

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 19-082**

**Public Service Company of New Hampshire  
d/b/a Eversource Energy**

**Petition for Approval of Energy Service Solicitation and Resulting Rates**

**Order Approving Default Service Rates**

**ORDER NO. 26,315**

**December 12, 2019**

**APPEARANCES:** Matthew J. Fossum, Esq., on behalf of Public Service Company of New Hampshire d/b/a Eversource Energy; Office of the Consumer Advocate by D. Maurice Kreis, Esq., on behalf of residential ratepayers; and Suzanne G. Amidon, Esq., on behalf of Commission Staff.

This order approves the results of Eversource's solicitation for power supply for customers that have not elected to take energy service from a competitive supplier. The rates apply to the six-month period beginning February 1, 2020. For residential customers, energy service rates will decrease from the current rate of 8.825 cents per kWh to 8.306 cents per kWh. The default energy service rate approved for the six-month period beginning February 1, is 1.679 cents per kWh lower than the energy service rate charged for the six-month period beginning February 1, 2019. The energy portion of electric bills for residential customers taking energy service from Eversource and using 600 kilowatt hours per month will be \$3.34 less than that portion of the bill for the same time in the prior year.

Eversource proposed an additional change to the stranded cost recovery charge (SCRC) in Docket No. DE 19-108 for effect on February 1, 2020. The Commission will hold a hearing on the SCRC rate in January 2020. As a result, total bill changes for effect February 1, 2020, are unknown at this time.

## **I. PROCEDURAL HISTORY**

On April 22, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) filed a schedule for procuring default energy service for the six-month period beginning August 1, 2019. Eversource made that filing pursuant to a settlement agreement (Settlement Agreement) approved in Order No. 26,092 (December 29, 2017). The Settlement Agreement established the process by which Eversource procures energy service following divestiture of its generation assets.

On November 5, 2019, Eversource filed its proposed schedule for energy service solicitation and rate filing for the six-month period beginning February 1, 2020. Eversource made the current energy service filing on December 5. With its filing, Eversource included information for which it requested protective treatment. On December 6, the Commission issued a secretarial letter scheduling a hearing for December 10.

The Office of the Consumer Advocate (OCA) previously filed a letter of participation pursuant to RSA 363:28 on April 30, 2019. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <http://www.puc.nh.gov/Regulatory/Docketbk/2019/19-082.html>.

## **II. POSITIONS**

### **A. Eversource**

Eversource testified that it conducted the solicitation pursuant to the process approved in Order No. 26,092. On October 31, 2019, Eversource issued a request for proposals (RFP) for power supply services for both the Large and Small Customer groups.<sup>1</sup> Eversource sent the RFP

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<sup>1</sup> Eversource's Large Customer Group includes the following rate classes: Primary General Service Rate GV, Large General Service Rate LG, Backup Service Rate B, and any private lighting associated with those accounts billed under Outdoor Lighting Rate OL. The Small Customer Group includes the following rate classes: Residential Rate R, Rate OTOD, General Service Rate G, and G-OTOD, and any outdoor lighting associated with those accounts billed under Outdoor Lighting Rate OL, and municipal lighting under Outdoor Lighting Rates OL and EOL.

to over 100 potential suppliers, including all members of the NEPOOL Markets Committee, and posted the RFP on the Company's Wholesale Supply website. The RFP requested power supply for the Large Customer Group in a single tranche and power supply for the Small Customer Group in four tranches of relatively equal size. The prices for each tranche and customer group could be different, and bidders could submit bids for one or more tranches to serve the Small Customer Group. Eversource evaluated the bids for each tranche separately. The RFP requested that bids be prepared on an as-delivered energy basis, with prices stated monthly on a fixed dollar per megawatt hour. While bidders could offer prices that varied by month, Eversource required that the prices be uniform within each month, and cover the entire six-month period.

Eversource received bids on December 3, 2019. As specified in the RFP, Eversource evaluated the offers and selected winning suppliers based on the lowest price by customer group, compliance with non-bidding requirements and bidder qualifications, risk relative to prices, and ability to serve load. In addition to price, Eversource considered qualitative factors such as experience in providing similar service to Eversource affiliates, demonstrated understanding of obligations under the power supply agreement, and past or present events that might adversely affect the supplier's ability to provide energy.

Eversource ultimately selected the winning bidders based on price, as all the responding suppliers were qualified to provide energy service. Eversource selected Vitol, Inc. (Vitol), to supply power for two tranches of the Small Customer Group requirements, and NextEra Energy Marketing, LLC (NextEra), to provide power supply for two tranches of the Small Customer Group requirements. Eversource selected H.Q. Energy Service (U.S.), Inc. (HQ) to provide power supply to the Large Customer Group. Eversource provided confidential copies of the executed Transaction Confirmation and Master Power Supply Agreement as attachments to the testimony of Frederick B. White.

Based on the winning bids, Eversource calculated the base energy service rate for the Small Customer Group for the entire six-month period beginning February 1, 2020, to be 7.404 cents per kilowatt hour (kWh). Consistent with the Settlement Agreement, Eversource added to the base energy rate an amount that recovers the costs Eversource must pay for compliance with the Renewable Portfolio Standard (RPS) requirements of RSA 362-F.

In addition to the RPS adder, Eversource included in energy rates an amount to recover Eversource's administration and general costs related to the procurement of energy service for its customers. Eversource also included an energy cost reconciliation amount (over- or under-collection) in the calculation of energy service rates. Eversource also added a hydro adjustment factor.

Eversource calculated the RPS adder based on current market prices for renewable energy certificates that comply with the RPS requirements. The result is a uniform RPS adder of 0.779 cents per kWh for both the Large and Small Customer Groups. Eversource calculated the recovery factor for administration and general expense to be 0.095 cents per kWh. The reconciliation factor for the Large Customer Group is calculated to be 0.195 cents per kWh for the Large Customer Group, and 0.028 cents per kWh for the Small Customer Group. With those adjustments, the fixed energy service rate for the Small Customer Group for the six-month period beginning February 1, 2020, will be 8.306 cents per kWh.

The rate for the Large Customer Group included the same adjustment factors that apply to the Small Customer Group, but the base energy rates vary from month to month. Based on the winning bid, Eversource proposed the following monthly energy service rates for the Large Customer Group for the six-month period beginning February 1, 2020:

<b>Large Customer Energy Service Prices (¢/kWh)</b>					
February	March	April	May	June	July
11.297	8.743	8.196	7.212	6.453	6.899

Eversource stated that it conducted an open, competitive RFP with good participation from suppliers. Eversource asserted that the resulting rates are just and reasonable, and requested that the Commission approve the filing.

#### **B. OCA**

The OCA stated the filing demonstrated that the power supply solicitation was routine and the resulting rates are just and reasonable. The OCA recommended that the Commission approve the filing. The OCA also suggested that it may be appropriate for the Commission to consider the merits of a state-wide RFP for energy supply to assure that customers pay a default service rate as low as possible.

#### **C. Staff**

Staff stated that it had reviewed the filing and determined that Eversource conducted the solicitation, bid evaluation, and selection of suppliers in accordance with the Settlement Agreement and with the principles of RSA 374-F, the electric industry restructuring statute. Staff concluded that the resulting rates are market based and are just and reasonable. Staff recommended that the Commission approve the petition.

### **III. COMMISSION ANALYSIS**

We find the solicitation and bid evaluation procedures used by Eversource conform to the process approved in Order No. 26,092. Eversource's solicitation of bids and selection of HQ, NextEra, and Vitol to provide power supply for the six-month period beginning February 1, 2020, satisfies the requirement that default energy service be procured through a competitive process that produces rates that are market based. *See* RSA 374-F:3, V(c). Accordingly, we find the resulting rates to be just and reasonable. We authorize Eversource to recover the cost of

power procured under the power supply agreements and approve the proposed energy service rates.

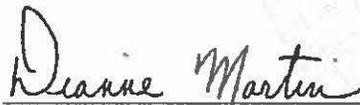
**Based upon the foregoing, it is hereby**

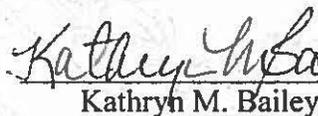
**ORDERED**, that the power supply agreements entered into between Eversource and HQ, NextEra, and Vitol, to provide power supply requirements for the six-month period beginning February 1, 2020, are hereby APPROVED; and it is

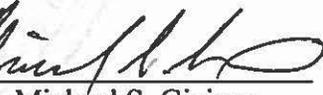
**FURTHER ORDERED**, that Eversource is authorized to recover the costs of the power supply agreements through the energy service rates proposed in this filing on a service-rendered basis for the six-month period beginning February 1, 2020; and it is

**FURTHER ORDERED**, that Eversource shall file a tariff as required by N.H. Admin. R., PART Puc 1603 conforming to this order within 20 days, and that the tariff shall demonstrate the calculation of the energy service rate and the various adjustments included in the calculation.

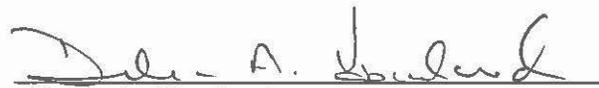
By order of the Public Utilities Commission of New Hampshire this twelfth day of December, 2019.

  
Dianne Martin  
Chairwoman

  
Kathryn M. Bailey  
Commissioner

  
Michael S. Giaimo  
Commissioner

Attested by:

  
Debra A. Howland  
Executive Director

ExecutiveDirector@puc.nh.gov  
acampbell@shaheengordon.com  
donald.kreis@oca.nh.gov  
james.brennan@oca.nh.gov  
ocalitigation@oca.nh.gov  
sgordon@shaheengordon.com  
tmclaughlin@shaheengordon.com  
Todd.Bohan@eversource.com  
matthew.fossum@eversource.com  
amanda.noonan@puc.nh.gov  
paul.dexter@puc.nh.gov  
richard.chagnon@puc.nh.gov  
Stephen.Eckberg@puc.nh.gov  
tom.frantz@puc.nh.gov