energy costs of the Burgess PPA are broken out as a separate line item. Since the \$100 M CRF cap was exceeded in September, 2019, all above-market energy costs that have been broken out in the Company's SCRC filings now also represent the amounts above the \$100 M CRF cap.

To effectuate this suggested cost recovery alternative, during the three-year CRF mechanism suspension period, the routine SCRC filing will no longer reflect the above-market energy costs of the Burgess PPA.

Instead, those above-market energy costs would be recovered via the equal-cents-per-kilowatt hour "Ch. 340 Adder".

Using this alternative methodology, for the current SCRC filing being considered in Docket No. DE 19-108 for effect on February 1, 2020, the forecast above-market Burgess energy costs for the upcoming SCRC year are \$28.309 million. This forecast amount and the CRF exceedance from the prior PPA operating year of \$5.267 million total \$33.576 million. The equal-cents-per-kilowatthour Ch. 340 Adder agreed upon by the Parties to the 2019 Burgess Settlement would be this total \$33.576 million cost divided by the forecast energy sales for the February 1, 2020 to January 31, 2021 period of 7,716,356 MWh resulting in a Ch. 340 Adder of 0.4351¢/kWh.

This methodology would lead to a calculation where Rate R customers would receive their 48.75% 2015 Settlement rate design share of the \$33.576 million CRF cap exceedance credit which would reduce the SCRC rate by 0.514¢/kWh¹, and would receive an increase of 0.435¢/kWh for the Ch. 340 Adder. This calculates to a net SCRC reduction for a Rate R customer of 0.0792¢/kWh² attributable to the Burgess PPA, SB 577 and 2019 Burgess Settlement. For a 600 kWh per month residential customer, the net benefit of the 2019 Burgess Settlement would be approximately 47.49¢ per month, but that customer

¹ $33.576 * 48.75\% / 3,183,531 \text{ Rate R kWh sales} = 0.514\text{¢/kWh}$

² The difference between the credit to Rate R customers on a per-kilowatt hour basis of the CRF cap and the Ch. 340 Adder's equal-cents-per-kilowatt hour rate.

would see an overall bill increase of \$2.61 per month due to the operation of SB 577. (I.E., without the 2019 Burgess Settlement, the typical Rate R customer would see a decrease of \$3.08 per month impact of SB 577).

February 1, 2020 SCRC Illustrative Impacts of CRF Operation, SB 577, and 2019 Burgess Settlement for Hypothetical Rate R Customer Using this Alternative Rate Recovery Methodology

Scenario Assumes 600 kWh/mo.	SCRC ¢/kWh Impact	600 kWh customer monthly bill impact
Without enactment of SB 577	Negative 0.514	\$3.08 bill decrease
With SB 577 but without 2019 Burgess Settlement	CRF credit would not be implemented	Customer would not receive the \$3.08 monthly bill decrease (hence, a \$3.08 increase impact)
With SB 577 and 2019 Burgess Settlement Using Alternative Rate Recovery Mechanism	Ch. 340 Adder of Positive 0.4350	\$3.08 increase due to operation of SB 577 Minus 47.49¢ benefit of 2019 Burgess Settlement Equals net increase of \$2.61

As discussed above, the forecast above-market Burgess energy costs for the current PPA operating year are \$25.688 million. If this same above-market cost is assumed to occur during each year of the three-year SB 577 suspension period, the total amount of PPA costs in excess of the \$100 million CRF cap that would need to be recovered in rates would be $\$25.688 \text{ M} * 3 \text{ years} + \$5.267 \text{ M} = \$82.3 \text{ M}$. Assuming total deliveries each year of 7,716,356 MWh, the average Ch. 340 Adder cost to customers would be 0.356¢/kwh, and the average monthly cost of implementing SB 577 for a Rate R customer would be $0.356\text{¢/kwh} * 600 \text{ kWh} = \$2.13/\text{month}$. Over the three-year time frame of SB 577 and holding all other rate elements unchanged in that time, the total rate impact on a typical Rate R customer would be in the magnitude of $\$2.13/\text{month} * 36 \text{ months} = \77 .

CORRECTED VERSION - January 24, 2020

Supplemental Exhibit 2 – Commission Record Request made during Prehearing Conference of January 9, 2020

The Commission asked for the monetary impact that implementation of 2018 N.H. Laws, Chapter 340 (SB 577) relating to the Burgess BioPower facility in Berlin would have on a typical Commercial and Industrial (C&I) customer. The Company responded to the Commission’s requests on January 14, 2020. In the prior response, the Company noted that due to the significant diversity amongst Eversource’s customers that take service under Eversource Rates G, GV, and LG, there is no “typical” C&I customer that would reasonably represent the rate impacts of SB 577.

Subsequently, Commission Staff and the OCA have suggested that instead of following the timing of the underlying PPA whereby above-market energy costs paid by Eversource to Burgess for energy during the PPA operating year would be recovered in rates in the following year, those costs should be recovered more-or-less contemporaneous with the payment of those costs by Eversource to Burgess. The Commission is referred to Eversource’s supplemental response to Exhibit 1 for a detailed discussion of the impacts of SB 577 overall.

This Supplemental Exhibit 2 updates the original response to describe how that change would be accomplished and the rate impacts thereof.

The Company has chosen the following usage levels for Rate G, GV and LG classes to demonstrate the impact of how SB 577 would impact C&I customers. Note that Eversource does NOT deem these scenarios to represent any “typical” customer. However, the Company is providing this information to be responsive to the Commission’s request.

February 1, 2020 Illustrative SCRC Impacts of CRF Operation, SB 577, and 2019 Burgess Settlement for Hypothetical Rate G Customer

Scenario Assumes 750 kWh/mo.	SCRC ¢/kWh Impact	750 kWh customer monthly bill impact
Without enactment of SB 577	Negative 0.5019	\$3.76 bill decrease
With SB 577 but without 2019 Burgess Settlement	CRF credit would not be implemented	Customer would not receive the \$3.76 monthly bill decrease
With SB 577 and 2019 Burgess Settlement	Ch. 340 Adder of Positive 0.4350	\$3.76 due to operation of SB 577 Minus 50.18¢ benefit of 2019 Burgess Settlement Equals net increase of \$3.26

**February 1, 2020 Illustrative SCRC Impacts of CRF Operation, SB 577, and 2019 Burgess Settlement
 for Hypothetical Rate GV Customer**

Scenario Assumes 100,000 kWh/mo.	SCRC ¢/kWh Impact	100,000 kWh customer monthly bill impact
Without enactment of SB 577	Negative 0.4139	\$413.89 bill decrease
With SB 577 but without 2019 Burgess Settlement	CRF credit would not be implemented	Customer would not receive the \$413.89 monthly bill decrease
With SB 577 and 2019 Burgess Settlement	Ch. 340 Adder of Positive 0.4350	\$413.89 due to operation of SB 577 plus \$21.11 cost of 2019 Burgess Settlement Equals net increase of \$435.00

**February 1, 2020 Illustrative SCRC Impacts of CRF Operation, SB 577, and 2019 Burgess Settlement
 for Hypothetical Rate LG Customer**

Scenario Assumes 1,000,000 kWh/mo.	SCRC ¢/kWh Impact	1,000,000 kWh customer monthly bill impact
Without enactment of SB 577	Negative 0.1596	\$1,595.72 bill decrease
With SB 577 but without 2019 Burgess Settlement	CRF credit would not be implemented	Customer would not receive the \$1,595.72 monthly bill decrease
With SB 577 and 2019 Burgess Settlement	Ch. 340 Adder of Positive 0.4350	\$1,595.72 due to operation of SB 577 plus \$2,754.28 cost of 2019 Burgess Settlement Equals net increase of \$4,350.00

As discussed in the supplemental response to Exhibit 1, over the three-year suspension period of SB 577 an illustrative average Ch. 340 cost would be 0.356¢/kwh. Hence, the average monthly cost and the approximate total cost of the three-year suspension period of SB 577 for each hypothetical Rate G, GV, and LG customer would be:

RATE	Average monthly cost	Approximate 3-year cost
G – 750 kWh/mo.	\$2.67	\$96
GV – 100,000 kWh/mo.	\$355.66	\$12,804
LG – 1,000,000 kWh/mo.	\$3556.58	\$128,037

EXHIBIT 13 - Docket No, DE 19-108

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[CORRECTED VERSION - January 24, 2020](#) **REDLINED**

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Scenario Assumes 1,000,000 kWh/mo.	SCRC ¢/kWh Impact	1,000,000 kWh customer monthly bill impact
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As discussed in the supplemental response to Exhibit 1, over the three-year suspension period of SB 577 an illustrative average Ch. 340 cost would be ~~0.3896~~0.356¢/kwh. Hence, the average monthly cost and the approximate total cost of the three-year suspension period of SB 577 for each hypothetical Rate G, GV, and LG customer would be:

RATE	Average monthly cost	Approximate 3-year cost
G – 750 kWh/mo.	\$2.92 <u>2.67</u>	\$105 <u>96</u>
GV – 100,000 kWh/mo.	\$389.61 <u>355.66</u>	\$14,026 <u>12,804</u>
LG – 1,000,000 kWh/mo.	\$3,896.05 <u>3556.58</u>	\$140,258 <u>128,037</u>