

STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITIES COMMISSION
DIRECT TESTIMONY OF MARISA B. PARUTA
PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY
FOR ADJUSTMENT OF STRANDED COST RECOVERY CHARGE RATE
FOR EFFECT AUGUST 1, 2022

June 23, 2022

Docket No. DE 22-039

1 **I. INTRODUCTION**

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

3 A. My name is Marisa B. Paruta. My business address is 107 Selden Street, Berlin,
4 Connecticut. I am employed by Eversource Energy Service Company as the Director of
5 New Hampshire and Connecticut Revenue Requirements. In that position, I provide
6 service to Public Service Company of New Hampshire d/b/a Eversource Energy
7 (“Eversource” or the “Company”).

8 **Q. Please provide your educational and professional background.**

9 A. I received a Bachelor of Arts degree in accounting from the University of Connecticut
10 School of Business. I started my career at Arthur Andersen in the client audit and assurance
11 practice, continuing at Deloitte in the same practice. I joined Northeast Utilities,
12 Eversource Energy’s predecessor, and worked in the accounting organization in multiple
13 positions leading to the Director of Corporate Accounting and Financial Reporting in 2015.

1 I moved to the Regulatory and Revenue Requirements team in my current position in June
2 2021. I have been with Eversource Energy for over 19 years.

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

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

9 **Q. Have you previously testified before the New Hampshire Public Utilities Commission**
10 **(the "Commission")?**

11 A. Yes, I testified before the Commission regarding the Company's RRA in Docket Nos. DE
12 21-029 and DE 22-010, and the Default Energy Service Rate filing in Docket No. DE 22-
13 021. I have also submitted pre-filed testimony in support of the Company's Step 3
14 Adjustment filing in Docket No. DE 22-030, the Recovery of Storm Expenses in Docket
15 No. DE 22-031, and the TCAM Rate filing in Docket No. DE 22-034.

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

17 A. The purpose of this testimony is to propose and explain the Company's SCRC adjustment
18 for effect August 1, 2022. My testimony provides an overview of the adjustments to the
19 following components of the SCRC rate: (i) Regional Greenhouse Gas Initiative ("RGGI")

1 refund, (ii) Ch. 340 excess Burgess BioPower power purchase agreement¹ (“PPA”)
2 payments, (iii) Environmental Remediation costs, and (iv) Net Metering adders.

3 **Q. Has the SCRC rate been calculated consistent with the Commission’s Order No.**
4 **26,569 in Docket No. DE 21-117?**

5 A. Yes, the proposed August 1, 2022 SCRC rates have been prepared consistent with the last
6 Commission order approving SCRC rates for effect February 1, 2022.

7 **II. OVERVIEW**

8 **Q. Please describe the components of the SCRC and their application to this rate request.**

9 A. The SCRC recovers certain costs pursuant to the authorities contained in RSA Chapters
10 374-F and 369-B. The Restructuring Settlement, approved in Order No. 23,549, defined
11 the Company’s stranded costs and categorized them into three different parts (i.e., Parts 1,
12 2 and 3). Part 1 costs were comprised of the Rate Reduction Bond (“RRB”) Charge, which
13 was calculated to recover the principal, net interest, and fees related to the original RRBs.
14 These original RRBs were fully recovered as of May 1, 2013. As part of Eversource’s
15 divestiture of its generating facilities under the settlement in Docket No. DE 14-238, new
16 RRBs were issued in May 2018 and are included as Part 1 costs in the SCRC rate. Part 2
17 costs are “ongoing” stranded costs consisting primarily of the over-market value of energy
18 purchased from independent power producers (“IPPs”) and the amortization of payments
19 previously made for IPP buy-downs and buy-outs as approved by the Commission. Also,
20 as part of the divestiture of Eversource’s generating facilities, Part 2 incorporates various

¹ PPA contract with Burgess BioPower, LLC approved in Docket No. DE 10-195, Order No. 25,213 (April 18, 2011) and Order No. 26,198 (December 5, 2018). The PPA terminates on November 30, 2033.

1 new costs, including: the costs of retained power entitlements, unsecuritized prudently
2 incurred decommissioning (if any), environmental, or other residual costs or liabilities
3 related to the generating facilities. Part 3 costs, which were primarily the amortization of
4 non-securitized stranded costs, were fully recovered as of June 2006.

5 Additionally, as noted above, the SCRC rate proposed to be billed to customers beginning
6 August 1, 2022 includes recovery/refund of the following adders: (i) the RGGI refund as
7 required by RSA 125-O:23, II and Order No. 25,664, directing Eversource to refund RGGI
8 auction proceeds it receives through the SCRC rate; (ii) Ch. 340 excess Burgess PPA
9 payments per the Docket No. DE 19-142 Settlement Agreement and Order No. 26,331; (iii)
10 amortization of Environmental Remediation costs per the Docket No. DE 19-057
11 Settlement Agreement Section 7.1 and Order No. 26,433, and; (iv) Net Metering Costs per
12 the Docket No. DE 20-136 Settlement Agreement and Order No. 26,450.

13 **Q. Is Eversource currently proposing a specific SCRC rate and separate adders as noted**
14 **above at this time?**

15 A. Yes, it is. Attachment MBP-1 and Attachment MBP-2 provide rate class specific rate
16 calculations for the SCRC rates proposed for August 1, 2022. For this August 1, 2022
17 adjustment, the Company does not intend to file a final rate update as has been done in
18 previous SCRC rate filings. A rate update is not necessary because there is no additional
19 actual data to be updated and there will not be a mid-year true up letter filed on July 15,
20 2022 to update RRB rates. The proposed August 1, 2022 average SCRC rates (Part 1 and
21 Part 2 only, excluding the Ch. 340, RGGI Refund, Environmental Remediation and Net
22 Metering adder amounts) provided in this filing are shown in the table below.

Rate Class	Current Rate (cents/kWh)	Proposed Rate (cents/kWh)	Change (cents/kWh)
Rate R	0.689	0.532	(0.157)
Rate G	0.676	0.400	(0.276)
Rate GV	0.555	0.323	(0.232)
Rate LG	0.212	0.092	(0.120)
Rate OL/EOL	0.913	0.110	(0.803)

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The SCRC rate adders for Ch. 340, RGGI Refund, Environmental Remediation and Net Metering are provided in Attachment MBP-3 and MBP-4 (RGGI Refund), MBP-5 and MBP-6 (Ch. 340), MBP-7 and MBP-8 (Environmental Remediation), and MBP-9 and MBP-10 (Net Metering). The proposed August 1, 2022 SCRC rate adders provided in this filing are shown in the table below.

Rate Adder	Current Rate (cents/kWh)	Proposed Rate (cents/kWh)	Change (cents/kWh)
Ch. 340	(0.062)	0.000	0.062
RGGI Refund	(0.335)	(0.535)	(0.200)
Environmental Remediation	0.044	0.048	0.004
Net Metering	0.117	0.223	0.106
Total Adders	(0.236)	(0.264)	(0.028)

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The total August 1, 2022 SCRC rates (including adders) by rate class provided in this filing are included below.

Rate Class	Current Rate (cents/kwh)²	Proposed Rate (cents/kwh)	Change (cents/kWh)
R	0.453	0.268	(0.185)
G	0.440	0.136	(0.304)
GV	0.319	0.059	(0.260)

² Rates approved in Docket No. DE 21-117, Order No. 26,569 (January 25, 2022).

LG	(0.024)	(0.172)	(0.148)
OL/EOL	0.677	(0.154)	(0.831)

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2 **Q. Historically, there was a single average SCRC rate that was applied to all customers.**
3 **Why are there now class specific average SCRC rates?**

4 A. As part of the Settlement Agreement approved in Docket No. DE 14-238 at line 252 of
5 Section III.A, the SCRC revenue requirement is allocated to each rate class as follows:

Rate Class	Allocation Percentage
R	48.75
G	25.00
GV	20.00
LG	5.75
OL/EOL	0.50

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7 Applying this differing allocation by rate class means that there can no longer be a single
8 average SCRC rate for all customers. Page 1 of Attachment MBP-1 provides the rate class
9 specific average SCRC rates including and excluding Ch. 340, the RGGI Refund,
10 Environmental Remediation and Net Metering adders.

11 **Q. What are the major reasons for the decrease in the SCRC rate from the rates**
12 **currently in effect?**

13 A. The change in the SCRC rates proposed for effect on August 1, 2022 as compared to the
14 current rates is due primarily to: (i) a slight increase in Part 1 Costs of \$1.4 million; (ii) a
15 decrease in Part 2 Above Market IPP and PPA costs of (\$0.8) million; (iii) a decrease in
16 other Part 2 costs of (\$6.2) million, and (iv) an increase due to the change in prior period
17 (over)/under recovery amount of (\$2.1) million. The cumulative impact of these changes

1 is a decrease in the SCRC rate. The table below provides additional detail identifying the
2 variance from the underlying cost in the rates that were approved for February 1, 2022 and
3 this proposed August 1, 2022 rate filing.

Description	(\$000s)		
	Approved February 1, 2022 Rates per Order No. 26,569	Proposed August 1, 2022 Rates	Inc/(Dec)
Part 1 Costs	61,796	63,164	1,368
Part 2 Costs:			
Above Market Non-Wood IPPs	(224)	(531)	(307)
Above Market Cost of Burgess	22,669	22,170	(499)
Above Market Cost of Lempster	221	184	(36)
Total Above Market IPP & PPA Costs	22,666	21,824	(842)
Energy Service REC Revenues Transfer	(13,844)	(15,013)	(1,169)
REC Sales Proceeds/RPS True-up	(2,538)	(4,451)	(1,913)
ISO-NE/Other O&M	25	36	11
Residual Generation O&M	(7,382)	(8,667)	(1,285)
NEIL Credit	(633)	(949)	(315)
EDIT	(5,885)	(6,167)	(283)
Generation Divestiture Costs not Securitized	-	-	-
Return	(415)	(792)	(377)
Total Part 2 SCRC Costs	(8,006)	(14,180)	(6,174)
1/31/22 SCRC Part 1 and 2 (Over)/Under Recovery	(9,061)	(11,112)	(2,051)
Total Part 1 and 2 Costs plus 1/31/22 (Over)/Under Recovery	44,729	37,872	(6,858)
SCRC Part 1 and 2 Revenues	(44,729)	(45,405)	(676)
Total Decrease in SCRC Part 1 and 2 Costs	0	(7,533)	(7,533)

1 **Q. Please describe the detailed support for the calculation of the average SCRC rates**
2 **provided in Attachments MBP-1 and MBP-2.**

3 A. Attachment MBP-1, page 1, provides the calculation of the average SCRC rates for the five
4 rate classes incorporating the cost allocation for each rate class defined in the settlement
5 agreement approved in Docket No. DE 14-238 as shown above. Page 2 provides a
6 summary of the 12-month period February 2022 to January 2023 actual and forecast cost
7 information related to the Part 1 and Part 2 costs. Page 3 provides the estimated rate class
8 specific RRB charges that were calculated using the current RRB rates established for the
9 February 1, 2022 SCRC rate filing in Docket No. DE 21-117. The RRB charges on page
10 3 also reflect the most recent RRB rates established for the current period as filed in Docket
11 No. 17-096 and provided in Attachment MBP-13. Page 4 has been provided to reconcile
12 the amount of funds that are collected through the RRB charge by its inclusion in the SCRC
13 with the amount of funds that are in the Collection and Excess Funds trust accounts. It is
14 important to note that customers are not directly paying the principal, interest and fees
15 associated with the RRBs in the SCRC rate calculation. Instead, customers are paying an
16 RRB charge as part of the overall SCRC rate that results in remittances to the RRB trust
17 that are used to satisfy the principal, interest and fees of the RRBs. The RRB charge is
18 calculated to satisfy the principal, interest and fees of the RRBs using forecasted sales.
19 Page 5 provides detailed cost information by month related to the Part 2 ongoing costs, and
20 summary information for the Burgess and Lempster contracts as well as cost and actual
21 revenues associated with the purchase of Renewable Energy Certificates (“REC”) from
22 these contracts and the transfer of Class I REC revenues between the ES rate and the SCRC

1 rate to account for the Class 1 RECs necessary to satisfy the Class 1 Renewable Portfolio
2 Standard (“RPS”) requirement for ES. Page 6 provides additional details related to the
3 Burgess and Lempster contracts as well as the cost associated with the RECs purchased
4 under these contracts and the transfer of revenues between the SCRC and the ES rates.
5 Page 7 provides the details regarding the return calculation. Attachment MBP-2, pages 1
6 through 7 provide the actual detailed cost, revenue and carrying charge components
7 relating to the SCRC reconciliation for the 12-month period ending January 31, 2022.

8 **III. PART 1 COMPONENT**

9 **Q. How are the August 1, 2022 SCRC Part 1 Costs calculated?**

10 A. The Part 1 SCRC actual costs are shown in Attachment MBP-2, Page 3 and actual and
11 forecasted costs are shown in Attachment MBP-1, Page 3. In the months that have been
12 estimated for this filing, the forecasted Part 1 SCRC costs are calculated using the RRB
13 rates established in the latest Routine True-up Letter dated January 5, 2022 in Docket No.
14 DE 17-096 multiplied by the forecasted sales for each rate class. Since there is a one-
15 month lag in the RRB remittance process, the forecasted sales are also reported on a one-
16 month lag in Attachment MBP-1, Page 3. These estimates represent a reasonable estimate
17 of the expected RRB charge remittances.

**Q. Does the Company propose to revise the RRB rates shown in Attachment MBP-13
(January 5, 2022 RRB True-Up letter) for the August 1, 2022 SCRC rate filing?**

18 A. No. The Company will not be filing a mid-year Annual Routine True-up Letter to update
19 Part 1 costs and reflect updated RRB rates. Therefore, the RRB rates set forth in

1 Attachment MBP-13 will be applied to the kWh sales forecast used throughout the SCRC
2 rate by class to calculate the revenue required to apply to the to the Part 1 costs. Variances
3 between estimated and actual revenue received from Part 1 costs will be reconciled in the
4 February 1, 2023 SCRC filing.

5 **IV. PART 2 COMPONENT**

6 **Q. Could you please provide additional details for the Part 2 on-going costs included on**
7 **page 5 of Attachments MBP-1 and MBP-2?**

8 A. Yes. The costs included in this SCRC filing on page 5 are:

- 9 1. (Lines 1 through 11): Non-Wood IPPs³: All costs and market revenues associated
10 with the existing IPPs. Prior to divestiture, any benefit of below market energy or
11 capacity associated with the IPPs was included in the Energy Service rate, while
12 the above market portion was included in the SCRC. Consistent with the settlement
13 in Docket No. DE 14-238, all IPP costs and revenues, whether above or below
14 market, are included in the SCRC.
- 15 2. (Line 12) Burgess PPA: Effective April 1, 2018, the costs and market revenues
16 associated with the Burgess PPA are included in the SCRC. Line 12 shows the net
17 cost of the Burgess PPA. Additionally, provided in Attachments MBP-1 and MBP-
18 2 (page 6) is support for the underlying actual and forecast assumptions related to
19 the costs and revenues associated with the Burgess PPA by month.

³ One longer term IPP contract expired on December 31, 2021, while two longer term IPP contracts expire on December 31, 2022 and December 31, 2023. Upon termination of the longer term contracts, such contracts are/will transition and are/will be treated like all other IPPs, where they are/will be transacted under a short-term rate order based on short term avoided cost rates.

1 3. (Line 13) Lempster PPA: Effective April 1, 2018, the costs and market revenues
2 associated with the Lempster PPA are included in the SCRC and shows the net cost
3 of the Lempster PPA. Additionally, provided in Attachments MBP-1 and MBP-2
4 (page 6) is support for the underlying actual and forecast assumptions related to the
5 costs and revenues associated with the Lempster PPA by month.

6 4. (Line 14) Energy Service REC Revenues Transfer: This line has been included to
7 capture the transfer of the RECs necessary to satisfy the Class I REC RPS
8 obligation for ES customers. This is consistent with the treatment of Class I RECs
9 described in Section II.H of the November 27, 2017 settlement in Docket No. DE
10 17-113 where it states: “As to Eversource's RPS obligation relevant to Class I, the
11 Settling Parties agree that it shall be managed in a manner consistent with that
12 described on page 14 of the initial Testimony of Shuckerow, White & Goulding.”

13 That testimony provides, with reference to the Burgess and Lempster contracts:

14 The REC amounts purchased from these sources may more than
15 meet energy service obligation quantities, eliminating the need for
16 Class I purchases. Since the 2015 Agreement calls for the costs of
17 those PPAs to be recovered via the SCRC, a transfer price for RECs
18 obtained under those PPAs used to satisfy RPS needs for ES
19 customers must be set. In order to properly account for these Class
20 I REC purchases for both ES and SCRC purposes, Eversource
21 proposes to establish a transfer price equal to the Class I REC prices
22 established via the mechanism described previously.

23 5. (Line 15): REC Sales Proceeds/RPS True Up: As Class I RECs in excess of those
24 necessary to satisfy the Energy Service Class I REC requirement are sold, the
25 proceeds associated with the sales will be included in actual data, in addition to the

1 annual RPS compliance filings in the month of June and any related RPS true up
2 related to the Class I REC transfer to Energy Service.

3 6. (Line 16) ISO-NE/Other Costs: The costs included in this line are miscellaneous
4 ISO-NE resettlement and administrative costs and other costs along with credits
5 that were historically included in the ES rate.

6 7. (Line 17) Residual Generation O&M: The ongoing costs and liabilities associated
7 with the divested Generation assets. These include property tax refunds, pension
8 credits, commitments associated with the hydro plants, and legal fees associated
9 with lawsuits related to the Generation assets when they were owned by
10 Eversource.

11 8. (Line 18) Nuclear Electric Insurance Limited (“NEIL”) Credits: charges and
12 credits related to Seabrook Power Contracts between Eversource and North
13 Atlantic Energy Company (“NAEC”).

14 9. (Line 19) Excess Deferred Income Taxes (“EDIT”): At the beginning of 2018, the
15 Federal and State tax rates changed which resulted in EDIT. That excess is being
16 refunded to customers.

17 10. (Line 20) Generation Divestiture Costs not Securitized: divestiture costs not
18 securitized that were subject to audit and settlement in Docket No. DE 20-005. Per
19 the settlement agreement, a one-time amount of \$12 million was recovered over a
20 twelve-month period ending January 2022.

1 **V. RGGI REFUND COMPONENT**

2 **Q. Please describe the detailed support for the calculation of the RGGI Refund rate**
3 **provided in Attachments MBP-3 and MBP-4.**

4 A. In Order No. 25,664 in Docket No. DE 14-048, and pursuant to RSA 125-O:23, II, the
5 Commission ordered that certain proceeds from the quarterly RGGI auctions be rebated
6 to Eversource's customers through the SCRC. Attachment MBP-3, page 1, and
7 Attachment MBP-4, page 1 provide a summary of 2022 and 2021 information related to
8 RGGI auctions and the amounts allocated to Eversource for refund.

9 **Q. Is Eversource currently proposing a specific RGGI Refund rate at this time?**

10 A. Yes, it is. Attachment MBP-3, page 1 provides a proposed rate calculation. The proposed
11 August 1, 2022 RGGI Refund rate provided in this filing is (0.535) cents/kWh and is
12 (0.200) cents/kWh higher of a benefit to customers than the current February 1, 2022 RGGI
13 Refund rate of (0.335) cents/kWh.

14 **VI. CH. 340 ADDER COMPONENT**

15 **Q. Please provide additional details for the Ch. 340 Adder costs included in Attachments**
16 **MBP-5 and MBP-6?**

17 A. As described earlier, in Docket No. DE 19-142, a Joint Motion was filed related to the rate
18 recovery of costs associated with the Cumulative Reduction Factor ("CRF") under the PPA
19 with Burgess BioPower. Broadly speaking, under the terms of the PPA, any amounts in
20 the CRF above \$100 million were to be deducted from the amounts paid to Burgess for
21 purchases under the PPA. At the end of operating year 6, the CRF amount was
22 \$106,976,603 or \$6,976,603 above the limit set by the PPA. That amount was further

1 reduced by the Excess MWh adjustment called for in the PPA of \$1,709,925, which was
2 deducted from the amounts paid to Burgess during the first three months of operating year
3 7 (December 2019 through February 2020) and has been fully incorporated and recovered
4 in previous SCRC rates.

5 It was also agreed in Docket No. DE 19-142 that the forecasted over cap costs for Burgess
6 should be recovered in current rates rather than waiting until the end of the operating year
7 and recovering in the following year. The calculation of Burgess over market costs per the
8 PPA is shown in Attachments MBP-1 and MBP-2, Page 6, lines 1 to 7. The Burgess over
9 market energy costs are then recovered in the Ch. 340 Adder rate as shown in Attachments
10 MBP-5 and MBP-6. Since these are actual and forecasted costs and revenues and rely on
11 assumptions of Burgess energy output and market prices as well as forecasted retail MWh
12 sales, the Ch. 340 adder costs are reconciled in this and future SCRC rate filings.

13 Under the terms of the settlement agreement in Docket No. DE 19-142, rather than being
14 deducted from the amounts paid to Burgess, the excess is recovered from customers
15 through the SCRC on an equal cents per kWh basis rather than the specified class
16 percentages. This is shown in the Ch. 340 Adder calculations in Attachment MBP-5. The
17 updated and proposed Ch. 340 Adder rate effective August 1, 2022 is 0.000 cents/kWh as
18 compared to the current Ch. 340 Adder rate of (0.062) cents/kWh. Attachment MBP-5,
19 page 1, provides a summary of the rate calculation and Attachments MBP-5 and MBP-6,
20 page 2, provide the monthly detail for the Burgess energy costs and revenues. The
21 concurrent recovery of the over market Burgess energy costs is removed from Part 2 SCRC

1 cost and transferred for recovery through the Ch. 340 Adder. The over market energy costs
2 are calculated based on the contract market rates. There is a slight difference between the
3 over market energy costs per the PPA and ISO-NE revenues. The difference remains in
4 the Part 2 SCRC costs. This is shown in Attachments MBP-1 and MBP-2, Page 6.

5 **VII. ENVIRONMENTAL REMEDIATION ADDER COMPONENT**

6 **Q. Please describe the detailed support for the calculation of the Environmental**
7 **Remediation Cost Adder rate provided in Attachments MBP-7 and MBP-8.**

8 A. Per the Commission's Order No. 26,433 issued on December 15, 2020 approving the
9 Settlement Agreement in Docket No. DE 19-057, the Company, in compliance with the
10 intent of Section 7.1 of the Settlement Agreement, has prepared Attachment ELM-7 to
11 recover the Environmental Remediation Costs through the SCRC. Section 7.1 of the
12 Settlement Agreement states the following:

13 Since the time of restructuring, PSNH has been permitted to defer
14 estimated environmental remediation/manufactured gas plant
15 ("MGP") costs primarily relating to former generation sites. The
16 Company shall be allowed to recover the environmental
17 reserve/MGP liability in the Stranded Cost Recovery Charge
18 ("SCRC") rate at equal cents per kWh across customer classes rather
19 than in distribution rates. To address the shift to the SCRC, the
20 Company has removed an annual amortization of \$2.3 million over
21 four years as of December 31, 2018 from its proposed revenue
22 requirement in this case and shall include it in the SCRC filing
23 following approval of this Settlement Agreement. The amounts to
24 be recovered in the SCRC shall be updated to reflect the actual
25 deferred balance as of the time of the SCRC filing and be amortized
26 over a four-year period. Future environmental costs shall be
27 recovered on a current basis through the SCRC.
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1 As noted above the Company has removed from the base distribution revenue requirement
2 an annual amortization amount of approximately \$2.3 million based on the Docket No. DE
3 19-057 test year-end Regulatory Asset balance. Consistent with the Commission's
4 approval of the Settlement Agreement in Order No, 26,433, Attachment MBP-7, page 2,
5 footnote (A) reflects the Environmental Remediation Regulatory Asset balance at January
6 31, 2021 of approximately \$12.2 million to be recovered over four years, or an annual
7 amortization amount of approximately \$3.0 million. Attachment MBP-7 reflects the
8 proposed average Environmental Remediation Cost Adder rate of 0.048 cents-per-kilowatt
9 hour effective August 1, 2022 as compared to the current Environmental Remediation
10 Adder rate of 0.044 cents/kWh.

11 **VIII. NET METERING ADDER COMPONENT**

12 **Q. Please describe the detailed support for the calculation of the Net Metering Cost**
13 **Adder rate provided in Attachments MBP-9 and MBP-10.**

14 A. Docket No. DE 20-136 reviewed and determined via a Settlement Agreement that the
15 SCRC is the appropriate recovery mechanism for recovery and rate treatment of net
16 metering and group host costs as shown in Attachments MBP-9 and MBP-10. Recovery
17 through the SCRC was approved by the Commission in Order No. 26,450. Attachment
18 MBP-9 reflects the proposed average Net Metering Cost Adder rate of 0.223 cents/kWh
19 effective August 1, 2022 as compared to the current Net Metering Cost Adder rate of 0.117
20 cents/kWh.

1 **IX. BILL IMPACTS AND TARIFF PAGES**

2 **Q. Has the Company included rate exhibits and calculations of the customer bill impacts**
3 **for the proposed August 1, 2022 SCRC rate change?**

4 A. Yes, this detail is provided in Attachment MBP-11.

- 5 • Page 1 compares the current SCRC rates (as of May 1, 2022) to the updated SCRC
6 rates proposed for effect August 1, 2022 by rate class.
- 7 • Page 2 provides the rate adjustment factor and SCRC rates by rate class for the
8 current and updated SCRC rates, including and excluding the RGGI Refund,
9 Environmental Remediation Adder and Net Metering Adder.
- 10 • Page 3 provides the calculation of the SCRC rate adjustment factors by rate class
11 for the updated proposed average SCRC rates and RGGI adders.
- 12 • Page 4 provides a comparison of residential rates proposed for effect August 1,
13 2022 to current rates (as of May 1, 2022) for a 550 kWh monthly bill, a 600 kWh
14 monthly bill, and a 650 kWh monthly bill.
- 15 • Page 5 provides a comparison of residential rates proposed for effect August 1,
16 2022 to rates effective August 1, 2021 for a 550 kWh monthly bill, a 600 kWh
17 monthly bill, and a 650 kWh monthly bill.
- 18 • Page 6 provides the average impact of each change on bills for all rate classes by
19 rate component on a total bill basis, excluding energy service.
- 20 • Page 7 provides the average impact of each change on bills for all rate classes by
21 rate component on a total bill basis, including energy service.

1 The rate impacts provided in Attachment MBP-11 incorporate changes in the Distribution
2 rates reflecting (i) all changes in permanent rates approved by the Commission in Docket
3 No. DE 19-057; (ii) Step 3 adjustment related to Distribution Rates proposed in Docket
4 No. 22-030 (April 29, 2022); (iii) Energy Service rate changes proposed in Docket No. DE
5 22-021 (June 16, 2022); (iv) RRA rate proposed in Docket No. DE 22-010 (June 16, 2022),
6 (v) TCAM rate proposed in Docket No. DE 22-034 (June 20, 2022) and; (vi) SCRC rate
7 changes proposed in this filing.

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

9 A. Yes. Updated tariff pages are provided as shown in Attachment MBP-12.

10 **X. ORDER NO. 26,569 COMPLIANCE⁴**

11 **Q. Has Eversource provided a reconciliation of Part 2 SCRC costs with actual costs?**

12 A. Yes, please see Attachments MBP-14 (February 2022 to January 2023) and MBP-15
13 (February 2021 to January 2022) for a reconciliation of Part 2 SCRC costs.

14 **Q. Has Eversource considered filing SCRC charges and rates on an annual basis rather
15 than a semi-annual basis?**

16 A. Yes, however, an annual change to SCRC rates is more appropriate to set for effect
17 February 1, 2023. It will be more efficient for Eversource to consider and evaluate the
18 effects of the transition from semi-annual to annual SCRC filings and required tariff and
19 accounting changes as part of its December 2022 SCRC filing for the February 1, 2023 to
20 January 31, 2024 rate year forecast.

⁴ Order No. 26,569 (January 25, 2022), at 7-8.

1 **XI. CONCLUSION**

2 **Q. Does Eversource request Commission approval of the SCRC rate billed to customers**
3 **by a specific date?**

4 A. Yes, Eversource requires final approval of the SCRC, Ch. 340, RGGI Refund,
5 Environmental Remediation and Net Metering Cost rates by July 26, 2022, to implement
6 the new rates for service rendered on and after August 1, 2022.

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

8 A. Yes, it does.