

STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
DIRECT TESTIMONY OF YI-AN CHEN AND SCOTT R. ANDERSON
PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY
DEFAULT ENERGY SERVICE RATE CHANGE

December 14, 2023

Docket No. DE 23-043

1 **I. INTRODUCTION**

2 **Q. Ms. Chen, please state your name, business address, and position.**

3 A. My name is Yi-An Chen. My business address is 780 North Commercial Street,
4 Manchester, New Hampshire. I am employed by Eversource Energy Service
5 Company as the Director of Revenue Requirements for New Hampshire and in that
6 position, I provide service to Public Service Company of New Hampshire d/b/a
7 Eversource Energy (“PSNH”, “Eversource,” or the “Company”).

8 **Q. Ms. Chen, please provide your educational and professional background.**

9 A. I received a Bachelor of Business Administration in International Business degree from
10 Soochow University in Taipei, Taiwan and a Masters Degree in Business Administration
11 from Clark University. I joined Eversource earlier this year, following more than 15 years
12 of experience with National Grid USA in various roles of increasing responsibility,
13 including Regulatory and Compliance, Finance and Performance Management, Program
14 and Project Management, and Reporting and Analysis.

15 **Q. Ms. Chen, what are your responsibilities in your current position?**

1 A. I am currently responsible for the coordination and implementation of revenue
2 requirements calculations and regulatory filings for PSNH, as well as the filings associated
3 with PSNH's default Energy Service ("ES"), Stranded Cost Recovery Charge ("SCRC"),
4 Transmission Cost Adjustment Mechanism ("TCAM"), System Benefits Charge ("SBC"),
5 Regulatory Reconciliation Adjustment ("RRA") mechanism, Pole Plant Adjustment
6 Mechanism ("PPAM"), and Base Distribution Rates.

7 **Q. Ms. Chen, have you previously testified before the New Hampshire Public Utilities**
8 **Commission (the "Commission")?**

9 A. Yes, I provided testimony before the Commission in support of the Company's Lost Base
10 Revenue ("LBR") component filing of the SBC submitted in Docket No. DE 23-080.

11 **Q. Mr. Anderson, please state your name, business address, and position.**

12 A. My name is Scott R. Anderson. I am employed by Eversource Energy Service Company
13 as the Manager of Rates in New Hampshire. In this position, I provide support to PSNH.
14 My business address is 780 North Commercial Street, Manchester, New Hampshire.

15 **Q. What are your principal responsibilities in that position?**

16 A. As the Manager of Rates, I am responsible for activities related to rate design, cost of
17 service, and rates administration for the Company.

1 **Q. Please describe your educational and professional background.**

2 A. I received a Bachelor of Arts degree in Mathematics from Hartwick College in 1986. In
3 September 1986, I began my utility career in Rates and Regulatory Affairs for Central
4 Vermont Public Service Corporation (“CVPS”) and rose to the position of Manager of
5 Rates. In 2012, CVPS merged with Green Mountain Power Corporation (“GMP”) and I
6 continued as Manager of Rates. In December 2022, I retired from GMP and assumed my
7 current position with Eversource.

8 **Q. Mr. Anderson, have you previously testified before the Commission?**

9 A. Yes. Most recently, I submitted testimony and attachments in the Company’s RRA
10 filing in Docket No. 23-021, TCAM in Docket No. DE 23-070, PPAM in Docket No. DE
11 23-075, and the previous Default Energy Service filing for rates effective August 1, 2023
12 in this docket.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of our testimony is to seek the necessary approvals to set (i) a fixed average
15 ES rate for the Small Customer class, and (ii) variable monthly ES rates for the Large
16 Customer class, that will be applicable to both classes for the six-month period beginning
17 February 1, 2024 and ending July 31, 2024.

Small Customer Rates(i)	Large Customer Rates (ii)
R	GV

R-OTOD 2	LG
G	B
G-OTOD	OL (billed outdoor lighting associated with rates above)
EOL, EOL-2 and OL (billed outdoor lighting associated with rates above)	

1

2 **Q. Please explain the ES rates for which the Company is seeking approval.**

3 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE
4 17-113, Eversource is requesting that the Commission review and approve a fixed six-
5 month ES rate for the Small Customer class for the period of February 1, 2024 through
6 July 31, 2024, based on the weighted average of the six monthly-contracted prices
7 contained in the supply agreement(s) with the winning bidders selected for the Small
8 Customer class. For the Small Customer class, the fixed ES rate for the two prior six-
9 month periods and proposed rate for the period of February 1, 2024 through July 31,
10 2024, as calculated on page 1 of Attachment YC/SRA-1, are as follows:

Small Customer Energy Service Rates (Average \$ per kWh)					
DE 22-021 Filing Approved Rates Order No. 26,747 (December 14, 2022)		DE 23-043 Filing Approved Rates Order No. 26,851 (June 22, 2023)		DE 23-043 Filing Proposed Rates	
February 2023 to July 2023	\$0.20221	August 2023 to January 2024	\$0.12582	February 2024 to July 2024	\$0.08285

1
2
3
4
5
6
7
8

The Company is also requesting that the Commission review and approve monthly-variable ES rates for the Large Customer class for the period of February 1, 2024 through July 31, 2024, based on the six monthly-contracted prices contained in the supply agreement with the winning ES supplier for the Large Customer class. For the Large Customer class, the monthly ES rates for the two prior six-month periods and proposed rates for the period of February 1, 2024 through July 31, 2024 , as calculated on page 2 of Attachment YC/SRA-1, are as follows:

Large Customer Energy Service Rates (\$ per kWh)					
DE 22-021 Filing Approved Rates Order No. 26,762 (January 20, 2023)		DE 23-043 Filing Approved Rates Order No. 26,851 (June 22, 2023)		DE 23-043 Filing Proposed Rates	
February 2023	\$0.48321	August 2023	\$0.11837	February 2024	\$0.18173
March 2023	\$0.32083	September 2023	\$0.09734	March 2024	\$0.12061
April 2023	\$0.21612	October 2023	\$0.09486	April 2024	\$0.09495
May 2023	\$0.17003	November 2023	\$0.13604	May 2024	\$0.09004
June 2023	\$0.14779	December 2023	\$0.22688	June 2024	\$0.09443
July 2023	\$0.18098	January 2024	\$0.29225	July 2024	\$0.11602

9
10
11
12
13
14
15
16
17

- Q. Please describe the detailed support for the calculation of the Small Customer and Large Customer ES rates.**
- A. Attachment YC/SRA-1, Page 1, provides the calculation of the total monthly ES rate for the Small Customer class, including the cost/(credit) of RPS compliance, prior period reconciliations for ES, RPS, cost of administrative and general (A&G) expense, and working capital requirement associated with the ES offering. The weighted average

1 Small Customer fixed ES rate for the period of February 1, 2024 through July 31, 2024 is
2 calculated on Line 13.

3
4 Attachment YC/SRA-1, Page 2, provides the calculation of the total monthly ES rates for
5 the Large Customer class, including (i) the cost of RPS compliance, (ii) prior period
6 reconciliations for ES and RPS, (iii) the cost of A&G expense associated with the ES
7 offering, and (iv) a Working Capital adjustment. The monthly rates for the six-month
8 period are calculated on Line 11.

9
10 Attachment YC/SRA-1, Page 3, provides the forecasted A&G expenses associated with
11 the ES offering. The A&G adjustment factor is calculated on Line 8.

12
13 Attachment YC/SRA-1, Page 4, provides the forecasted working capital associated with
14 the ES offering for both Small Customer and Large Customer classes. The monthly ES
15 rates for the six-month period are calculated on Lines 7, 14, and 19, whereby the sum of
16 Lines 7 and 19 are for the Small Customer class and Lines 14 and 19 are for the Large
17 Customer class.

18 **Q. Did the Company update the reconciliation factors provided in this rate request for**
19 **rates effective February 1, 2024?**

20
21 A. No. This rate filing includes the reconciliation factors as approved by the Commission in
22 Order No. 26,851 (June 22, 2023) for effect as of August 1, 2023. As shown in

1 Attachment YC/SRA-1, Pages 1 and 2, the Energy Service Reconciliation Adjustment
2 Factor is \$(0.00849) for the Small Customer group and \$0.02099 for the Large Customer
3 Group. The basis for calculation of the specific reconciliation factors is set forth in
4 Attachment YC/SRA-2 (Pages 1 and 2). The updates to the Small ES, Large ES, and
5 RPS reconciliation adjustment factors are made on an annual basis and will be filed in the
6 upcoming June 2024 ES filing for ES rates effective August 1, 2024.

7
8 **Q. Did the Company include a working capital component for energy supply and**
9 **renewable energy certificates in the calculation of the Energy Service rates in this**
10 **filing?**

11
12 A. Yes. In Order No. 26,237 issued on April 25, 2019 in Docket No. DE 18-073, the
13 Commission authorized Eversource to use the results of a lead/lag study in the calculation
14 of working capital requirements for ES rates. The Company's most recent lead-lag study
15 was filed in the June 15, 2023 filing and approved by the Commission for ES rates
16 effective August 1, 2023.¹ That same study is included as Attachment YC/SRA-4, page
17 1, in this filing and utilizes the results of the study to calculate cash working capital
18 requirements for ES rates effective February 1, 2024.

¹ See Order No. 26,851 (June 22, 2023).

1 **Q. Has the Company calculated the customer bill impacts for the proposed February 1,**
2 **2024 Small Customer and Large Customer ES rate changes?**

3
4 A. Yes. The Small Customer and Large Customer rate impacts are provided in Attachment
5 YC/SRA-5.

6 • Page 1 provides a comparison of residential rates proposed for effect February 1,
7 2024 to current rates effective October 1, 2023 for a 550 kWh monthly bill, a 600
8 kWh monthly bill, and a 650 kWh monthly bill.

9 • Page 2 provides a comparison of residential rates proposed for effect February 1,
10 2024 to rates effective February 1, 2023 for a 550 kWh monthly bill, a 600 kWh
11 monthly bill, and a 650 kWh monthly bill.

12 • Page 3 provides the average impact of each change on bills for all rate classes by
13 rate component and on a total bill basis, including ES.

14 The rate impacts provided in Attachment YC/SRA-5 Page 1 incorporate changes
15 effective October 1, 2023 in the (i) Distribution rate reflecting all changes in permanent
16 rates approved by the Commission in Docket No. DE 22-030, (ii) RRA rate change in
17 Docket No. DE 23-021, (iii) TCAM rate change in Docket No. 23-070, (iv) PPAM rate
18 change in Docket No. DE 23-075, and (v) ES rate change proposed in this filing.

19 **Q. Has the Company provided updated Tariff pages as part of this filing?**

20 A. Yes, updated tariff pages have been provided as Attachment YC/SRA-6.

1 **Q. Does Eversource require Commission approval of the Small Customer and Large**
2 **Customer ES rates by a specific date?**

3
4 A. Yes, in order to lock in the RFP results and make effective the contracts executed with
5 the proposed bid selections, Eversource is seeking final approval of the proposed Small
6 Customer and Large Customer ES rates by December 21, 2023.

7

8 **Q. Would Commission approval of the Small Customer and Large Customer bids and**
9 **the corresponding rates result in just and reasonable rates?**

10
11 A. Yes, it would.

12

13 **Q. Does this conclude your testimony?**

14 A. Yes, it does.