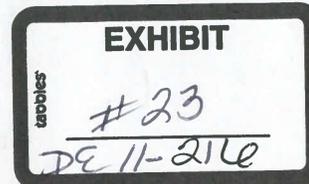




780 N. Commercial Street
P.O. Box 330
Manchester, NH 03105-0330

Matthew J. Fossum
Senior Counsel

603-634-2961
matthew.fossum@eversource.com



DE 11-216

March 31, 2016

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord NH 03301

Re: Docket No. DE 11-216, Public Service Company of New Hampshire
Alternate Default Energy Service Rate
Request to Extend Rate ADE



Dear Director Howland:

On April 8, 2013 the Commission issued Order No. 25,488 in the above-referenced docket conditionally approving a partial settlement agreement between Commission Staff, the Office of Consumer Advocate and Public Service Company of New Hampshire, now d/b/a Eversource Energy ("PSNH"), relating to PSNH's proposed Alternate Default Energy Service Rate ("Rate ADE"). Pursuant to Section 2.4.3 of the settlement agreement:

At least 3 months prior to the end of the pilot period, PSNH shall file a request to extend, modify or terminate Rate ADE and shall include information about the historical performance of Rate ADE and support for the requested relief.

Under the terms of the settlement agreement, the pilot period was to run for 36 months from January 1, 2013 or such other implementation date as ordered by the Commission. Rate ADE was implemented on July 1, 2013. Accordingly, in that the pilot period is to terminate on July 1, 2016, PSNH provides this filing as required by Section 2.4.3 of the settlement. By this submission, and as explained more fully below, PSNH is requesting to extend Rate ADE, in its present form either for 12 months from July 1, 2016, or until such time as PSNH has transitioned to a competitive solicitation for its default service needs consistent with the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (the "2015 Agreement") presently under review in Docket Nos. DE 11-250 and 14-238.

In making this filing, PSNH notes that pursuant to Order No. 25,739 (December 12, 2014), Rate ADE was amended from the design that had been initially proposed in the settlement agreement. Therefore, the information provided relating to the "historical performance" of Rate ADE covers only the period following the amendment authorized by the Commission. Should the Commission determine that the information prior to the amendment is necessary or relevant, PSNH will provide it. As shown in the attached information, and explained in the accompanying technical statement of Christopher Goulding, since it was redesigned, Rate ADE has tracked relatively close to market prices and, as a consequence, has helped to avoid unfair cost shifting among customer classes, as had been occurring previously.

Pursuant to Section III.B. (lines 297-299) of the 2015 Agreement:

No later than six months after the final financial closing resulting from the divestiture of PSNH's generating assets, PSNH will transition to a competitive procurement process for default service.

Accordingly, if the 2015 Agreement is approved, PSNH will transition from its current method of providing default service to one based upon a competitive procurement upon divesting its generating assets. If the 2015 Agreement is approved, PSNH anticipates that it would complete divestiture of its assets in early 2017. Consistent with the terms of the 2015 Agreement, at the time PSNH divests, and given its transition to a competitive procurement for default service, there will no longer be any cause or justification to maintain Rate ADE.

PSNH recognizes, however, that the Commission may not approve the 2015 Agreement, or may approve it at a time or with conditions that prevent PSNH from moving to competitive default solicitations consistent with the 2015 Agreement. Therefore, PSNH requests, in the alternative, that the Commission extend the Rate ADE pilot period for an additional 12 months, until July 1, 2017. Such extension will permit time for potential long-term amendments to Rate ADE to be assessed and implemented, if necessary, should the competitive default procurement in the 2015 Agreement not provide a viable resolution.

In that Rate ADE, as redesigned, has generally fulfilled its intended purpose of avoiding unfair cost shifting among customers, in PSNH's assessment, Rate ADE should not be amended at this time. Further, given the potential transfer to competitive solicitations for default service and the accompanying need for PSNH to amend all of its default service rate setting, terminating Rate ADE now would be inefficient, and could result in unintended consequences. For these reasons, in PSNH's assessment, the most efficient and reasonable course is to extend the pilot program until such time as PSNH transitions to competitive solicitations for its default service needs or until July 1, 2017.

PSNH has consulted with Staff and the Office of Consumer Advocate, the other parties to the settlement agreement, and reports that they agree with the extension of Rate ADE as proposed.

Thank you for your assistance with this matter. Please do not hesitate to contact me with any questions.

Very truly yours,



Matthew J. Fossum
Senior Counsel

Enclosure
CC: Service List