

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-090

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY**

2024 Transmission Cost Adjustment Mechanism

Order Approving 2023 Transmission Cost Adjustment Mechanism

ORDER NO. 27,056

September 20, 2024

On August 6, 2024, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a petition for approval of an overall average Transmission Cost Adjustment Mechanism (TCAM) rate of \$0.03398 per kWh effective from October 1, 2024 through September 30, 2025. On September 5, 2024, the Commission held a duly-noticed public hearing on the petition, at which Eversource and the New Hampshire Department of Energy (DOE) appeared. The DOE supports Eversource's petition. For the reasons that follow, the Commission GRANTS Eversource's petition. As a result of this rate adjustment, the residential TCAM rate will be \$0.03744 per kWh, an increase over the current residential rate of \$0.02965 per kWh. The average residential customer using 600 kW per month will see a total bill increase of \$4.67 per month effective October 1, 2024.

I. BACKGROUND AND EVERSOURCE'S PETITION¹

Eversource recovers its transmission-related costs through the TCAM. *See* Exh. 1 at Bates Page 1–13; *see also* Order No. 24,750 (May 25, 2007) in Docket No. DE 06-028 (authorizing Eversource to implement the TCAM); Order No. 25,123 (June 28,

¹ The following information comes from prior orders of the Commission and the schedules and testimony of Eversource's witnesses. All schedules and pre-filed written testimony were included in Exhibit 1. The Commission finds all schedules and testimony cited in this section to be credible and true.

2010) in Docket No. DE 09-035 (expanding the number of costs Eversource is authorized to recover through the TCAM). The TCAM rate is set annually for a recovery period running from October 1 through September 30 of the following year. Order No. 26,888 (September 20, 2023) in Docket No. DE 23-070 at 3. The TCAM includes both the: (1) recovery of the forecasted retail transmission costs for the prospective twelve-month period from October through September; and (2) reimbursement and/or recovery of the over-or-under-collection resulting from the reconciliation of actual transmission costs and revenues against the costs that were forecasted in the previous rate filing. *See id.*

Eversource utilizes the TCAM to recover and/or refund several discrete transmission-related costs and credits. *See* Exh. 1 at Bates Page 6–13 (detailing the costs and credits associated with the TCAM). By far, the majority of costs recovered through the TCAM are associated with the maintenance of the New England regional transmission network, for which Eversource pays a proportional amount based on its percentage of the network load as determined by the Independent System Operator-New England (ISO-NE) and subject to rate formulas approved by the Federal Energy Regulatory Commission (FERC). *Id.* These include regional network service costs, scheduling and dispatch costs, local network service costs, and reliability costs. *Id.* The TCAM also includes Eversource's proportionate share of costs and credits related to the transmission of electricity from Hydro-Quebec to New England, which are also set by ISO-NE and subject to contracts and methodologies approved by FERC. *Id.* Finally, the TCAM allows Eversource to recover a working capital allowance return. *Id.* at 13; *see also* Order No. 25,123. This accounts for the cash working capital needs of Eversource, such as the amount of money needed to fund operations in the time period between when expenditures are incurred to provide service to customers and

when payment is actually received from customers for that service. Exh. 1 at Bates Page 13. Eversource calculates the working capital allowance based on a lead/lag study as outlined in Order No. 25,912 (June 28, 2016) in Docket No. DE 16-566.

In this filing, Eversource seeks to recover \$260,449,000 in the upcoming recovery period (October 1, 2024 through September 30, 2025). This total amount includes both \$275,480,000 in forecasted transmission costs for October 2024 through September 2025, as well as the reconciliation of an over-recovery of \$15,031,000 from the prior recovery year (i.e., October 1, 2023 through September 30, 2024). See Exh. 1 at Bates Page 30 (breaking down each of the transmission-related costs and credits).

This represents an increase from the \$209,102,000 in transmission-related expenses that the Commission authorized Eversource to recover in last year's TCAM filing. See Order No. 26,888. This increase is largely attributable to an increase in forecasted regional network service costs from \$200,616,000 in the prior period to forecasted costs of \$232,773,000 in this year's filing (which represents an approximately \$32.2 million increase). Exh. 1 at Bates Page 7, 30. This upward trend is the result of decreases in the regional network load from prior years. *Id.* at Bates Page 15–16. The other major cause was the forecasted local network services costs increasing from \$31,873,000 in last year's filing to \$45,195,000 in this year's filing (which represents an approximately \$13.3 million increase). *Id.* at Bates Page 7, 30. This forecasted increase was caused by a relatively larger amount of local service investments placed into service in 2023 and incremental revenue requirements associated with forecasted local service additions for 2024 and 2025. See *id.* at Bates Page 16–17.

In order to recover this amount over the following TCAM recovery period, Eversource calculated rates for each applicable rate class pursuant to formulas laid out in Order No. 26,433 (December 15, 2020) in Docket No. DE 19057 and Order No. 24,750. With the exception of the Backup Delivery Service Rate B (Rate B), Eversource determines the appropriate TCAM rates by first calculating the overall average transmission rate. *Id.* at Bates Page 49–52. In order to calculate the overall average TCAM rate, Eversource divides the total recovery amount by the forecasted retail sales over the recovery period. *See id.* at Bates Page 28, 51–52. In this docket, Eversource calculated the overall TCAM rate as \$0.03398 per kWh. *Id.* Eversource then adjusts all transmission rates by an equal percentage to realize this overall average transmission rate. *Id.* at Bates Page 49.

As mentioned above, the one exception is Rate B, where Eversource recovers transmission costs through a demand charge consistent with the settlement agreement approved in Docket No. DE 06-028. *Id.* The demand charge is divided into a base and incremental component. *Id.* The incremental component is adjusted by the same percentage as the other rate classes. *Id.* However, to calculate the base component, a portion of the TCAM costs is allocated to Rate B based on the class contribution to Eversource’s demand at the time of Eversource’s monthly system peaks. *Id.* The costs are reconciled against actual revenue for the class, with any resulting over-or-under-collection flowing into the rate calculation. *Id.*

Using these formulas, Eversource has proposed the following TCAM rates for each rate class effective October 1, 2024 through September 30, 2025:

Table 1
(all rates shown in \$/kWh)

Rate Class	Block	Current Rates	Proposed Rates
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		(effective October 1, 2023 through September 30, 2024)	(effective October 1, 2024 through September 30, 2025)
R	All kWh	\$ 0.02965	0.03744
Uncontrolled Water Heating	All kWh	\$ 0.02295	\$ 0.02898
Controlled Water Heating	All kWh	\$ 0.02295	\$ 0.02898
R-OTOD	On-peak kWh	\$ 0.02965	\$ 0.03744
	Off-peak kWh	\$ 0.01936	\$ 0.02445
RODOD-2	On-peak kWh	\$ 0.09955	\$ 0.12571
	Off-peak kWh	\$ 0.01162	\$ 0.01467
G	Load charge (over 5 KW)	\$ 7.65	\$ 9.66
	First 500 kWh	\$ 0.02765	\$ 0.03492
	Next 1,000 kWh	\$ 0.01040	\$ 0.01313
	All additional kWh	\$ 0.00558	\$ 0.00705
Space Heating	All kWh	\$ 0.02765	\$ 0.03492
G-OTOD	Load charge	\$ 5.04	\$ 6.36
LCS	Radio-controlled option	\$ 0.02295	\$ 0.02898
	8-hour option	\$ 0.02295	\$ 0.02898
	10 or 11-hour option	\$ 0.02295	\$ 0.02898
GV	First 100 kW	\$ 10.24	\$ 12.93
	All additional kW	\$ 10.24	\$ 12.93
EV-2	All kWh	\$ 0.14321	\$ 0.18085

LG	Demand charge	\$ 10.09	\$ 12.74
B (3)	Demand charge	\$ 1.61	\$ 1.19
OL, EOL	All kWh	\$ 0.02026	\$ 0.02558

See Exh. 1 at 53.

II. POSITIONS OF THE PARTIES

The two parties that appeared at the September 5, 2025, hearing were Eversource and the DOE. Eversource urges the Commission to find the proposed rates just, reasonable, and calculated in a manner consistent with prior Commission orders, and therefore allow them to into effect on October 1, 2024.

For its part, the DOE filed a post-hearing letter on September 13, 2024, in which it indicated that it had reviewed Eversource's petition, found that Eversource correctly calculated the TCAM rates, and recommended that the Commission find the proposed rates just and reasonable and allow them to go into effect.

III. COMMISSION ANALYSIS

The Commission is authorized to fix rates after a hearing upon determining they are just and reasonable. RSA 378:7. When a utility seeks to increase its rates, it bears the burden of proving the necessity of the increase pursuant to RSA 378:7. In determining whether rates are just and reasonable, the Commission must balance the customers' interest in paying no higher rates than are required against the investors' interest in obtaining a reasonable return on their investment. *Eastman Sewer Company, Inc.*, 138 N.H. 221, 225 (1994). In this way, the Commission serves as arbiter between the interests of customers and those of regulated utilities. See RSA 363:17-a; see also *EnergyNorth Natural Gas, Inc. d/b/a National Grid NH*, Order No. 25,202 (March 10, 2011).


The Commission approved Eversource's TCAM for the reconciliation and recovery of transmission expenses and revenues in Order No. 24,750 and expanded the costs to be recovered through the TCAM in Order No. 25,123. Based on the record before us, we find that Eversource used the appropriate method, consistent with the terms of the settlement agreement approved by Order No. 24,750, to calculate the TCAM rates for effect on October 1, 2024. We further find that the testimony by Eversource witnesses and the supporting workpapers demonstrate the use of appropriate inputs for the rate calculations. Based on these conclusions, and in reliance on the DOE recommendation, we find that the resulting TCAM rates, as laid out in Tabel 1, *supra*, are just and reasonable and accordingly approve them for effect October 1, 2024.

Based upon the foregoing, it is hereby

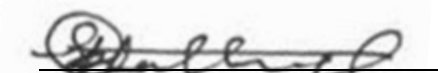
ORDERED, that Eversource's request for an overall average TCAM rate of \$0.03398 per kWh is APPROVED, effective October 1, 2024, as are the resulting rates for various customer classes shown in Table 1; and it is

FURTHER ORDERED, that Eversource shall file a conforming tariff showing the approved TCAM rates within 15 days of this order.

By order of the Public Utilities Commission of New Hampshire this twentieth day of September, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-090

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Email Addresses

ClerksOffice@puc.nh.gov
steven.allen@eversource.com
scott.anderson@eversource.com
yi-an.chen@eversource.com
Energy-Litigation@energy.nh.gov
paul.b.dexter@energy.nh.gov
jay.e.dudley@energy.nh.gov
sandra.gagnon@eversource.com
donald.m.kreis@oca.nh.gov
Molly.M.Lynch@energy.nh.gov
james.mathews@eversource.com
nhregulatory@eversource.com
elizabeth.r.nixon@energy.nh.gov
amanda.o.noonan@energy.nh.gov
ocalitigation@oca.nh.gov
bryant.robinson@eversource.com
mark.p.toscano@energy.nh.gov
Charles.J.Underhill@oca.nh.gov
david.wiesner@eversource.com