

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

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

Docket No. DE 24-046

**PETITION FOR ADJUSTMENT TO ENERGY SERVICE RATES FOR
EFFECT ON AUGUST 1, 2024**

Pursuant to Puc 202.01(a) and Puc 203.06, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) hereby petitions the New Hampshire Public Utilities Commission (“Commission”) to approve an adjustment to its default Energy Service (“ES”) rates for effect on August 1, 2024. In support of its Petition, Eversource states as follows:

1. Historically, customers taking ES from Eversource were billed an ES rate reflecting Eversource’s actual, prudent, and reasonable costs of providing power from its generating assets and supplemental market purchases, as approved by the Commission. On June 10, 2015, following extensive negotiations, Eversource and other parties filed the 2015 PSNH Restructuring and Rate Stabilization Agreement (the “2015 Agreement”), which was approved by the Commission in Order No. 25,920 (July 1, 2016), and which called for Eversource to transition to a new means of providing ES.

2. Consistent with the 2015 Agreement, on June 29, 2017, in Docket No. DE 17-113, Eversource sought Commission approval of a proposed process for procuring ES for customers on a competitive basis, rather than through its traditional method. Following discussions among parties to that docket, a Settlement Agreement was reached which set forth the method of and timing for Eversource’s transition to competitively procured ES following the sale of its thermal generating assets. That Settlement Agreement was approved by Order No. 26,092 (December 29, 2017).

3. Pursuant to the settlement in Docket No. DE 17-113, following the sale of its thermal assets, Eversource issued a Request for Proposals (“RFP”) on January 12, 2018, seeking suppliers for its competitively procured ES. Eversource has procured and provided ES through the same method since that time. On April 12, 2024, the Commission issued Order No. 26,994 approving the Company’s proposal to procure energy supply for a single 12.5% tranche of its Small customer group load through direct participation in the regional wholesale power markets, while procuring energy supply for the remaining seven tranches of Small customer group load through the traditional RFP process.

4. By this Petition, Eversource now seeks Commission approval of the bids received from its most recent solicitation, as well as the proxy price developed for the 12.5% Small customer group load market-based self-supply tranche, and the resulting retail rates for both the Small and Large ES customer groups for the period of August 1, 2024 through January 31, 2025.

5. Enclosed with this Petition are the pre-filed testimony, attachments, and exhibits of Parker Littlehale and Luann J. Lamontagne, explaining the RFP process used by Eversource and the results of the recent RFP, as well as how the RFP conformed with the settlement agreement in Docket No. DE 17-113 and Order Nos. 26,104 and 26,994, as well as the limited self-supply of a single 12.5% tranche of Small customer group load and the related proxy price developed for rate calculation purposes. Also enclosed with this Petition are the pre-filed testimony, attachments, and exhibits of Yi-An Chen and Scott R. Anderson, describing Eversource’s proposed rates for both the Small customer group and the Large customer group, as well as the calculations underlying those proposed rates, including prior period reconciliations and working capital requirements.

6. For the Small customer group, if the rate is calculated consistent with prior practice and precedent, the proposed fixed ES rate would be \$0.10458 per kWh, representing a 26.2% increase over the current ES rate for the Small customer group of \$0.08285 per kWh. For the Large customer group, if the rate is calculated consistent with prior practice and precedent, the proposed monthly ES rates would be as follows:

| <u>Month</u> | <u>Rate (\$/kWh)</u> |
|----------------|----------------------|
| August 2024 | \$0.14557 |
| September 2024 | \$0.13483 |

| | |
|---------------|-----------|
| October 2024 | \$0.12917 |
| November 2024 | \$0.15155 |
| December 2024 | \$0.19538 |
| January 2025 | \$0.24276 |

7. However, as discussed in the pre-filed testimony of Ms. Chen and Mr. Anderson at pages 14-16, the Company is quite concerned about the substantial recent increases in the Large customer group under-recovery amount, driven largely by increased load migration, and the potential rate impacts of such increases on Rate LG and Rate GV customers taking default service on the ES rate. As the under-recovery amount increases while the number of Large group customers and their aggregate kWh sales decrease, the resulting rate impacts may lead to a situation where a smaller number of remaining Large group customers will have to bear an ever larger share of the burden of paying rates designed to recover substantial and increasing under-recovery amounts.

8. In order to address that significant and growing problem, the Company has identified a potential alternative approach to the ES Reconciliation Adjustment Factor rate design that may be implemented in the near-term. In that alternative, only one ES Reconciliation Adjustment Factor applicable to all default service customers, regardless of their rate class, would be calculated with the under- or over-recoveries for both the Large and Small customer groups combined and the net amount serving as the basis for calculation of a single ES Reconciliation Adjustment Factor to be applied to all ES customer rates on a uniform per kWh basis. The Company recommends that the Commission approve implementation of that alternative for the six-month ES rate period beginning on August 1, 2024.

9. If the alternative outlined in paragraph 8 above were implemented, the ES rate for the Small customer group would be \$0.10707 per kWh and the Large customer group ES rates would be as shown in Attachment YC/SRA-1, Page 2. Estimated customer bill impacts related to that alternative are shown in Attachment YC/SRA-4, Pages 4-6.

10. A hearing is scheduled for Tuesday, June 18, 2024, to review this submission, and Eversource requests that the Commission issue an order as soon as possible thereafter, and preferably by Thursday, June 20, 2024, approving the bids accepted, the self-supply tranche proxy price, and the proposed rates based on those bids, proxy price, applicable reconciliation factors and allocations, and other associated ES rate components.

11. Consistent with the procedures in Puc 201.06 and Puc 201.07, Eversource requests that certain material, which has been filed confidentially, remain confidential and not be publicly disclosed. Specifically, Eversource seeks confidential treatment of the redacted portions of Attachments LJL-2, LJL-3, LJL-4, LJL-5, LJL-6, LJL-7, LJL-8, YC/SRA-1, and YC/SRA-3.

WHEREFORE, Eversource respectfully requests that the Commission issue a final order as soon as possible, but no later than June 20, 2024, containing the following:

1. A finding that Eversource followed the competitive solicitation process and limited self-supply market-based tranche procurement as approved by the Commission, and that Eversource's analysis of bids and selection of suppliers and its development of the self-supply tranche proxy price were reasonable and appropriate;
2. Approval for implementation of the alternative rate design in which the ES Reconciliation Adjustment Factor is applicable to all default service customers, regardless of their rate class, on a uniform per kWh basis, beginning with the six-month ES rate period beginning on August 1, 2024;
3. A finding that the proposed retail rates are appropriately calculated and consistent with Commission precedent, except with respect to approval of that alternative, and with relevant statutory authority;
4. A finding that the proposed retail rates are just and reasonable and consistent with the public interest, subject to the ongoing obligations of Eversource to act prudently, according to law and in conformity with Commission orders;
5. Approval of the tariff changes necessary to incorporate the new rates, effective for service rendered on and after August 1, 2024; and
6. Approval of Eversource's request for confidential treatment of the designated confidential material pursuant to Puc 201.06 and Puc 201.07.

Respectfully submitted this 13th day of June, 2024.

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

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.

Dated: June 13, 2024

/s/ David K. Wiesner
David K. Wiesner