

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 21-117**

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

**Adjustment to Stranded Cost Recovery Charge**

**Order Approving Adjustment to Stranded Cost Recovery Charge**

**ORDER NO. 26,569**

**January 25, 2022**

In this order the Commission approves an adjustment to the Stranded Cost Recovery Charge for Eversource's customers effective for services rendered on and after February 1, 2022. For residential class customers, the average Stranded Cost Recovery Charge will decrease from 0.889 cents per kWh to 0.453 cents per kWh. The lower charge reflects a decrease of approximately \$39.5 million in certain costs related primarily to power purchase agreements, Regional Greenhouse Gas Initiative (RGGI) refunds, and net metering.

This is one of three dockets that the Commission issues orders in today that will result in an overall decrease of approximately 3.6 percent to the delivery portion of electric energy bills for residential ratepayers for service rendered on and after February 1, 2022. The three dockets are: (1) the instant docket (DE 21-117), to decrease Eversource's average stranded cost recovery charge rate for residential customers by .436 cents per kWh; (2) DE 21-029, to decrease Eversource's Regulatory Reconciliation Adjustment Rate for residential customers by .016 cents per kWh; and (3) DE 19-057, to increase Eversource's average distribution charge rate for residential customers by .019 cents per kWh. Taken together, the average bill impact of the three rate changes for residential customers using an average of 650 kWh per month is

approximately 3.6 percent decrease to non-energy service bill components in monthly bills, from an average delivery service charge of \$77.81 to \$75.00. Residential customers who also take energy service from Eversource will experience a net percent increase of approximately 6.8 percent in their overall bill for energy supply and delivery services combined when the energy supply costs approved in Order No. 26,557 (December 16, 2021) also take effect on February 1, resulting in an average overall monthly bill increase from \$135.18 to \$144.35. None of the three orders being issued today will have any effect on the energy supply portion of the bill for customers receiving energy from a competitive supplier.

## **I. PROCEDURAL HISTORY**

On December 17, 2021, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a petition to adjust its Stranded Cost Recovery Charge (SCRC) rates and separate adders for the six-month period beginning February 1, 2022. On January 10, 2022, Eversource filed final, updated proposed rate adjustments. On December 30, 2021, the Commission issued a supplemental order of notice in this docket scheduling a hearing in this matter. The hearing was held as scheduled on January 14, 2022. The petition and subsequent docket filings are posted on the Commission's website at [www.puc.nh.gov/Regulatory/Docketbk/2021/21-117.html](http://www.puc.nh.gov/Regulatory/Docketbk/2021/21-117.html).

## **II. BACKGROUND**

The SCRC recovery mechanism was initially established pursuant to the 1999 Agreement to Settle PSNH Restructuring in Docket DE 99-099 (1999 Agreement), which defined stranded costs and separated them into three categories: Part 1 (rate reduction bonds (RRBs), including principal and interest payments), Part 2 (ongoing stranded costs associated with restructuring), and Part 3 (amortization of non-

securitized stranded costs). The original stranded costs associated with Part 1 and Part 3 have been fully recovered. In recent years, the only costs recovered through the SCRC rate mechanism have been Part 2 costs, which include “ongoing” stranded costs that consist primarily of the over-market value of energy purchases from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs approved by the Commission. Part 2 costs continue to include all costs and market revenues associated with existing IPPs and the amortization of payments previously made for IPP buy-downs or buy-outs.

In *Public Service Company of New Hampshire d/b/a Eversource Energy*, Order No. 25,920 (July 1, 2016), the Commission approved the 2015 Restructuring and Rate Stabilization Agreement (2015 Agreement). The 2015 Agreement provided for the divestiture of Eversource’s generation facilities and recovery of associated stranded costs.

Pursuant to the 2015 Agreement, a portion of the costs associated with divestitures are recovered through RRBs as a new Part 1 stranded cost to be recovered through the SCRC. The RRBs were issued in May 2018 and related costs are now included in Part 1 stranded costs. Consistent with the 2015 Agreement, Eversource now includes additional elements not previously included in the SCRC, including costs and market revenues associated with existing IPPs and estimated class specific RRB charges associated with the securitization of stranded costs. Those additional elements of the SCRC were approved by Order No. 26,116 (March 29, 2018).

As part of the 2015 Agreement, the SCRC revenue requirement is now allocated to each rate class according to the following percentages: 48.75 percent to residential customers (rate class R); 25 percent to general service customers (rate class G); 20 percent to primary industrial and commercial customers (rate class GV); 5.75 percent

to large industrial and commercial customers (rate class LG); and 0.5 percent to outdoor lighting customers (rate class OL/EOL). There are various rates within each class and, as a result, there is no longer a single SCRC for all customers or a uniform rate for each class.

Pursuant to RSA 125-O:23, II and Commission Order No. 25,664 in Docket DE 14-048,<sup>1</sup> the SCRC also incorporates refunds to Eversource customers resulting from quarterly credits based on RGGI auction proceeds received by Eversource above one dollar per allowance. Those excess RGGI proceeds are credited back to customers on a uniform per kilowatt hour basis.

On January 30, 2020, the Commission issued Order No. 26,331, approving an agreement to adjust the Purchase Power Agreement (PPA) between Eversource and Burgess BioPower to implement the terms of 2018 N.H. Laws, Chapter 340, “An Act requiring the public utilities commission to revise its order affecting the Burgess BioPower plant in Berlin.” As part of that adjustment, the over-market costs in excess of the cap, as defined in the PPA, are now recovered in current rates through the “Chapter 340 Adders”.

On December 15, 2020, the Commission issued Order No. 26,433 in Docket DE 19-057, approving a settlement agreement relating to Eversource’s distribution rates. As part of that settlement, certain environmental remediation costs related to divestitures were removed from Eversource’s distribution rates and included within the SCRC.

On January 29, 2021, the Commission issued Order No. 26,450 in Docket DE 20-136, directing the collection of net metering costs through the SCRC rather than

---

<sup>1</sup> Docket DE 14-048, Rebate of Excess Regional Greenhouse Gas Initiative Allowance Auction Proceeds to All Electric Ratepayers; see [www.puc.nh.gov/Regulatory/Docketbk/2014/14-048.html](http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-048.html).

through the Company's Default Service rates. Pursuant to that order, Eversource has included the identified net metering costs for recovery within the SCRC.

### III. POSITIONS OF THE PARTIES

#### A. Eversource

The proposed February 1, 2022 average SCRC rates (including the RGGI rebate and all Chapter 340, Net Metering, and environmental remediation adders) by rate class are:

<b>Rate Class</b>	<b>Current Rate (cents/kWh)</b>	<b>Preliminary Rate (cents/kWh)</b>	<b>Proposed Rate (cents/kWh)</b>	<b>Change (cents/kWh)</b>
R (residential)	0.889	0.327	0.453	(0.436)
G (general service)	0.990	0.331	0.440	(0.550)
GV (commercial & industrial ≤ 1000 kW)	0.821	0.239	0.319	(0.502)
LG (commercial & industrial > 1000 kW)	0.443	(0.053)	(0.024)	(0.467)
OL/EOL (outdoor lighting)	0.552	0.544	0.677	0.125

The proposed per kilowatt hour SCRC rate for residential rate class R for the upcoming period is 0.453 cents per kilowatt hour, including the RGGI rebate and the Ch. 340, Environmental Remediation and Net Metering adders, representing a 49 percent decrease from the current rate. The decrease in the SCRC rates proposed for effect on February 1, 2022 as compared to the current rates is due primarily to: (i) the elimination of \$12.0 million in recoverable costs related to Part 2 Generation Costs not Securitized, which were recovered over a one-year period ending January 2022 per the terms of the Settlement Agreement filed in the Generation Divestiture docket, Docket DE 20-005; (ii) an increase in prior period over-recoveries resulting in a refund to

customers of \$6.7 million; (iii) an increase in Part 1 costs of \$5.1 million, and (iv) an increase in Part 2 above market independent power producers (IPP) purchases and power purchase agreement (PPA) costs of \$1.1 million.

The SCRC rates also include recovery of the following adders: (i) a RGGI refund of excess RGGI auction proceeds, as required by RSA 125-O:23, II and Order No. 25,6764 (May 9, 2014); (ii) Ch. 340 excess Burgess PPA payments per the Settlement Agreement approved in Docket DE 19-142 and Order No. 26,331 (February 18, 2020); (iii) amortization of Environmental Remediation costs per Section 7.1 of the Settlement Agreement approved in Docket DE 19-057 and Order No. 26,433 (December 15, 2020), and (iv) Net Metering Costs per the Settlement Agreement approved in Docket DE 20-136 and Order No. 26,450 (January 29, 2021).

#### **B. Department of Energy**

At hearing, the Department of Energy recommended approval of the proposed rates as just and reasonable and noted that the decrease in total costs covered by the SCRC rates should prove beneficial to customers.

#### **IV. COMMISSION ANALYSIS**

RSA 378:7 authorizes the Commission to determine the just, reasonable, and lawful rates to be charged by public utilities. RSA 374:2 requires that all charges made or demanded by any public utility for any service rendered by it shall be just and reasonable and not more than is allowed by law or by order of the Commission. Any recovery of stranded costs “should be through a non-bypassable, nondiscriminatory, appropriately structured charge that is fair to all customer classes, lawful, constitutional, limited in duration, consistent with the promotion of fully competitive markets, and consistent with [restructuring] policy principles.” RSA 374-F:3, XII(d). The Commission must determine whether the categories of costs included within the

proposed SCRC rates are consistent with the requirements of RSA 374-F:3, XII(d), or are appropriately included consistent with prior Commission orders concerning costs eligible for recovery.

We find that Eversource appropriately calculated the SCRC rates to reflect updated actual and estimated costs, including the impact of changes in the forecasted market prices associated with energy purchases from IPPs and the SCRC stranded costs related to the RRBs, the RGGI rebate, the net metering adder, the environmental remediation adder, and the Chapter 340 adder. Accordingly, we find the resulting rates are just and reasonable as required by RSA 374:2 and RSA 378:7.

Finally, based on testimony provided at the January 14, 2022 hearing and given the progress made to date in paying down the costs of Eversource's restructuring and divestiture of assets, we encourage Eversource to consider submitting its SCRC rate calculations and requests for approval of the SCRC rates on an annual basis going forward, rather than the current semi-annual basis. Based on the Company's submissions and testimony, an annual approach to these rates would be more cost-effective and could save ratepayers related adjudicative costs.

**Based upon the foregoing, it is hereby**

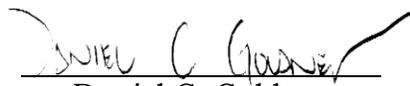
**ORDERED**, that Eversource's average SCRC rates, including the RGGI credit, for effect on a service-rendered basis for the six-month period beginning February 1, 2022, as depicted in Hearing Exhibit 5 Bates pages 12-13 are hereby **APPROVED**; and it is

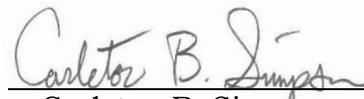
**FURTHER ORDERED**, that Eversource shall, on an ongoing basis, reconcile the estimated Part 2 SCRC costs with actual costs, and include the reconciliation in subsequent SCRC rate calculations; and it is

**FURTHER ORDERED**, that Eversource consider incorporating the various charges that are currently incorporated in SCRC rates on an annual basis going forward, rather than on a semi-annual basis; and it is

**FURTHER ORDERED**, that Eversource shall file its calculations and allocations (in working Excel format), and conforming tariff pages pursuant to N.H. Admin. R., PART Puc 1603, within 20 days of the date of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of January, 2022.

  
\_\_\_\_\_  
Daniel C. Goldner  
Chairman

  
\_\_\_\_\_  
Carleton B. Simpson  
Commissioner

## Service List - Docket Related

Docket# : 21-117

Printed: 1/25/2022

Email Addresses

---

ClerksOffice@puc.nh.gov  
nhregulatory@eversource.com  
jessica.chiavara@eversource.com  
stephen.r.eckberg@energy.nh.gov  
thomas.c.frantz@energy.nh.gov  
amanda.o.noonan@energy.nh.gov  
ocalitigation@oca.nh.gov  
jralston@keeganwerlin.com  
dvenora@keeganwerlin.com  
david.k.wiesner@energy.nh.gov