

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF CHRISTOPHER J. GOULDING
2018 DEFAULT ENERGY SERVICE RATE CHANGE
Docket No. DE 18-002

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

2 A. My name is Christopher J. Goulding. My business address is 780 North Commercial Street,
3 Manchester, NH. I am employed by Eversource Energy Service Company as the Manager of
4 New Hampshire Revenue Requirements and in that position I provide service to Public Service
5 Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”).

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

7 A. Yes, I have.

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

9 A. I am currently responsible for the coordination and implementation of revenue requirements
10 calculations for Eversource, as well as the filings associated with Eversource’s default Energy
11 Service (“ES”) rate, Stranded Cost Recovery Charge (“SCRC”), Transmission Cost Adjustment
12 Mechanism, and Alternate Default Energy rate.

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

14 A. The purpose of my testimony is: (1) to provide an overview of this filing; and (2) to seek the
15 necessary approvals to set a fixed ES rate for the Small Customer class (Rates R, R-OTOD, G, G-
16 OTOD, and any outdoor lighting associated with those rates billed under Rates EOL and OL),
17 and a monthly ES rate for the Large Customer class (Rates GV, LG, B, and any private area

1 lighting associated with those rates billed under Rate OL) applicable to Eversource's customers
2 who take service under the ES rate that will take effect on April 1, 2018.

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

4 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE 17-113,
5 Eversource is requesting that the Commission review and approve a fixed four-month energy
6 service rate for the Small Customer class for the period of April 1, 2018 through July 31, 2018
7 based on the weighted average of the four monthly contracted prices contained in the supply
8 agreement(s) with the winning ES supplier(s) for the Small Customer class. The fixed ES rate for
9 the period of April 1, 2018 through July 31, 2018, for the Small Customer class is \$0.07903 per
10 kWh as calculated on Attachment CJG-1.

11 The Company is also requesting that the Commission review and approve a monthly-variable ES
12 rate for the Large Customer class for the period of April 1, 2018 through July 31, 2018 based on
13 the four monthly contracted prices contained in the supply agreement with the winning ES
14 supplier for the Large Customer class. The monthly ES rates for the period of April 1, 2018
15 through July 31, 2018, for the Large Customer class, as calculated on Attachment CJG-2, are as
16 follows:

Large Customer Energy Service Rates	
Month	Rate (\$/kWh)
April 2018	8.739
May 2018	8.152
June 2018	8.165
July 2018	8.251

17

1 **Q. Have the cost of Eversource's mandated purchased power obligations from independent**
2 **power producers ("IPPs"), and the power purchase agreements ("PPAs") with Burgess and**
3 **Lempster been included in the calculation of the two ES rates?**

4 A. No. Consistent with the Settlement Agreement approved in Docket No. DE 14-238, upon
5 transitioning to a competitively procured energy paradigm, the costs associated with the
6 purchases from the IPPs and under the PPAs will all be recovered via the SCRC.

7 **Q. Please describe the detailed support for the calculation of the Large Customer and Small**
8 **Customer ES rates.**

9 A. Attachment CJG-1 (page 1) provides the calculation of the total monthly ES rates for the Small
10 Customer class including the cost of RPS compliance, prior period reconciliation, cost of
11 administrative and general expense associated with the ES offering and costs associated with the
12 Hydro Adjuster. The weighted average fixed rate for the four-month period is calculated on Line
13 12.

14 Attachment CJG-1 (page 2) provides the calculation of the total monthly ES rates for the Large
15 Customer class including the cost of RPS compliance, prior period reconciliation, cost of
16 administrative and general expense associated with the energy service offering and costs
17 associated with the Hydro Adjuster. The monthly rates for the four-month period are calculated
18 on Line 10.

19 Attachment CJG-2, pages 1 and 2, provide a reconciliation of the Small Customer and Large
20 Customer ES costs and revenues for the twelve-month period ended March 31, 2018. Since this is
21 the first ES filing under the new competitively procured energy paradigm, the values for the
22 twelve-month period are all \$0. Consistent with the Settlement Agreement in Docket No. DE 17-

1 113, any under or over recovery associated with the old ES paradigm will be included in the
2 SCRC.

3 **Q. Has the Company included a calculation of the Hydro Adjuster that was discussed in the**
4 **settlement in Docket No. DE 17-113 and has the Hydro Adjuster been included in the**
5 **individually calculated rates?**

6 A. Yes. The Hydro Adjuster described in the Settlement Agreement in Docket No. DE 17-113 has
7 been included as a line item on Attachment CJG-1, pages 1 and 2, on line 9, and it is included in
8 the ES rates being proposed.

9 Attachment CJG-3 provides the forecasted cost and revenue summary associated with hydro units
10 pending the closing on the sale of those assets. Page 1 of the attachment provides the summary of
11 the Hydro Adjuster costs for the four-month period of April through July and the calculation of
12 the Hydro Adjuster. Page 2 provides the monthly cost and revenue components relating to the
13 hydro fleet. Page 3 provides further detail relating to forecasted hydro generation along with
14 forecasted energy sales revenues for selling the hydro output in the market along with capacity
15 revenues. Page 4 provides a breakdown of hydro operation and maintenance costs. Page 5
16 provides a detailed calculation of the return on the Hydro fleet.

17 **Q. If the hydro sale is completed prior to April 1, will the Hydro Adjuster still be included in**
18 **the ES rates?**

19 A. Yes. To avoid customer confusion about what the approved rates are, as well as potential
20 difficulties in programming the Company's billing system, the Company is proposing that the
21 rates submitted for approval in this filing, be the final rates to be billed effective April 1, 2018. If
22 the hydro units are sold prior to April 1, or during the April 1 through July 31 time frame, all the

1 revenues and costs associated with the Hydro Adjuster would be included in the annual energy
2 service reconciliation process and any over or under recovery would be included in rates at that
3 time. In that the Company is transitioning to regular ES rate setting on August 1 and February 1
4 of each year, the reconciliation required to address the Hydro Adjuster may occur relatively close
5 in time to the sale, even if not included in the proposed rates for April 1, 2018.

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

7 A. Yes, updated tariff pages have been provided as Attachment CJG-4.

8 **Q. Does Eversource require Commission approval of this rate by a specific date?**

9 A. Yes, Eversource needs final approval of the proposed ES rates by February 28, 2018, to allow for
10 appropriate notice to customers and to implement the new rates for service rendered on and after
11 April 1, 2018.

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

13 A. Yes, it does.