

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 23-080**

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

**Petition for Approval of the 2024 Lost Base Revenue Rate**

**Order Approving 2024 Lost Base Revenue Rate**

**ORDER NO. 26,922**

**December 22, 2023**

This order approves Public Service Company of New Hampshire d/b/a Eversource Energy's (Eversource) proposed lost base revenue (LBR) rate for effect between January 1, 2024 and December 31, 2024. LBR requires ratepayers to pay for Eversource's lower revenue due to estimated energy efficiency savings of approximately \$14 million in 2024.<sup>1</sup>

**I. PROCEDURAL HISTORY**

On September 1, 2023, Eversource filed a Petition for Approval of the 2024 Lost Base Revenue Rate (Petition), pre-filed direct testimony of Yi-An Chen, and attachments. Eversource proposed an LBR rate of \$0.00181 per kWh effective January 1, 2024. See Pre-filed Testimony of Yi-An Chen at 3. Eversource noted that its proposed rate varied from an initial estimated LBR rate of \$0.00178 per kWh included in the 2024-2026 Triennial Energy Efficiency Plan filed on June 30, 2023 in Docket No. DE 23-068. Petition at 2.

On December 1, 2023, Eversource filed an Update to Proposed Rate and Attachment. Eversource updated its proposed LBR rate back to \$0.00178 per kWh, effective January 1, 2024. Attachment YC-1 at 1.

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<sup>1</sup> The LBR calculation is codified by RSA 374-F:3, VI-a (d).

On December 4, 2023, the New Hampshire Department of Energy (DOE) filed a preliminary position statement and attachments, which included a copy of the LBR Working Group Report dated August 29, 2018 from Docket No. DE 17-136.

On December 14, 2023, a noticed hearing was held, at the conclusion of the hearing Eversource and the DOE supported approval of the revised rate of \$0.00178 per kWh as proposed by Eversource in its December 1 filing.

Eversource's petition and subsequent docket filings are posted to the Commission's website at: <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-080.html>.

## **II. COMMISSION ANALYSIS**

Eversource is the only electric distribution utility in New Hampshire permitted to charge an LBR rate to collect revenue it estimates to be lost due to decreased volumetric sales attributable to energy efficiency programs. Eversource is required to propose an alternative mechanism, such as decoupling, to replace LBR in its next rate case. Eversource will continue to collect LBR pursuant to a codified calculation until a successor mechanism is approved. RSA 374-F:3, VI-a (d). Eversource recovers the LBR rate through System Benefits Charge (SBC) assessments, which are volumetric non-bypassable rates applied to customer bills. Eversource also receives an energy efficiency performance incentive through the SBC.

Lost base revenue is calculated by multiplying the projected annual energy savings by the utility's distribution rate to calculate estimated lost revenue for the year; in turn the lost revenue is collected through a volumetric rate based on projected sales. This calculation is further described in the LBR Working Group Report dated August 29, 2018 from Docket No. DE 17-136.

At hearing, we heard supporting testimony that the rate calculation was appropriately performed, including a detailed cross examination of Eversource's witnesses that explained the supporting schedules and records. Eversource's witnesses also updated the Commission on the development of an alternative mechanism to the LBR rate, which will likely be proposed in a rate case filed as early as 2024.

Based on our review of the exhibits and hearing testimony, we conclude that the LBR rate proposed by Eversource rate was calculated consistent with the codified calculation and with corresponding rate case settlements. The Commission reminds all the parties that LBR is a reconcilable component of SBC rates subject to audit and should be treated as such during the transition from LBR to any alternative mechanism. Therefore, consistent with RSA 374-F:3, VI-a (d), the proposed rate of \$0.00178 per kWh, for effect between January 1, 2024 and December 31, 2024, is approved.

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

**ORDERED**, that Public Service Company of New Hampshire d/b/a Eversource Energy's updated proposed LBR rate of \$0.00178 per kWh, for effect between January 1, 2024 and December 31, 2024 is **APPROVED**; and it is

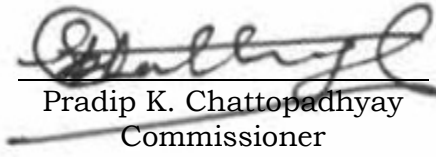
**FURTHER ORDERED**, that LBR adders are approved as reconciling mechanisms, subject to audit and future reconciliation; and it is

**FURTHER ORDERED**, that Public Service Company of New Hampshire d/b/a Eversource Energy shall file a compliance tariff with the Commission on or before January 16, 2024, in accordance with N.H. Code Admin. Rules Puc 1603.02(b).

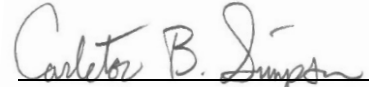
By order of the Public Utilities Commission of New Hampshire this twenty-second day of December, 2023.



Daniel C. Goldner  
Chairman



Pradip K. Chattopadhyay  
Commissioner



Carleton B. Simpson  
Commissioner

# Service List - Docket Related

Docket#: 23-080

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