

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

DE 11-250

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

Investigation of Merrimack Station Scrubber Costs and Costs Recovery

SUPPLEMENTAL ORDER OF NOTICE

On November 2, 2015, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a motion to amend the temporary rate set in Order No. 25,346 (April 10, 2012) for recovery of costs associated with the wet flue gas desulfurization unit (Scrubber) installed at Merrimack Station. Eversource requested that the temporary Scrubber rate be amended to allow all costs associated with the Scrubber project, and a portion of the deferred recovery amount, to be recovered through Eversource's default energy service rates on a reconciling basis beginning January 1, 2016.

The motion states that the Commission set a temporary Scrubber cost recovery rate of 0.98 cents per kilowatt hour (kWh) in Order No. 25,346 entered in this docket on April 10, 2012. In November 2014, the Commission completed the conduct of hearings related to the prudence and reasonableness of the costs of the Scrubber and closed the evidentiary record. On December 26, 2014, Eversource requested that the Commission stay this docket. The Commission granted the request to stay the proceedings by Order No. 25,755 (January 15, 2015).

On June 10, 2015, Eversource and other settling parties filed the 2015 Settlement Agreement in the instant docket and Docket No. DE 14-238. The 2015 Settlement Agreement resolves numerous issues relating to the continued ownership and operation of Eversource's generating facilities and provides a plan for Eversource to divest itself of those facilities. With

respect to the Scrubber, the 2015 Settlement Agreement provides that the temporary rate for recovery of Scrubber costs shall be changed, effective January 1, 2016, to include all costs of the Scrubber incurred by Eversource, including a portion of the deferral, along with a return on those costs. Specifically, the 2015 Settlement Agreement allows for the deferral to be recovered from ratepayers in equal amounts over a seven-year period. The 2015 Settlement Agreement further provides that recovery of costs would be made through Eversource's stranded cost recovery charge, instead of through the default energy service rate, the current method by which Eversource obtains recovery of Scrubber costs.

Eversource originally requested full recovery of Scrubber costs in its 2016 default energy service rate case, Docket No. DE 15-415, on a temporary, reconciling basis, pending an order in DE 14-238. Although the settling parties requested expeditious review of the 2015 Settlement Agreement, various procedural delays prevent the Commission from issuing an order by the end of the year. Therefore, Eversource requests that the temporary Scrubber recovery cost rate to be changed from 0.98 cents per kWh to 1.72 cents per kWh, effective January 1, 2016. This rate will allow for recovery of the estimated 2016 Scrubber costs as well as 1/7 of the forecasted December 31, 2015 deferral, and is consistent with the language of the 2015 Settlement Agreement. If the 2015 Settlement Agreement is approved, cost recovery will continue but would be recovered through the Eversource stranded cost recovery charge rate instead of the energy service rate. If the Settlement Agreement is approved, any over- or under-recovery would be reconciled back to the time when temporary rates went into effect. If the Settlement Agreement is not approved, the Commission will render its decision in the instant docket and the rates would still be reconciled as described above.

The filing raises, inter alia, issues related to whether, pursuant to RSA 378:27, Eversource reports on file with the Commission support the requested temporary rate ; whether it is reasonable and in the public interest to allow Eversource to commence full cost recovery of Scrubber costs on a reconciling basis; and whether the resulting rate is just and reasonable as required by RSA 378:5 and 7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 16, 2015 at 3:00 p.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Eversource shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than November 30, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 14, 2015.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of November, 2015.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.