

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY
PREPARED TESTIMONY OF DANIEL J. LUDWIG
MID-TERM ADJUSTMENT EFFECTIVE JULY 1, 2015
2015 ENERGY SERVICE RATE CHANGE
Docket No. DE 14-235

1 **Q. Please state your name, business address and position.**

2 A. My name is Daniel J. Ludwig. My business address is One NSTAR Way,
3 Westwood, MA. I am employed by Eversource Energy as a Senior Load
4 Forecasting Analyst. Eversource Energy provides centralized service to Public
5 Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”).

6 **Q. Have you previously testified before the Commission?**

7 A. No, I have not. The ES mid-year rate adjustment filing is the first time I am
8 sponsoring testimony before the Commission.

9 **Q. Please describe your educational background.**

10 A. I graduated from the University of Massachusetts in Amherst, MA in 2006 with a
11 Bachelor of Science degree in Plant and Soil Sciences with a minor in Managerial
12 Economics. I also graduated from the University of Massachusetts in Amherst,

1 MA in 2008 with a Master's of Science in Resource Economics with a
2 concentration in Econometrics.

3 **Q. Please describe your professional experience.**

4 A. Upon graduation from the University of Massachusetts in Amherst, I was hired by
5 Northeast Utilities (now Eversource Energy) in the Load Forecasting Department
6 and have held numerous titles each with increasing responsibility through my
7 current position as a Senior Load Forecasting Analyst.

8 **Q. What are your current responsibilities?**

9 A. I am currently responsible for activities associated with demand forecasting and
10 economic analysis of multiple operating companies within Eversource.

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

12 A. Consistent with Order No. 25,614 (December 27, 2013) in Docket No. DE 13-275,
13 the purpose of my testimony is to present and discuss a customer migration forecast
14 that Eversource has developed as a requirement of this 2015 Energy Service rate
15 docket.

16 **Q. Were there any changes in the forecasting methodology?**

17 A. Eversource customer migration was forecasted using the same econometric
18 modeling techniques previously presented in Docket No. DE 14-235. The model

1 structure evaluates historical migrated load as a function of competitive suppliers’
2 price of electricity and known changes to load. When the price of electricity
3 offered by competitive suppliers falls, customers tend to migrate to those suppliers.
4 And when those prices rise, as they did in the last three Januaries, customers tend to
5 migrate back to Eversource.

6 **Q. What are the results of this forecast?**

7 A. Actual migration data through the first quarter 2015 is lower than previously
8 forecasted levels presented in Docket No. DE 14-235. The updated Eversource
9 migration forecast assumes an average migration of 46.9 percent in 2015, while the
10 prior forecast estimated 51.6 percent migration, representing a 4.7 percent change.

11 **Q. Why is the updated forecast level of migration lower than the prior forecast?**

12 A. Eversource anticipated a decline in migration during the 2015 winter period;
13 however, the decline in actual migration was larger than forecasted. The forecast
14 for the remainder of 2015 provided in Attachment DJL-2 is similar to the prior
15 forecast, but due to the low level of migration in the first quarter, the 2015 forecast
16 is starting from a lower level than previously forecasted.

17 **Q. Are there any other factors behind the change in forecast?**

18 A. No, the change in forecast is due entirely to the higher than forecasted reverse
19 migration during the 2015 winter period. In other words, the migration patterns

1 and activity are essentially the same as previously forecast, but the lower starting
2 point results in a lower average migration level in the forecast period.

3 **Q. Why did migration decline more during the 2015 winter period compared to**
4 **prior winter periods?**

5 A. The lower migration during the 2015 winter period compared to prior winter
6 periods can primarily be attributed to higher forward electricity prices, as evident in
7 Exhibit DJL-1.

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

9 A. Yes, it does.