

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

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

2024 Energy Service Solicitations

Docket No. DE 24-046

**EVERSOURCE RESPONSE TO MOTION FOR REHEARING
OF THE OFFICE OF THE CONSUMER ADVOCATE**

Pursuant to Puc 203.07(f), Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) hereby responds to the Motion for Rehearing (“Motion”) filed by the Office of the Consumer Advocate (“OCA”) on July 11, 2024. The Motion seeks rehearing of the Commission’s Order No. 27,022 issued on June 20, 2024 (the “Order”).

The OCA’s Motion is premature and also misapprehends the nature and scope of Eversource costs that may be recovered through the Stranded Cost Recovery Charge (“SCRC”). In support of this response, the Company states as follows:

1. The OCA argues in the Motion that due process issues are implicated by the Commission’s “fail[ure] to provide public notice that revisions to stranded cost recovery charges were under consideration in this proceeding.” Motion at 3-5. However, the Commission has not yet decided that under- or over-recoveries incurred by the Company in providing default service to any class of its customers should be recovered through the SCRC rate rather than through the Energy Service Rate. Rather, the Commission has only directed the Company to place the approximately \$6.5 million Large Customer Group under-collection balance into a deferral account, with tariff-specified carrying charges to be assessed, and also to “prepare a proposal for the integration of the ES Reconciliation

Adjustment Factor charges into collection through the SCRC to be filed thirty (30) days in advance of the Company's next SCRC petition filing.” Order at 9.

2. The Company has not yet prepared or submitted the proposal for SCRC integration as directed by the Commission and may not do so for several months. When that proposal is filed, the Commission undoubtedly will issue a “Commencement of Adjudicative Proceeding and Notice of Hearing” in a new SCRC rate adjustment docket, and that issuance assuredly will provide sufficient notice that recovery of all or some portion of Energy Service under- or over-recoveries are proposed to be transferred for recovery through the SCRC. Indeed, the Commission confirmed in Order No. 27,034 (July 12, 2024) that its “intent was to have an adjudication of any such proposal in a future proceeding, with a separate order of notice.” Following such issuance in a new docket, potentially affected parties will have notice that the issue will be adjudicated in that docket, and they will have an opportunity to intervene in that proceeding and protect their interests through their participation. The due process concerns raised by the OCA in the Motion therefore are premature at this time.

3. Also premature is the position expressed by the OCA in the conclusion section of its Motion that costs incurred to serve Large Customers should not be recovered from residential customers through the SCRC, the Energy Service rate, or any other rate mechanism. Motion at 7-8. As noted above, the Company has not yet prepared or submitted its proposal for SCRC integration of any such costs, and it is uncertain at this time whether its proposal will be to recover through the SCRC any under- or over-recovery of costs incurred to serve Large Customers from all distribution customers or only a subset limited to Large Customer Group¹ distribution customers, as

¹ The “Large Customer Group” includes customers receiving delivery service under Primary General Delivery

suggested by Commissioner questioning during the hearing held on June 18, 2024.

Accordingly, the Commission need not address the concerns expressed by the OCA at this time because they are not yet before it for decision.

4. Finally, the OCA asserts that recovery of Energy Service cost under- and over-recoveries through the SCRC would violate the Electric Industry Restructuring Act, RSA 374-F, because they are not “stranded costs” as defined in RSA 374-F:2, IV. Motion at 5-7. The OCA’s argument misapprehends the nature and scope of Eversource costs that may be recovered through the SCRC.² Even assuming *arguendo* that the OCA is correct that Energy Service cost reconciliation under- and over-recoveries do not come within the statutory definition of “stranded costs,” the cost items that may be reconciled and recovered through the SCRC are not limited to statutory “stranded costs.”

5. Instead, as noted by the Commission in 2021, the Company’s SCRC is “a nonbypassable charge that *includes* stranded costs pursuant to RSA 374-F *and other nonbypassable charges and credits as established by Commission order.*” See Order No. 26,450 (January 29, 2021) issued in Docket No. DE 20-136, at pages 7-8 (emphasis added).³ Based on that Commission precedent and the terms of the 2015 Restructuring Agreement, the SCRC is not limited to recovery of “stranded costs,” as defined in the

Service Rate GV, Large General Delivery Service Rate LG and Backup Delivery Service Rate B, including any outdoor area lighting taken in conjunction with these accounts under Outdoor Lighting Delivery Service Rate OL.

² It should be noted that the Company had proposed as a potential alternative “to recover the full amount of the ES Reconciliation Adjustment Factor, including all related over- and under-recoveries, from all distribution customers through the SCRC *or a similar reconciling rate mechanism.*” See Exhibit 1 at Bates 56; Direct Testimony of Yi-An Chen and Scott R. Anderson dated June 13, 2024, at page 15 of 24 (emphasis added). Recovery of such costs through the SCRC is not the only potential option.

³ That order cited the “2015 PSNH Restructuring and Rate Stabilization Agreement” at 8 (definition of SCRC includes “... other costs and expenses ... as otherwise authorized by the Commission.”), approved by *Public Service Company of New Hampshire*, Order No. 25,920 (July 1, 2016). See also *Electric Utilities and Competitive Electric Service Providers*, Order No. 25,664 at 3-4 (May 9, 2014), which directed Eversource to credit RGGI auction proceeds to the SCRC.

Electric Industry Restructuring Act, and may also include other cost components appropriate for recovery through a nonbypassable charge from all Eversource distribution customers.

6. Moreover, the Commission has already indicated it agrees with the Company's view that "having the ES Reconciliation Adjustment Factor costs assessed through the SCRC could be an equitable and reasonable approach, due to the "backstop" nature of ES." Order at 9. Accordingly, a proposal for recovering such reconciliation costs through the SCRC should be considered in the next SCRC docket upon filing of such a proposal by Eversource. And the OCA will, of course, have an opportunity to participate actively in the new SCRC docket in which that proposal is evaluated for Commission approval.

WHEREFORE, Eversource respectfully requests that the Commission consider this response and deny the Motion for Rehearing of Order No. 27,002 filed by the Office of the Consumer Advocate on July 11, 2024, and order such other and further relief as may be just and equitable in the circumstances.

Respectfully submitted,

PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE D/B/A EVERSOURCE
ENERGY

Date: July 18, 2024

By: /s/ David K. Wiesner
David K. Wiesner, Senior Counsel
Public Service Company of New Hampshire
d/b/a Eversource Energy
780 North Commercial Street
Manchester, NH 03101
603-634-2961
David.Wiesner@eversource.com

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.

Date: July 18, 2024

/s/ David K. Wiesner
David K. Wiesner