

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057

Public Service Company of New Hampshire d/b/a Eversource Energy

Notice of Intent to File Rate Schedules

STAFF MOTION REQUESTING THE COMMISSION ACCEPT UPDATED TESTIMONY
OF WITNESSES JAY DUDLEY AND DONNA H. MULLINAX

Pursuant to New Hampshire Code Admin. Rules Puc 203.7, Staff hereby requests that the Commission accept the updated testimony of Staff Witnesses Jay Dudley and Donna Mullinax in this proceeding. Staff states that this motion is necessary because the procedural schedule does not provide an opportunity for Staff to update its testimony to incorporate the updated return on equity testimony and audit findings. In light of Mr. Dudley's analysis of the audit findings, rebuttal testimony, and associated discovery, Mr. Dudley has decreased the disallowance proposed in his initial testimony. The testimony of Mrs. Mullinax includes the results of Staff's Audit Report (attached to her testimony) and Mr. Dudley's proposed adjustments to revenue requirements, which increase the revenue requirement proposed in her initial testimony.

In support of this Motion, Staff states as follows:

1. On May 28, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or PSNH) filed a Notice of Intent to File Rate Schedules, along with supporting testimony and related exhibits and attachments.
2. The Commission approved a procedural schedule by a secretarial letter dated June 28, 2019. The procedural schedule established the following relevant dates as deadlines: intervenor testimony filed by December 23, 2019; Rebuttal Testimony filed by March 3, 2020; settlement

discussions held March 24 and March 25, 2020; and hearings held April 14, 15, 16, 22 and 23, 2020.

3. Pursuant to the schedule, Staff filed testimony on December 23, 2019. Staff reserved the right via a placeholder within the testimony of Mrs. Mullinax to update its revenue requirement calculation based on the findings of an ongoing Staff audit of PSNH's historical test year results. *See*, Testimony of Donna H. Mullinax, p. 18, lines 1-13. (Tab 70) PSNH filed rebuttal testimony on March 3, 2020 and did not object to Staff's reservation. Staff filed data request on PSNH's rebuttal testimony on March 10, 2020, and PSNH provided responses a week later. The Staff audit was completed on March 25, 2020.

4. In response to the outbreak of Covid-19 in the State, New Hampshire Governor Christopher Sununu issued Executive Order 2020-04, declaring a state of emergency. Based on the declaration of emergency, on March 19, 2020, Staff filed a letter requesting that the Commission cancel the March dates reserved for settlement discussion, and designate the April hearing dates as settlement discussion dates. The Commission granted this request by secretarial letter dated March 20, 2020. On March 24, 2020, with agreement from Eversource, Staff filed an additional request, for a three-month extension of the procedural schedule in this proceeding delaying the hearing dates until late June or early July 2020. The Commission issued a secretarial letter declaring Staff's proposal a motion, and allowing parties 10 days for comment.

5. Governor Sununu issued a number of additional emergency orders related to the operations of state government, including Emergency Order #29 (April 24, 2020), which authorized the Public Utilities Commission to allow up to an additional six months to investigate rate schedules proposed by a public utility.

6. The AARP, an intervenor in this proceeding, filed a motion with the Commission requesting the Commission order PSNH to update its permanent rate request in light of the changed economic circumstances resulting from the Covid-19 pandemic. The AARP motion also requested that the Commission suspend the temporary rates approved in Order No. 26,265 (June 27, 2019).

7. On June 16, 2020, the Commission issued Order No. 26,363, denying the motion of AARP to suspend temporary rates, and denying in part the request of AARP to order PSNH to update its testimony, with one exception. In Order No. 26,363, the Commission directed PSNH to update its testimony on capital structure and return on equity as a result of changed economic circumstances attributable to the pandemic. The Commission also used the emergency authority granted by the Governor's April 24, 2020 executive order, and extended the deadline for the docket by six months.

8. When Mr. Dudley prepared his prefiled testimony, he based his calculation of a recommended disallowance based on the information provided by Eversource in response to discovery on PSNH's initial testimony. During the delay in this proceeding, and after finalization of the Staff audit, Mr. Dudley took the time to carefully review the Staff audit and the additional information he received from PSNH in response to Staff data requests on the rebuttal testimony. This information was not available to him when he prepared his initial testimony. After a comprehensive review of the new information, Mr. Dudley updated the proposed disallowance, reducing the recommended disallowance by \$13.5 million.

9. Staff moves that Mr. Dudley's testimony be entered into the record at this time. Staff recommends that Eversource and other intervenors have the opportunity to conduct discovery on the revised testimony according to the same period allowed for discovery on updated capital

testimony to assure that the due process rights of the parties are protected. Staff believes it is in the public interest, and consistent with the orderly process of this docket, to update testimony at this time, as opposed to waiting until the hearing, and respectfully requests that the Commission grant this motion. The updated testimony of Mr. Dudley, along with related exhibits, is submitted with this motion.

10. Staff also moves that the Commission allow that Mrs. Mullinax's supplemental testimony be entered into the record. In addition to incorporating the findings of the Staff Audit in her updated revenue requirement calculation Ms. Mullinax also updated calculations to reflect Mr. Dudley's updated recommended disallowance, and the updated capital structure and ROE contained in Professor Randall Woolridge's updated testimony that is also being filed today. Mrs. Mullinax's supplemental testimony and related exhibits, including Staff's Audit Report, is also included with this Motion.

WHEREFORE, Staff respectfully requests that the Commission accept the updated testimony of Mr. Dudley and the updated testimony of Mrs. Mullinax in this proceeding.

Respectfully Submitted



Suzanne G. Amidon
Staff Counsel

July 16, 2020