

VIA eTariff Filing

September 29, 2022

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**RE: *Public Service Company of New Hampshire;*
Establishment of Depreciation Rates for Account Nos. 357 and 358 in
Appendix D-PSNH to Attachment F of the ISO-NE OATT
Docket No. ER22- -000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission² (the “Commission”), Public Service Company of New Hampshire (“PSNH” or the “Company”) hereby submits for filing a proposal to establish the transmission plant depreciation rate for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices to be set forth in PSNH’s Appendix D to Attachment F of the ISO New England Inc. (“ISO-NE”) Open Access Transmission Tariff (“ISO-NE OATT”).³ The proposed depreciation rates will be used to calculate PSNH’s annual transmission revenue requirements for transmission service under the ISO-NE OATT, and will result in a reduction in PSNH’s revenue requirement of approximately \$141,735 annually.⁴

In Order No. 618, the Commission determined that utilities changing their method of depreciation for accounting purposes could do so without making a formal filing with the Commission.⁵ However, the Commission also held that any proposal to modify prices charged for transmission service, “whether determined by stated or formula rates,” must do so pursuant to a filing under Section 205 of the FPA.⁶ As explained further below, through this filing, PSNH proposes to establish depreciation rates for Account 357, Underground Conduit and Account

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. Part 35 (2022).

³ The ISO-NE OATT is Section II of the ISO New England Inc. Transmission, Markets and Services Tariff.

⁴ PSNH is making this filing proposing changes to its Appendix D to Attachment F of the ISO-NE OATT in accordance with PSNH’s rights under Section 3.04(a)(i) of the Transmission Operating Agreement among ISO-NE and the New England Participating Transmission Owners (“PTOs”) to submit filings under FPA Section 205 to revise an individual PTO’s revenue requirements. ISO-NE is submitting this filing through eTariff as a courtesy to PSNH because only ISO-NE holds the administrative rights to submit filings through eTariff pertaining to the ISO-NE OATT.

⁵ *Depreciation Accounting*, Order No. 618, FERC Stats. & Regs. ¶ 31,104, at ¶ 61,695 n.25 (2000).

⁶ *Id.*

358, Underground Conductors and Devices, as it is the first time that these types of assets have been installed on the PSNH system. As support for the proposed depreciation rates, PSNH is submitting a Depreciation Study prepared by Mr. John Spanos of Gannett Fleming Valuation and Rate Consultants, LLC (Exhibit No. PSNH-4), and the supporting testimony and exhibits of Karl M. Pacelle (Exhibit Nos. PSNH-1, PSNH-2, and PSNH-3).

PSNH respectfully requests an effective date of December 1, 2022, which is the first day of the month that is 60 days after the date of this filing. To the extent necessary, PSNH respectfully requests waiver of any regulations necessary for the Commission to accept this filing and to grant the requested effective date.

I. BACKGROUND

PSNH is a public utility subsidiary of Eversource Energy, a Massachusetts business trust and public utility holding company under the Public Utility Holding Company Act of 2005.⁷ PSNH owns and operates transmission facilities in the state of New Hampshire that are used to provide Regional Network Service under the ISO-NE OATT, and Local Service under Schedule 21-ES of the ISO-NE OATT. PSNH is a PTO under the terms of the Transmission Operating Agreement (“TOA”) by and among the PTOs and ISO-NE.⁸ Effective February 1, 2005, the date on which ISO-NE operations as a Regional Transmission Organization began in New England, PSNH, among other PTOs,⁹ transferred operational control over its transmission facilities to ISO-NE pursuant to the TOA, and ISO-NE provides regional services over such facilities as set forth in the ISO-NE OATT and the TOA.

On May 20, 2020, PSNH put the Seacoast Reliability Project into service. The Seacoast Reliability Project included a new 115 kV transmission line extending approximately 13 miles between two existing substations in Madbury and Portsmouth, NH, along with associated substation upgrades, to enhance the reliability of the Eversource transmission system in the New Hampshire Seacoast region. The project consisted of both overhead and underground transmission assets. The Seacoast Reliability Project was the first PSNH project involving underground transmission assets, and these remain the only underground transmission assets in service for PSNH.

PSNH’s depreciation and amortization rates are described in Appendix D to Attachment F of the ISO-NE OATT. These rates were last submitted to FERC on January 27, 2021, as part of a compliance filing to the Formula Rate Settlement.¹⁰ The Formula Rate

⁷ Energy Policy Act of 2005, Pub. L. No. 109-58, § 1262, 119 Stat. 594, 972-73 (2005).

⁸ The Commission accepted the TOA in *ISO New England, Inc.*, 106 FERC ¶ 61,280; *order on rehearing*, 109 FERC ¶ 61,147 (2004).

⁹ PSNH’s public utility affiliates, NSTAR Electric Company and The Connecticut Light and Power Company, are also PTOs under the TOA.

¹⁰ See *ISO New England Inc.*, Compliance Filing, Docket No. ER20-2054-001 (filed Jan. 27, 2021); *ISO New England Inc.*, Letter Order Approving Compliance Filing, Docket Nos. ER20-2054-001, et al (Feb. 24, 2021). See also *ISO New England Inc.*, Settlement Agreement, Docket No. ER20-2054-000 (filed June 15, 2020) (“Formula Rate Settlement”); *ISO New England Inc.*, 173 FERC 61,270 (2020) (order accepting Formula Rate Settlement).

Settlement was filed on June 15, 2020, and accepted by the Commission on December 28, 2020.¹¹ Eversource Energy Service Company, as PSNH's agent, is a party to the Formula Rate Settlement. Among other things, the Formula Rate Settlement includes a moratorium on changes to certain portions of Attachment F to the ISO-NE OATT, including a moratorium on filings to change transmission depreciation rates until year three of the moratorium period (i.e., 2022) ("Depreciation Rate Moratorium").¹²

II. THIS FILING

PSNH is making this filing to establish depreciation rates for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices. As further detailed in the testimony of Karl M. Pacelle (Exhibit No. PSNH-1) this filing is necessitated by the placement in service of underground transmission assets associated with the Seacoast Reliability Project.

PSNH does not have currently-effective depreciation rates on file for Accounts 357 and 358. This is because PSNH did not, until recently, have any underground transmission assets in service, and depreciation rates for Accounts 357 and 358 were therefore not needed or appropriate. In May 2020, however, PSNH placed its first underground transmission assets in service, as part of the Seacoast Reliability Project. This timing coincided with the filing of the Formula Rate Settlement. Therefore, the Depreciation Rate Moratorium has until recently prevented PSNH from filing to establish depreciation accrual rates for Accounts 357 and 358, and all of the assets in service associated with the Seacoast Reliability Project – both above- and below-ground – have utilized the 2.49% annual depreciation rate authorized for Account 356, Overhead Conductors and Devices.

As detailed in Exhibit No. PSNH-4 ("Depreciation Study"), the proposed depreciation accrual rate for Account 357 is 1.80% and the proposed depreciation accrual rate for Account 358 is 2.27%. These rates were developed by John J. Spanos, the President of Gannett Fleming Valuation and Rate Consultants, LLC. The Depreciation Study explains that the recommended depreciation accrual rates for Accounts 357 and 358 are based on the surviving plant in-service and accumulated depreciation (book reserve) as of June 30, 2022. The resulting depreciation rates of 1.80% and 2.27%, respectively, were based on the survivor curve and net salvage parameters representing the most appropriate estimates for recovery of the type of assets in-service and the remaining life of the location.

The estimated impact on the Company's transmission depreciation expense is presented by Mr. Pacelle in Exhibit Nos. PSNH-1, PSNH-2, and PSNH-3. This estimated impact is shown using actual data as of June 30, 2022. As shown in Exhibit PSNH-2, the proposed update to the depreciation rate for PSNH's Account 357, Underground Conduit results in an estimated annual *decrease* of approximately \$92,400 in PSNH's annual depreciation expense. As shown in

¹¹ *Id.*

¹² See ISO-NE OATT Attachment F at Moratorium Exceptions, Section (ii) ("Beginning in year three of the moratorium period, filings to change transmission depreciation rates shall not be subject to such moratorium. In no event shall such filings open up for review by the Commission any other provision of this Attachment F during the moratorium period."); Formula Rate Settlement, Settlement Agreement Attachment 1 at 5.

Exhibit PSNH-3, the proposed update to the depreciation rate for PSNH's Account 358, Underground Conductors and Devices results in an estimated annual **decrease** of approximately \$49,335 in PSNH's annual depreciation expense. The proposed updates to the depreciation rates for PSNH's Account 357, Underground Conduit and Account 358, Underground Conductors and Devices result in a combined estimated annual **decrease** of approximately \$141,735.

PSNH has revised its Appendix D to Attachment F of the ISO-NE OATT to reflect these depreciation rates used in calculating PSNH's transmission revenue requirements. The clean and redline tariff section filed herewith reflects the proposed updated transmission plant depreciation rates proposed herein.

III. PROPOSED EFFECTIVE DATE AND WAIVER REQUEST

PSNH respectfully requests that the proposed tariff changes with proposed transmission plant depreciation rates for Accounts 357, Underground Conduit and 358, Underground Conductors and Devices be made effective as of December 1, 2022, which is the first day of the month that is 60 days after the date of this filing.

To the extent necessary, PSNH respectfully requests waiver of the full requirements of 18 C.F.R. § 35.13 or any other applicable regulations. Good cause exists for granting this waiver as this is a single-issue FPA Section 205 filing to establish depreciation rates. The Commission generally permits single-issue rate filings for changes in depreciation rates.¹³ In addition, the terms of the Formula Rate Settlement included a moratorium on changes to certain portions of Attachment F proposed pursuant to either Section 205 or Section 206 of the Federal Power Act that extends until December 31, 2024, with certain enumerated exceptions.¹⁴ The moratorium language in ISO-NE OATT, Attachment F specifically excludes filings to change transmission depreciation rates beginning in year three of the moratorium period (i.e., 2022), and provides that any such filings during the moratorium period shall be limited to a review of those transmission depreciation rates.¹⁵

IV. DOCUMENTS SUBMITTED WITH THIS FILING

This filing includes following:

- This transmittal letter;
- Exhibit No. PSNH-1: Testimony of Karl M. Pacelle;

¹³ See, e.g., *Ameren Illinois Co.* 141 FERC ¶ 61,264 at P 32 (2012), citing *Xcel Energy Services, Inc.*, 121 FERC ¶ 61,284 (2007) and *Mich. Electric Transmission Co.*, 117 FERC ¶ 61,314 (2006), order on reh'g, 118 FERC ¶ 61,139 (2007).

¹⁴ See *ISO New England Inc.*, 173 FERC ¶ 61,270 (2020).

¹⁵ See note 12, *supra*.

- Exhibit No. PSNH-2: Revenue Impact Statement showing a reduction in PSNH's transmission revenue requirement as the result of the proposed depreciation rate for Account 357, Underground Conduits;
- Exhibit No. PSNH-3: Revenue Impact Statement showing a reduction in PSNH's transmission revenue requirement as the result of the proposed depreciation rate for Account 358, Underground Conductors and Devices;
- Exhibit No. PSNH-4: Depreciation Study for PSNH Account 357, Underground Conduit and Account 358, Underground Conductors and Devices prepared by Gannet Fleming Valuation and Rate Consultants, LLC;
- Attachment A: Clean Tariff showing proposed depreciation rates for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices in PSNH's Appendix D to Attachment F of the ISO-NE OATT;
- Attachment B: Redlined Tariff showing updated depreciation rates for inclusion in PSNH's Appendix D to Attachment F of the ISO-NE OATT; and
- Attachment C: List of names and addresses of persons to whom a copy of this filing has been posted.

V. POSTING AND SERVICE

A copy of this filing is being sent to the electric utility regulatory agencies for the six New England states and to the New England Conference of Public Utilities Commissioners. Service of this filing has also been sent to the New England Power Pool ("NEPOOL") Participants Committee, which includes customers affected by this filing. The email addresses for these entities are provided in Attachment C to this filing. The filing is also available for public inspection, during regular business hours, in a convenient form and place, at the offices of PSNH. Additionally, this filing is being posted on ISO-NE's website at <http://www.isone.com/participate/filings-orders/pto>.

VI. COMMUNICATIONS

All correspondence and communications in this proceeding should be addressed to:¹⁶

¹⁶ PSNH respectfully requests waiver of 18 CFR 385.203(b)(3) to permit more than two persons to be included on the service list.

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Eversource Energy Service Company
107 Selden Street
Berlin, CT 06037
Tel: (860) 665-5711
E-mail: karl.pacelle@eversource.com

VII. CONCLUSION

For the foregoing reasons, PSNH respectfully requests that the Commission accept the depreciation rates and tariff revisions submitted in this filing without suspension or refund requirement and grant an effective date of December 1, 2022.

Respectfully submitted,

By: Mary E. Grover
Mary E. Grover, Esq.
Colin Francis, Esq.

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*Attorneys for
Public Service Company of New Hampshire*

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Public Service Company of New Hampshire)

Docket No. ER22-__-000

PREPARED TESTIMONY OF

KARL M. PACELLE

September 29, 2022

**EXHIBITS TO TESTIMONY OF
KARL M. PACELLE**

Exhibit No.	Description
PSNH-2	Revenue Impact Statement for Account 357
PSNH-3	Revenue Impact Statement for Account 358

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Public Service Company of New Hampshire)

Docket No. ER22-__-000

**PREPARED TESTIMONY
OF KARL M. PACELLE**

Q. Please state your name and business address.

A. My name is Karl M. Pacelle. My business address is 107 Selden Street, Berlin, Connecticut 06037.

Q. By whom are you employed and in what capacity?

A. I am employed by Eversource Energy Service Company (“Eversource Service”) as a Senior Analyst, Transmission Rates and Revenue Requirements. Eversource Service provides centralized services to its parent company, Eversource Energy, and its transmission-owning public utility subsidiaries: The Connecticut Light and Power Company (“CL&P”), NSTAR Electric Company (“NSTAR”), and Public Service Company of New Hampshire (“PSNH”).

Q. Please summarize your education and professional experience.

A. I graduated from Central Connecticut University in 2012 with a Bachelor of Science degree in Business Administration, concentrating in accounting. I joined Eversource Service and the Transmission Rates and Revenue Requirements group in 2016. I have held the positions of Associate Analyst, Analyst, and Senior Analyst in the Transmission

Rates and Revenue Requirements group. My current responsibilities include assisting in transmission rate-related FERC proceedings and filings, including the preparation and filing of various documents and exhibits related to transmission revenue requirements, rates and projects. I also assist in the coordination and implementation of transmission revenue requirements and rates for CL&P, NSTAR, and PSNH.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to show the impact on PSNH's transmission revenue requirement in connection with the proposed establishment of transmission plant depreciation rates for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices. In this filing, PSNH seeks the Commission's approval to establish these transmission plant depreciation rates for use in calculating its annual transmission revenue requirement under Section II of the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO-NE OATT").

Q. How are PSNH's annual transmission revenue requirements calculated under the ISO-NE OATT?

A. PSNH calculates its transmission revenue requirements for all transmission services, including Regional Service and Local Service, through the use of a single transmission formula rate contained in Attachment F to the ISO-NE OATT. This rate became

effective on January 1, 2022 pursuant to a Settlement approved by the Commission in Docket No. ER20-2054.¹

Q. Are you aware that utilities must obtain Commission authorization to change prices charged for transmission services (whether determined by stated rates or formula rates) to reflect a change in depreciation rates?

A. Yes. I understand from counsel that although not required to make a separate filing to obtain Commission approval before implementing changes in depreciation rates for accounting purposes, public utilities must obtain Commission approval to use such updated rates in calculating their annual transmission revenue requirements charged to customers for transmission service. Accordingly, in this filing, PSNH seeks Commission approval to change the transmission plant depreciation rates used for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices to establish its annual transmission revenue requirements for transmission service across its facilities provided under the ISO-NE OATT, pursuant to the requirements set forth in Order No. 618, *Depreciation Accounting*, FERC Stats. and Reg. ¶ 31,104 (2000).

III. PROPOSED DEPRECIATION RATE

Q. Please summarize your testimony.

A. PSNH seeks Commission approval to establish two transmission plant depreciation rates used in calculating its annual transmission revenue requirements pursuant to the ISO-NE OATT. In this testimony, I discuss the impact on PSNH's annual transmission revenue

¹ See *ISO New England Inc.*, 173 FERC ¶ 61,270 (2020) ("Settlement").

requirements as a result of this proposal. I also discuss the proposed tariff revisions to PSNH's Appendix D to Attachment F of the ISO-NE OATT.

Q. Why is PSNH establishing these depreciation rates?

A. On May 20, 2020, PSNH put the Seacoast Reliability Project into service. This project consisted of both overhead and underground transmission assets. However, PSNH did not have depreciation rates on file with the Commission for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices. This filing seeks to establish rates for these accounts to ensure that PSNH's underground transmission assets can be depreciated appropriately. I understand from counsel that PSNH could not update the rate until this year because the terms of the Settlement governing, *inter alia*, ISO-NE OATT Attachment F included a moratorium on changes to certain portions of Attachment F proposed pursuant to either Section 205 or Section 206 of the Federal Power Act that extends until December 31, 2024, with certain enumerated exceptions. The language in ISO-NE OATT, Attachment F specifically excludes from the moratorium filings to change transmission depreciation rates beginning in year three of the moratorium period (i.e., 2022), and provides that any such filings during the moratorium period shall be limited to a review of those transmission depreciation rates.

Q. What is PSNH's proposed transmission plant depreciation rate for Account 357, Underground Conduit?

A. PSNH engaged Mr. John Spanos of Gannett Fleming Valuation and Rate Consultants, LLC to study the asset in question. As detailed in the Depreciation Study prepared by

Mr. Spanos, Mr. Spanos determined that the appropriate depreciation rate for underground conduit associated with the Seacoast Reliability Project should be 1.80%.

Q. What is PSNH's proposed transmission plant depreciation rate for Account 358, Underground Conductors and Devices?

A. PSNH again engaged Mr. John Spanos of Gannett Fleming Valuation and Rate Consultants, LLC to study the asset in question. As detailed in the Depreciation Study prepared by Mr. Spanos, Mr. Spanos determined that the appropriate depreciation rate for underground conductors and devices associated with the Seacoast Reliability Project should be 2.27%.

Q. What exhibits are included in this filing in support of the change in transmission plant depreciation expense as a result of the proposed transmission plant depreciation rates?

A. Exhibit No. PSNH-2 is a revenue impact statement that shows the impact on PSNH's transmission revenue requirement as a result of the proposed transmission plant depreciation rate for Account 357, Underground Conduit. The Estimated Annual Transmission Related Depreciation Expense provided in Exhibit No. PSNH-2, page 2 shows the proposed transmission plant depreciation rate of 1.80% for Account 357, Underground Conduit in Column (B) multiplied by the June 30, 2022 transmission plant balance in column (A) to show what the annual depreciation expense would have been had the proposed transmission plant depreciation rate of 1.80% for these assets been in effect for a year. The Estimated Change in Annual Transmission Related Depreciation Expense provided in Exhibit No. PSNH-2, page 1 compares the actual level of

depreciation expense currently included in PSNH's revenue requirements for 2022 against the depreciation expense under the proposed rate for Account 357, Underground Conduit, and provides the difference in Column (C).

Exhibit No. PSNH-3 is a revenue impact statement that shows the impact on PSNH's transmission revenue requirement as a result of the proposed transmission plant depreciation rate for Account 358, Underground Conductors and Devices. The Estimated Annual Transmission Related Depreciation Expense provided in Exhibit No. PSNH-3, page 2 shows the proposed transmission plant depreciation rate of 2.27% for Account 358, Underground Conductors and Devices in Column (B) multiplied by the June 30, 2022 transmission plant balance in column (A) to show what the annual depreciation expense would have been had the proposed transmission plant depreciation rate of 2.27% for these assets been in effect for a year. The Estimated Change in Annual Transmission Related Depreciation Expense provided in Exhibit No. PSNH-3, page 1 compares the actual annual depreciation expense included in PSNH's current revenue requirements for 2022 against the depreciation expense under the proposed rate for Account 358, Underground Conductors and Devices, and provides the difference in Column (C).

IV. REVENUE IMPACT

Q. What is the impact to annual transmission plant depreciation expense related to transmission service resulting from the new transmission plant depreciation rates?

A. The estimated impact to transmission plant depreciation expense was calculated based on balances as of June 30, 2022. As shown on Exhibit Nos. PSNH-2 and PSNH-3, the estimated transmission-related depreciation expense impact for PSNH that results from

the updated, proposed depreciation rates is a **reduction** in PSNH's transmission revenue requirement of approximately \$141,735. This rate reduction stems from the fact that all of the transmission assets for the Seacoast Reliability Project – both overhead and underground – are currently being depreciated at the 2.49% annual rate approved for Account 356, Overhead Conductor and Devices. With Commission approval of the 1.80% depreciation rate for Account 357 and the 2.27% depreciation rate for Account 358, the underground transmission assets associated with the Seacoast Reliability Project will begin to be depreciated at these lower depreciation rates, which will drive the reduction to the PSNH transmission revenue requirement.

Q. Is PSNH proposing any tariff revisions in connection with the proposed transmission plant depreciation rates for Account 357, Underground Conduit and Account 358, Underground Conductors and Devices?

A. Yes. PSNH is proposing limited tariff revisions to its Appendix D to Attachment F of the ISO-NE OATT to reflect the updated depreciation rates. Specifically, PSNH is proposing to add lines for Account 357, Underground Conduit with a rate of 1.80% and Account 358, Underground Conductors and Devices with a rate of 2.27%.

Q. Are you sponsoring any exhibits?

A. Yes, in addition to this testimony, I am sponsoring Exhibit Nos. PSNH-2 and PSNH-3, which illustrate the revenue impact of the proposed update to PSNH's transmission plant depreciation rates on PSNH's transmission revenue requirements described in my testimony above.

V. CONCLUSION

Q. Does that complete your testimony?

A. Yes, it does.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Public Service Company of New Hampshire

)

Docket No. ER22- -000

AFFIDAVIT OF KARL M. PACELLE

I, Karl M. Pacelle, under the penalty of perjury, state that the information contained in the Prepared Testimony of Karl M. Pacelle on behalf of Public Service Company of New Hampshire is true, correct, accurate, and complete to the best of my knowledge, information and belief.

Executed this 27th day of September 2022.

Karl Pacella

Karl M. Pacelle

Exhibit No. PSNH-2

**Summary of Estimated Change and Estimated Expense Due To
Establishment of Transmission Plant Depreciation Rate for Account 357,
Underground Conduit**

Public Service Company of New Hampshire

Public Service Company of New Hampshire
Estimated Change in Annual Transmission Related Depreciation Expense
Due to Establishment of Transmission Plant Depreciation Rate for Account 357
As of June 30, 2022

Exhibit No. PSNH-2
Page 1 of 2

Line No.	FERC Account Number	FERC Account Description	(A) Actual Annual Depreciation Expense (a)	(B) Proposed Annual Depreciation Expense (b)	(C) = (B)-(A) Annual Depreciation Expense Increase/ (Decrease)
1	357	Underground Conduit	\$ 333,443	\$ 241,043	\$ (92,400)

Notes:

- (a) Internal Plant Accounting Records - This depreciation expense represents the current annualized depreciation expense and applies to the balance of PSNH transmission assets that belong in Account 357, but currently reside in Account 356, calculated as follows:

(1) Account Balance as of June 30, 2022	(2) Current Depreciation Rate (c)	(1)*(2) Annual Depreciation Expense
\$ 13,391,292	2.49%	\$ 333,443

- (b) Exhibit No. PSNH-2, Page 2 Estimated Transmission Related Depreciation Expense Under Proposed Transmission Plant Depreciation Rate, Column (C)
(c) ISO New England Inc. Open Access Transmission Tariff, Attachment F, Appendix D-Public Service Company of New Hampshire

Public Service Company of New Hampshire
Estimated Annual Transmission Related Depreciation Expense
Under Proposed Transmission Plant Depreciation Rate

Exhibit No. PSNH-2
Page 2 of 2

Line No.	FERC Account Number	FERC Account Description	(A) Account Balance as of June 30, 2022	(B) Proposed Depreciation Rate (a)	(C) = (A)*(B) Annual Depreciation Expense
1	357	Underground Conduit	\$ 13,391,292	1.80%	\$ 241,043

Notes:

(a) Exhibit No. PSNH-4 - Study from Gannett Fleming

Exhibit No. PSNH-3

**Summary of Estimated Change and Estimated Expense Due To
Establishment of Transmission Plant Depreciation Rate for Account 358,
Underground Conductors and Devices**

Public Service Company of New Hampshire

Public Service Company of New Hampshire
Estimated Change in Annual Transmission Related Depreciation Expense
Due to Establishment of Transmission Plant Depreciation Rate for Account 358
As of June 30, 2022

Exhibit No. PSNH-3
Page 1 of 2

Line No.	FERC Account Number	FERC Account Description	(A)	(B)	(C) = (B)-(A)
			Actual Annual Depreciation Expense (a)	Proposed Annual Depreciation Expense (b)	Annual Depreciation Expense Increase/ (Decrease)
1	358	Underground Conductors and Devices	\$ 558,382	\$ 509,047	\$ (49,335)

Notes:

- (a) Internal Plant Accounting Records - This depreciation expense represents the current annualized depreciation expense and applies to the balance of PSNH transmission assets that belong in Account 358, but currently reside in Account 356, calculated as follows:

(1)	(2)	(1)*(2)
Account Balance as of June 30, 2022	Current Depreciation Rate (c)	Annual Depreciation Expense
\$ 22,424,993	2.49%	\$ 558,382

- (b) Exhibit No. PSNH-3, Page 2 Estimated Transmission Related Depreciation Expense Under Proposed Transmission Plant Depreciation Rate, Column (C)
- (c) ISO New England Inc. Open Access Transmission Tariff, Attachment F, Appendix D-Public Service Company of New Hampshire

Public Service Company of New Hampshire
Estimated Annual Transmission Related Depreciation Expense
Under Proposed Transmission Plant Depreciation Rate

Exhibit No. PSNH-3
Page 2 of 2

Line No.	FERC Account Number	FERC Account Description	(A) Account Balance as of June 30, 2022	(B) Proposed Depreciation Rate (a)	(C) = (A)*(B) Annual Depreciation Expense
1	358	Underground Conductors and Devices	\$ 22,424,993	2.27%	\$ 509,047

Notes:

(a) Exhibit No. PSNH-4 - Study from Gannett Fleming



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gannettfleming.com

August 30, 2022

[Send via email to Lindsey.Ekblade@Eversource.com](mailto:Lindsey.Ekblade@Eversource.com)

Ms. Lindsey A. Ekblade
Plant Accounting
Eversource Energy
107 Selden Street
Berlin, CT 06037

Dear Lindsey:

Depreciation Rate for Seacoast

Per your request, we have determined recommended depreciation rates for transmission assets related to Seacoast Accounts 357.00, Underground Conduit and 358.00, Underground Conductor and Devices for Public Service Company of New Hampshire (PSNH) as of June 30, 2022. The recommended depreciation accrual rates are based on the surviving plant in service and accumulated depreciation (book reserve) as of June 30, 2022. The resulting depreciation rates were based on the average service life of 60 years, survivor curve - S2.5, a negative 5 percent net salvage for Account 357 and an average service life of 50 years, survivor curve – R2.5 and a negative 10 percent net salvage for Account 358. The survivor curve and net salvage parameters represent the most appropriate estimates for recover of the type of assets in service and the remaining life of the location. Each parameter is established with the general understanding of the type of assets and the estimates of comparable assets within the industry. The resulting remaining life rate reflects past recovery patterns. The tables below set forth the developed rates of 1.80 and 2.27 for the Seacoast assets in Account 357 and 358 as of June 30, 2022.



ACCOUNT 357.00 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF JUNE 30, 2022

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)

SURVIVOR CURVE.. IOWA 60-S2.5

NET SALVAGE PERCENT.. -5

2020	13,391,292.06	468,648	105,905	13,954,952	58.00	240,603
	13,391,292.06	468,648	105,905	13,954,952		240,603

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 58.0 1.80

ACCOUNT 358.00 UNDERGROUND CONDUCTORS AND DEVICES

SURVIVOR CURVE.. IOWA 50-R2.5

NET SALVAGE PERCENT.. -10

2020	22,424,992.61	927,498	177,347	24,490,145	48.12	508,939
	22,424,992.61	927,498	177,347	24,490,145		508,939

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 48.1 2.27

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

JOHN J. SPANOS
President

Public Service Company of New Hampshire
Appendix D to Attachment F of the ISO New England OATT
Depreciation and Amortization Rates

Line No.	FERC Account Number	FERC Account Description	Annual Rate Percentage
<u>I. Transmission Plant</u>			
1	350	Land and Land Rights	0.00%
2	352	Structures and Improvements	1.51%
3	353	Station Equipment	1.98%
4	354	Towers and Fixtures	1.46%
5	355	Poles and Fixtures	2.36%
6	356	Overhead Conductor and Devices	2.49%
7	357	Underground Conduit	1.80%
8	358	Underground Conductors and Devices	2.27%
9	359	Roads and Trails	1.37%
<u>II. General Plant</u>			
10	389	Land and Land Rights	0.00%
11	390	Structures & Improvements	1.40%
12	391	Office Furniture & Equipment	4.53%
13	392	Transportation Equipment	9.48%
14	392	Class 1 Car	14.29%
15	392	Class 2 Light Trucks	12.50%
16	392	Class 3 Medium Trucks	11.11%
17	392	Class 4 Heavy Trucks	10.00%
18	392	Class 5 Rolling Equipment	8.33%
19	392	Class 6 Trailers	6.67%
20	392	Electric Vehicle Charge Station	20.00%
21	392	Fleet Vehicles	33.33%
22	393	Stores Equipment	6.91%
23	394	Tools, Shop & Garage Equipment	5.78%
24	395	Laboratory Equipment	3.62%
25	396	Power Operated Equipment	10.00%
26	397	Communication Equipment 5 Year Life	20.00%
27	397	Communication Equipment Microwave	6.09%
28	397	Communications Equipment	6.09%
29	398	Miscellaneous General Equipment	10.56%
30	399	Other Tangible Property	0.00%
<u>III. Intangible Plant</u>			
31	303	3 Year Life Intangible Plant	33.33%

Public Service Company of New Hampshire
Appendix D to Attachment F of the ISO New England OATT
Depreciation and Amortization Rates

Line No.	FERC Account Number	FERC Account Description	Annual Rate Percentage
32	303	5 Year Life Intangible Plant	20.00%

Public Service Company of New Hampshire
Appendix D to Attachment F of the ISO New England OATT
Depreciation and Amortization Rates

Line No.	FERC Account Number	FERC Account Description	Annual Rate Percentage
<u>I. Transmission Plant</u>			
1	350	Land and Land Rights	0.00%
2	352	Structures and Improvements	1.51%
3	353	Station Equipment	1.98%
4	354	Towers and Fixtures	1.46%
5	355	Poles and Fixtures	2.36%
6	356	Overhead Conductor and Devices	2.49%
7	357	Underground Conduit	1.80%
8	358	Underground Conductors and Devices	2.27%
97	359	Roads and Trails	1.37%
<u>II. General Plant</u>			
108	389	Land and Land Rights	0.00%
119	390	Structures & Improvements	1.40%
1240	391	Office Furniture & Equipment	4.53%
1344	392	Transportation Equipment	9.48%
1442	392	Class 1 Car	14.29%
1543	392	Class 2 Light Trucks	12.50%
1644	392	Class 3 Medium Trucks	11.11%
1745	392	Class 4 Heavy Trucks	10.00%
1846	392	Class 5 Rolling Equipment	8.33%
1947	392	Class 6 Trailers	6.67%
2048	392	Electric Vehicle Charge Station	20.00%
2149	392	Fleet Vehicles	33.33%
2220	393	Stores Equipment	6.91%
2324	394	Tools, Shop & Garage Equipment	5.78%
2422	395	Laboratory Equipment	3.62%
2523	396	Power Operated Equipment	10.00%
2624	397	Communication Equipment 5 Year Life	20.00%
2725	397	Communication Equipment Microwave	6.09%
2826	397	Communications Equipment	6.09%
2927	398	Miscellaneous General Equipment	10.56%
3028	399	Other Tangible Property	0.00%
<u>III. Intangible Plant</u>			
3129	303	3 Year Life Intangible Plant	33.33%

Public Service Company of New Hampshire
Appendix D to Attachment F of the ISO New England OATT
Depreciation and Amortization Rates

Line No.	FERC Account Number	FERC Account Description	Annual Rate Percentage
32 30	303	5 Year Life Intangible Plant	20.00%

Attachment C

Service List

This filing is being served on electric utility regulatory agencies for the six New England states, the New England Conference of Public Utilities Commissioners and the New England Power Pool (“NEPOOL”) Participants Committee.

For the electric utility regulatory agencies for the six New England states (Connecticut Public Utilities Regulatory Authority; Maine Public Utilities Commission; Massachusetts Department of Public Utilities; New Hampshire Public Utilities Commission; Rhode Island Public Utilities Commission; Vermont Public Utility Commission) and the New England Conference of Public Utilities Commissioners:

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The names and email addresses of the NEPOOL Participants Committee members are posted on the ISO-NE website at <https://www.iso-ne.com/committees/participants/participants-committee/>.