

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 22-030

Date Request Received: September 21, 2022
Data Request No. RR-001

Date of Response: September 28, 2022
Page 1 of 2

Request from: New Hampshire Public Utilities Commission

Witness: Davis, Edward A

Request:

Please provide updated schedules in live Excel format for the new calculations that account for the Nashua and Millyard project deferrals and accepted audit changes by the Company.

Response:

Please see Attachment RR-001 (A), pages 1 through 6, for the updated Attachment MBP/EAD-1 Step 3 revenue requirement calculation. The Company has provided the original, as filed, Step 3 revenue requirement calculation for ease of reference and comparability, which is embedded in each page highlighted in gray and marked "AS FILED." This original, as filed, data in Attachment RR-001 (A), pages 1 through 6, ties to Exhibit 1, Bates pages 45 through 50, respectively.

The final revenue requirement for the (i) Nashua Renovation and Millyard Replacement project deferrals, and (ii) accepted audit changes by the Company identified in the DOE's Step 3 Final Audit Report issued and filed on August 31, 2022, totaled approximately \$8.928 million.

Please see Attachments DE 20-030 RR-001 (B), RR-001 (C) and RR-001 (D) for the allocation, rate design and bill impacts associated with the recovery of an incremental revenue requirement of \$8.928 million over 12 months, 10 months and 9 months, respectively. In preparing these schedules, an adjustment factor, based on billed kWh, was applied to set the incremental and total revenue requirement for determining the rate to be applied over the respective number of months in each scenario. For example, as shown in Attachment DE 20-030 RR-001 (D), if rates to recover the \$8.928 million are implemented on November 1, 2022, they would apply for 9 months, through July 31, 2023. Thereafter, assuming no other distribution rate changes, the 12-month rate, as provided in Attachment DE 20-030 RR-001 (B), would apply. The following summarizes the distribution per kWh rate, and associated monthly bill impacts for a residential customer under the respective 12-, 10-, and 9-month recovery basis.

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Scenario	Total Incremental Revenue Requirement (\$ in millions)	Equivalent Incremental Rate Design Revenue Requirement (\$ in millions)	Residential Distribution Rate (cents per kWh)	Monthly Bill Impact (600 kWh usage)	
B – 12 months	\$8.928	\$8.928	5.357	\$ 0.97	0.5%
C – 10 months	\$8.928	\$10.803	5.389	\$ 1.16	0.6%
D – 9 months	\$8.928	\$11.910	5.410	\$ 1.28	0.6%

Under any of these scenarios, the distribution per kWh rate would revert to the 12-month rate on August 1, 2023 (all else being equal). One approach to implement these changes would be for the Commission to approve both sets of rates at the same time, with a compliance filing including tariff changes to be submitted at the time the rates would become effective, consistent with Commission requirements.

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Date Request Received: September 21, 2022
Data Request No. RR-002

Date of Response: September 28, 2022
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Request from: New Hampshire Public Utilities Commission

Witness: Paruta, Marisa B, Landry, Leanne M

Request:

Please provide the total dollar amount associated with the one-time title cost for the vehicles part of the step adjustment.

Response:

The total dollar amount associated with the one-time title costs for the vehicles that were included in the Step 3 adjustment were \$127,524.

The Company agrees with the auditor's statement that vehicle registration fees paid subsequent to initial date of acquisition (i.e., standard renewal fees) should be, and are, treated as standard expenses to operate the vehicle (note that vehicle registration fees are not included in the step adjustment, or in the \$127,524 amount referenced above). However, title costs relate to the task of submitting a manufactures certificate of origin to the DMV / RMV in order for the towns of New Hampshire to issue a title of ownership to Eversource for each vehicle and the plates. Titling is part of the preparation for placement into use of the asset and directly related to the initial acquisition. Without a title, the Company would not be able to use the asset as intended.

Therefore, in accordance with the Power and Utility (P&U) Industry accounting practice, which is consistent with GAAP, costs that are necessary in readying an asset for use (such as the one-time title costs that are the subject of this request) should be treated as capital in the period in which they occur. Moreover, the Company notes that this has been the accounting practice for such costs for years, and, as a result, these costs have been capitalized as incurred in the past, and, therefore, are not currently reflected in rates as expense. Altering the accounting for such costs would not only be inconsistent with P&U Industry accounting practice and GAAP, it would also result in an inconsistent ratemaking paradigm in that there would be a mismatch between the accounting for such costs, and the PUCs ratemaking treatment associated with the costs, since the costs are not currently reflected in rates as expense.

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Date Request Received: September 21, 2022
Data Request No. RR-003

Date of Response: September 28, 2022
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Request from: New Hampshire Public Utilities Commission

Witness: Paruta, Marisa B

Request:

For Exhibit 1, Bates page 45, please confirm whether the application of depreciation and property tax to net plant change and gross plant change, respectively, is correct.

Response:

Yes, the application of depreciation and property tax to net plant change and gross plant change, respectively, is correct and has been calculated in compliance with Section 10.3(f) of the Settlement Agreement approved in DE 19-057, which states as follows:

“(f) The revenue requirement for the step adjustments shall be calculated in a manner similar to that used in the Company’s initial filing at Bates 313-320 (Attachment EHC/TMD-3 (Perm)), except that it will exclude recovery of Enterprise IT Project costs, and Union Contractual Adjustments.”

DE 19-057, Settlement Agreement, at Bates 22 (October 9, 2020).

Please see Attachment RR-003 for the as filed Attachment EHC/TMD-3 (Perm), page 1 of 8, lines 9 and 10, reflecting the application of depreciation and property tax to net plant change and gross plant change, respectively.

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Date Request Received: September 21, 2022
Data Request No. RR-004

Date of Response: September 28, 2022
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Request from: New Hampshire Public Utilities Commission

Witness: Paruta, Marisa B

Request:

Please provide final revenue requirements for the Company's updated proposed step adjustment and the New Hampshire Department of Energy's recommended step adjustment.

Response:

Please see Attachment RR-004 (A), pages 1 through 6, for the updated Attachment MBP/EAD-1 Step 3 revenue requirement calculation. The Company has provided the original, as filed, Step 3 revenue requirement calculation for ease of reference and comparability, which is embedded in each page highlighted in gray and marked "AS FILED." This original, as filed, data in Attachment RR-004 (A), pages 1 through 6, ties to Exhibit 1, Bates pages 45 through 50, respectively.

The final revenue requirement for the Company's revised Step 3 adjustment is provided in Attachment RR-001 (A), totaling \$8.928. DOE's proposed Step 3 adjustments as identified in their pre-hearing letter filed on September 16, 2022, result in a total revenue requirement of approximately \$5.377 million, which is a 40% reduction from the Company's proposal, which is already reduced to reflect the audit changes and other agreements with DOE. This is a significant and unwarranted deviation from the revenue support anticipated by the settlement agreement approved in DE 19-057.