STATE OF NEW HAMPSHIRE

BEFORE THE

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 24-070

REQUEST FOR CHANGE IN RATES

DIRECT TESTIMONY OF

Robert S. Coates, Paul R. Renaud, Brian J. Dickie,
Warren R. Boutin, Shamus O'Brien, and Amy J. Findlay

Performance Based Ratemaking Metrics

On behalf of Public Service Company of New Hampshire

d/b/a Eversource Energy

June 11, 2024

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BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF ROBERT COATES, PAUL RENAUD, BRIAN DICKIE, WARREN BOUTIN, SHAMUS O'BRIEN, AND AMY FINDLAY (PBR METRICS PANEL)

PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY

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I. INTRODUCTION

Q. Mr. Coates, please state your full name, position and business address.

A. My name is Robert S. Coates Jr. I am the Vice President of Project Management and Construction for Eversource Service Company ("ESC"). I have, however, been appointed as President of New Hampshire Electric Operations effective July 7, 2024. My current business address is 56 Prospect Street, Hartford, Connecticut, but effective July 7, 2024 I will operate out of 780 North Commercial Street Manchester, New Hampshire.

Q. Please summarize your educational background.

A. I received a Bachelor of Science degree in Occupational Safety and Health Administration from the University of New Haven. I completed my Master of Business Administration at American International College.

Q. Please summarize your professional experience.

A. I have been employed by ESC or its affiliates for over 36 years holding various leadership positions in the safety and electric operation organizations. I have held the position of Vice President of Project Management and Construction since December 2021 and have been an Officer for over a decade in Electric Operations. I am responsible for overseeing major Transmission and Distribution projects and capital construction across the Eversource Energy service territory, including New Hampshire. In addition, I provide storm restoration leadership across Eversource, including New Hampshire.

Q. Have you previously testified before the New Hampshire Public Utilities Commission ("PUC" or "Commission")?

A. I have not testified before the Commission previously, however I have testified in other cases before the Massachusetts Department of Public Utilities ("MDPU").

Q. Mr. Renaud, please state your full name, position and business address.

A. My name is Paul R. Renaud. I am the Vice President of Distribution Engineering for ESC. My business address is 247 Station Drive, Westwood, Massachusetts 02090.

Q. Please summarize your educational background.

A. I graduated from the University of Bridgeport in Bridgeport, Connecticut with a Bachelor of Science Degree in Electrical Engineering. I subsequently received a Master of Science Electrical Engineering, Power Systems degree from Northeastern University in Boston, Massachusetts. I am a registered Professional Engineer in the State of Massachusetts.

Q. Please summarize your professional experience.

A. From 2000 through 2011, I worked for National Grid USA in Waltham, Massachusetts, where I held lead engineering roles for Transmission Market Development and Transmission Regulation and Policy areas in 2001 through 2004. In 2005, I became the Manager for Transmission Asset Strategy and in 2008 through 2011 held the position of Vice President of Transmission Asset Management and managed the company's transmission assets in New York and New England. Beginning in 2011, I worked for Vermont Electric Power Company, where I served as Director of System Planning, Engineering, and Telecommunication. I provided strategic and day-to-day direction on all engineering and planning activities related to Vermont's high voltage transmission system. In March 2014, I was hired by Eversource (then Northeast Utilities) as Vice President of Massachusetts Engineering. In 2018, I accepted the position as Vice President, Engineering, for the Eversource Energy electric operating subsidiaries in Connecticut, Massachusetts and New Hampshire.

Q. Have you previously testified before the Commission?

A. No, I have not.

Q. Mr. Dickie, please state your full name, position and business address.

A. My name is Brian Dickie. I am the Vice President of Electric System Operations in New Hampshire for ESC. My business address is 780 N Commercial St, Manchester, New Hampshire 03101.

Q. Please summarize your educational background.

A. I graduated from the University of New Hampshire with a Bachelor of Science in Engineering Technology and from Worcester Polytechnic Institute with a Master of science degree in Electrical and Computer Engineering. I am a licensed professional engineer in the state of New Hampshire, and currently maintain my North American Transmission Operators ("NERC") license. I have been a member of IEEE since 2019.

Q. Please summarize your professional experience.

A. I have held various positions with Eversource over the last 35 years from Fossil/Hydro Operations to distribution engineering and system planning and engineering management. In 2015, I was promoted to Director of System Operations responsible for transmission and distribution grid operations, outage management operations, and the troubleshooter linemen department. In 2021, I was promoted to my current position as Vice President of New Hampshire Electric System Operations.

Q. Have you previously testified before the Commission?

A. Yes, I have sponsored testimony before the Commission in the 2017 Reliability Enhancement Program Reconciliation and Request for Program Continuation, DE 09-035.

Q. Mr. Boutin, please state your full name, position and business address.

A. My name is Warren R. Boutin. I am the Vice President of Customer Grid Electrification Solutions and Experience for ESC. My business address is 247 Station Drive, Westwood, Massachusetts 02090.

Q. Please summarize your educational background.

A. I received my Bachelor of Science in Mechanical Engineering from Norwich University and my Master of Business Administration from Bentley University.

Q. Please summarize your professional experience.

A. I have been employed by ESC for over 30 years. I have held various positions with ESC including Manager of Electric Strategic Accounts and the Director of Electric Service Support, Distributed Energy Resources and Supplier Services. I assumed my current position of Vice President of Customer Grid Electrification Solutions and Experience in January 2024. In my current position I am responsible for establishing valued business relationships, providing grid electrification solutions, and a superior customer experience to the company's strategic accounts, national accounts, large, medium and small customers, builders and developers, including our Distributed Energy Resource (DER) developers, Electric Vehicle (EV) customers, third party communication fiber and antenna attachers, and third-party suppliers.

Q. Have you previously testified before the Commission?

A. No, I have not.

Q. Mr. O'Brien, please state your full name, position and business address.

A. My name is Shamus O'Brien. I am the Director of Voice of the Customer and Customer Experience Strategy for ESC. My business address is 73 West Brook Street, Manchester, New Hampshire 03101.

Q. Please summarize your educational background.

A. I received a Bachelor of Arts Degree from Southern New Hampshire University.

Q. Please summarize your professional experience.

A. I have been employed by ESC for over 25 years. I have held various positions, including Senior Analyst and Manager of Voice of the Customer Team before being promoted to my current position of Director of Voice of the Customer and Customer Experience Strategy in September 2022.

Q. Have you previously testified before the Commission?

A. No, I have not.

Q. Ms. Findlay, please state your full name, position and business address.

A. My name is Amy J. Findlay. I am the Manager of Energy Efficiency for ESC. My business address is 247 Station Drive, Westwood, Massachusetts 02090.

Q. Please summarize your educational background.

A. I graduated from the University of Notre Dame with a Bachelor of Science degree in Civil Engineering. I received my Master of Business Administration from the University of Michigan.

Q. Please summarize your professional experience.

A. I have been employed by ESC for over 10 years. I have held various positions at ESC including Senior Research Analyst for Energy Efficiency and Supervisor of Customer

Engagement Strategy for Energy Efficiency before being promoted to my current position of Manager of Energy Efficiency in April of 2022.

Q. Have you previously testified before the Commission?

A. No, I have not.

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to outline performance based ratemaking ("PBR") metrics within the PBR Plan proposed by the Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH" or the "Company") in this proceeding. The electric industry is experiencing extraordinary challenges influenced by regional energy policy, the emergence of new technologies, expanding customer expectations and engagement, challenges in hiring, aging infrastructure and changing weather patterns. Each of these developments produces unique difficulties for the traditional utility business model. To address these challenges the Company is proposing to institute a PBR Plan. The joint direct testimony of Mr. Foley, Mr. Coates and Mr. Horton ("Case Overview Testimony") describes the PBR Plan in more detail, including reasons for the Company's PBR proposal and how the PBR mechanism is implemented.

As part of the PBR Plan, the Company is proposing to establish PBR metrics as part of the PBR Plan. The purpose of PBR metrics is to motivate the Company to meet targeted achievements in service quality, active demand response, and customer initiatives and allow the Commission and stakeholders the ability to monitor the Company's progress in these areas during the 4-year PBR term. As discussed below, the Company proposes to

implement several individual metrics within certain performance categories that will provide transparency in relation to the Company's performance.

The Company is proposing two different sets of metrics: service quality metrics and reporting metrics. The service quality metrics are focused on reliability performance and are designed to ensure that the Company maintains its high service quality standards during the PBR term and incent the Company to invest in a manner that is cost efficient and benefits customers through improved reliability and resiliency. The service quality metrics include Company performance related to System Average Interruption Duration Index ("SAIDI") and Months Between Interruptions ("MBI"). The Company's proposed service quality metrics include baselines that if not achieved will result in penalties assessed against the Company and distributed to customers as a credit in the subsequent year.

The reporting metrics are designed with the specific intention of yielding information and insight into the Company's activities and progress in specific areas of interest. These metrics cover performance areas including customer satisfaction, solar interconnection, customer requested work, and active demand response. The Company is proposing a baseline, or to develop a baseline, for each PBR metric to report its progress over the 4-year PBR Plan to the Commission and interested parties.

Q. How is your testimony organized?

A. Our testimony is organized into the following sections:

- Section I includes the introduction;

- Section II provides the background and purpose of the proposed PBR metrics;
- Sections III outlines the PBR metrics the Company is proposing for the 4-year PBR term, including baselines and targets; and
- Section IV is the conclusion.

Q. Are you sponsoring any attachments with your joint testimony?

A. Yes. Attachment ES-METRICS-1 includes a table that outlines the category of metric, the type of measure, the measure, baseline, target, timeline for the target, and the formula/algorithm for calculation for each PBR metric proposed.

II. BACKGROUND AND PURPOSE OF PBR METRICS

Q. Please describe the impetus for the Company's proposal to implement a PBR Plan.

A. As described in more detail in the Company's Case Overview Testimony, the Company is proposing to operate under a PBR Plan to enable the Company to focus on electric operations, storm response, and obligations to customers without the need for sequential rate cases. A PBR Plan will allow the Company to impose cost controls to contain operating and maintenance expenses and to manage capital investment so that financial integrity is managed within the confines of the PBR Plan. Without the need for successive rate cases, the Company can remain focused on its performance at all levels of the organization, which will benefit customers in the long run. Therefore, the interests of customers are served by a PBR Plan framework.

Q. How do PBR metrics complement and support the Company's PBR Plan?

A. The implementation of meaningful PBR metrics simply furthers the transparency and effectiveness of the PBR Plan. PBR metrics provide the Company with the focused objective of creating benefits and value for customers through the targeted achievement of specific goals and outcomes. A well designed PBR metric encourages improvements in areas that the Company may not otherwise directly pursue if it is not necessary to fulfill its basic obligation of safe and reliable service. PBR metrics incentivize the Company to achieve different specific goals that go above and beyond the efficient delivery of core business operations.

PSNH employs a team of dedicated staff with a strong commitment to providing safe and reliable electric service to its customers in New Hampshire. The Company is proud of its ongoing, rigorous efforts to ensure delivery of electric service that is reliable and resilient. Therefore, the Company thoroughly recognizes that it is important to put metrics in place to demonstrate performance improvements over the term of its PBR Plan and has worked diligently to propose metrics that will meet this objective, if approved by the Commission.

Q. Are the proposed PBR metrics consistent with the Company's goals of implementing a PBR Plan?

A. Yes. The Company proposed to implement a PBR Plan to allow PSNH to focus on its operations without the distraction of multiple rate case filings. Therefore, the proposed PBR metrics include initiatives that would be difficult to achieve simultaneously when the Company is faced with multiple rate cases. Implementation of the PBR Plan directly

affords the Company the opportunity to focus on these specific areas of operation that target improvements in resiliency, customer experience, and active demand response.

Q. Please explain how PBR metrics can be an effective tool in the Company's role in promoting policy and customer goals.

A. Incentive regulation can play an important role in aligning a utility's operations with the broader goals of the Commission, the state of New Hampshire, and the needs of customers at large. The region is experiencing an emerging retail energy environment that depends on a reliable, modernized grid, which can be increasingly complex and at times, unpredictable. The Company must meet these technical challenges while also rising to the evolving needs and preferences of its customers. PBR metrics are a critical tool that can be used to promote the Company's focus on making contributions toward realizing energy goals. This will create greater alignment between the Company's business objectives and regional and state priorities as well as customer expectations.

Q. How will the Company report on the progress of these PBR metrics to the Commission and other stakeholders?

A. The Company is proposing to report on the progress of the proposed PBR metrics each year in a filing to the Commission, which can be accessed by interested stakeholders. The Company will file its yearly PBR metrics report on or before May 15th each year, which will encompass the performance for the calendar year prior. For example, the Company's first PBR metrics report would be filed on or before May 15, 2027 and would include the data and performance for calendar year 2026. The Company would continue to report on

its performance through these PBR metrics through the end of the PBR term, on or before May 15, 2029

III. PROPOSED PBR METRICS

A. Service Quality Metrics

Q. Please outline the Company's proposed Service Quality metrics.

A. The Company is proposing two Service Quality metrics focused on reliability. The first reports on the Company's SAIDI, which measures the number of minutes an average customer can expect to be without power during the year. SAIDI is calculated as System Average Interruption Frequency Index ("SAIFI") multiplied by the Customer Average Interruption Duration Index ("CAIDI").

The second Service Quality metric reports on the Months Between Interruption (MBI). This measures the number of months between when an average customer could expect to experience a sustained power interruption. If, for example, a customer has two interruptions per year, that is an average of six months between interruptions. System Average Interruption Frequency Index (SAIFI) is the standard utility, IEEE, and regulatory measure for frequency of interruptions which is equal to the number of customers interrupted divided by the number of customers served.

$$\text{SAIFI} = \frac{\text{Total number of customers interrupted}}{\text{Total number of customers served in the group}}$$

MBI is a more intuitive way of expressing SAIFI where MBI is equal to a twelve-month period divided by SAIFI.

$$MBI = \frac{12}{SAIFI}$$

Q. What outage data is excluded from in the proposed Service Quality metrics?

A. The following outage data is being excluded from the proposed service quality metrics because they are a measure of good utility practice and customer service, or are either out of the Company's control or do not directly correlate to the resiliency and reliability of the distribution system:

Interruptions that are resolved within 5 minutes or less

Interruption of 5 minutes or less involve events which are resolved in 5 minutes or less which include remote switching utilizing smart switch technology, manual switching performed within 5 minutes or less, and momentary outages which are resolved via inherent functions within the source protective device(s). This customer restoration function is a measure of good utility practice and operations.

Private customer outages

Private customer outages are outages caused by customer equipment beyond the primary or secondary metering.

Planned outages

Planned outages are outages were Eversource will provide pre-notification for an upcoming outage.

Loss of External Supply

Loss of external supply outages are outages that are cause by a loss of source power from a non-Eversource entity. i.e., Green Mountain Power

Public Safety directed outages

Public Safety directed outages are outages directed by ISO, municipal, police, or fire authority, to remove electric service for public safety concerns which have no reasonable expectation for when power may be restored. i.e., flooded areas, load shed etc.

Major Event Days (TMED)

Major event days for the reporting year are days in which the daily system SAIDI exceeds a threshold value, the TMED, as defined in IEEE 1366-2012. The threshold is calculated annually at the end of the reporting period for the subsequent reporting period.

Q. How is the Company proposing to develop the baseline and target for these metrics?

A. The Company is proposing to use a five-year rolling average with 2 standard deviations as upper and lower bounds as the baseline for both Service Quality metrics, measuring SAIDI and MBI. This measure keeps the NH performance in these two areas within the upper and lower bounds for all years from 2016 to the present day. The five-year measure also takes

into account the present day reliability reality where the NH reliability measures since 2019 have been within first and second quartile to the present day.

The targets would be calculated yearly, using the upper and lower bounds. Please see the tables below outlining this calculation.

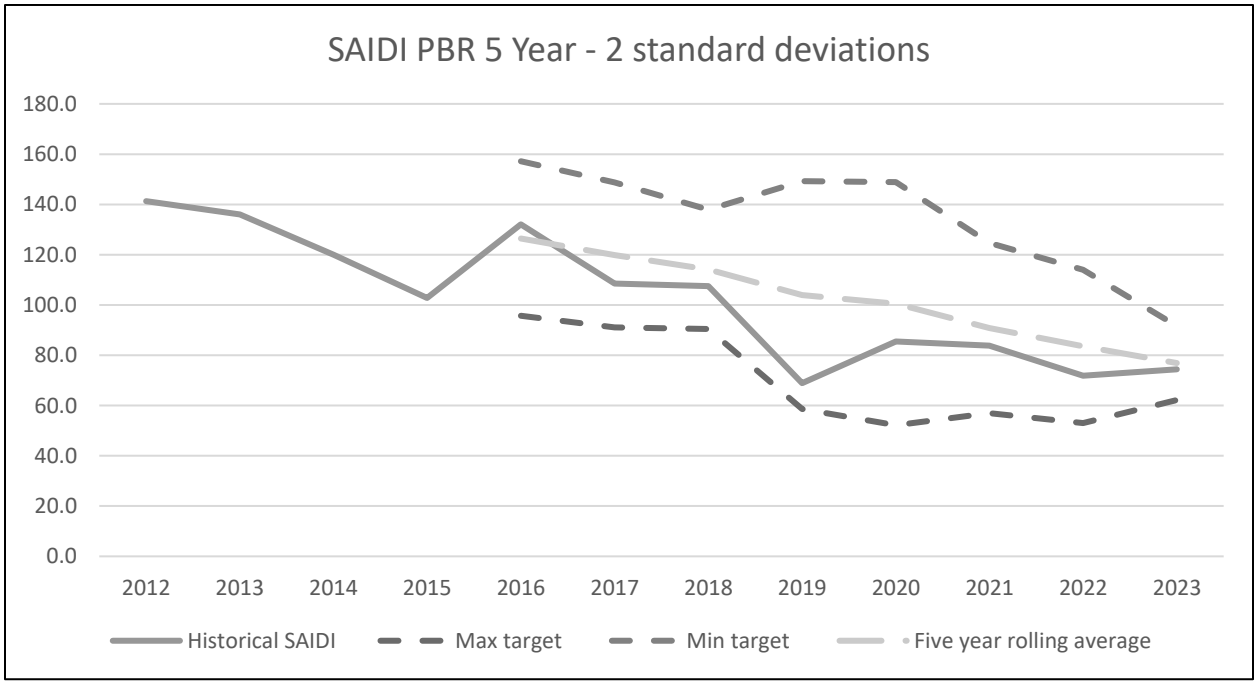
Table 1: SAIDI Target Calculation

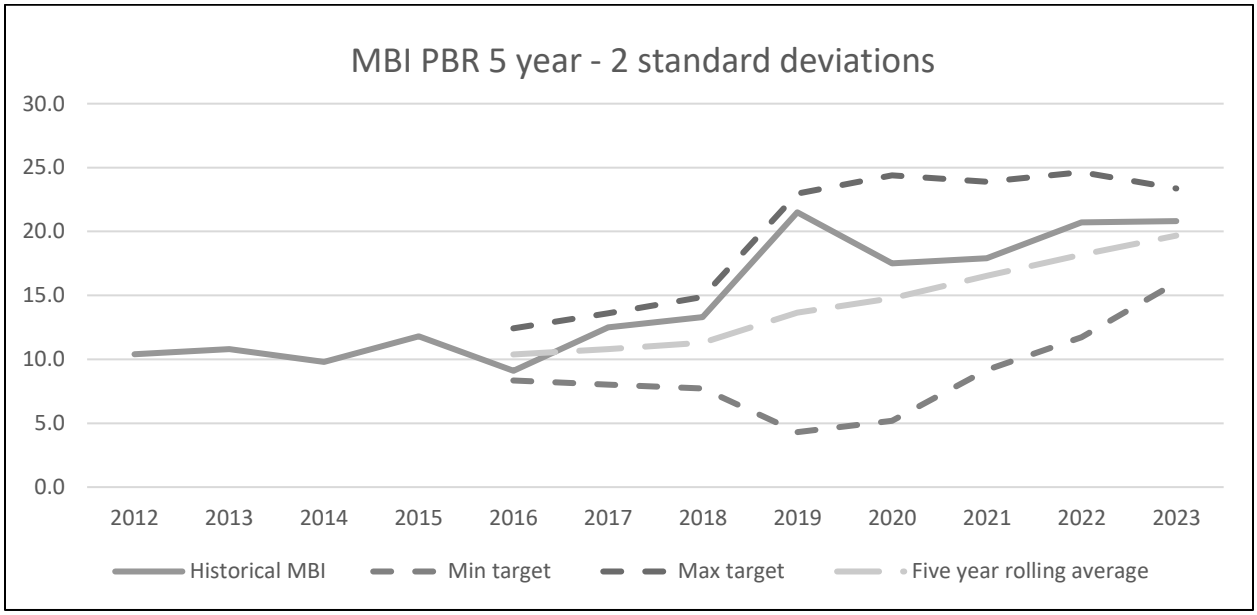
	Historical SAIDI	Five year rolling average	Five year rolling 2 standard deviations	Max target	Min target
2012	141.3				
2013	136.0				
2014	120.0				
2015	102.8				
2016	132.1	126.4	30.7	95.7	157.2
2017	108.5	119.9	28.8	91.1	148.7
2018	107.5	114.2	23.7	90.5	137.9
2019	68.9	104.0	45.3	58.6	149.3
2020	85.5	100.5	48.3	52.2	148.8
2021	83.8	90.8	33.9	56.9	124.7
2022	71.9	83.5	30.5	53.1	114.0
2023	74.4	76.9	14.7	62.2	91.6

Table 2: MBI Target Calculation

	Historical MBI	Five year rolling average	Five year rolling 2 standard deviations	Min target	Max target
2012	10.4				
2013	10.8				
2014	9.8				
2015	11.8				
2016	9.1	10.4	2.0	8.3	12.4
2017	12.5	10.8	2.8	8.0	13.6
2018	13.3	11.3	3.6	7.7	14.9
2019	21.5	13.6	9.3	4.3	23.0
2020	17.5	14.8	9.6	5.2	24.4
2021	17.9	16.5	7.4	9.2	23.9
2022	20.7	18.2	6.5	11.7	24.6
2023	20.8	19.7	3.7	16.0	23.4

An example of the data is included in the graphs below:





Q. Is the Company proposing to attach a penalty to the Service Quality metrics?

A. Yes. The Company is proposing to establish a penalty to the Service Quality metrics to set its commitment to the proposed PBR Plan and accompanying PBR metrics during the 4-year term. For each Service Quality metric, the Company proposes to apply a penalty equal to the Company's proposed exogenous cost threshold of $1.5 million. If the Company does not meet the target annually during the 4-year PBR Plan term, the Company would be assessed a penalty of $1.5 million for each year it does not meet the target. For any year the Company exceeds the target, the Company will receive a credit of $1.5 million that may be applied as an offset to any future penalty under this metric.

B. Reporting Metrics

1. Customer Satisfaction

Q. What are the two Customer Satisfaction metrics the Company is proposing?

A. The two Customer Satisfaction metrics include Number of Customer Complaints Reversed and the Transactional Customer Satisfaction Index.

Q. Please describe the Number of Customer Complaints Reversed metric.

A. The Company is proposing a reporting metric on the number of customer complaints received by the New Hampshire Department of Energy ("NHDOE") and more specifically, those that were "reversed" customer complaints, which are complaints where an error by the Company is validated and acknowledged after investigation. Focusing on reversed customer complaints is supported within the Company's position within the PBR framework of accountability for items mostly or completely within the Company's control.

Q. How is the Company proposing to measure this metric?

A. To standardize a measure of customer complaints relative to the size of the Company's New Hampshire customer base, this metric would be reported as the number of reversed customer complaints to the NHDOE per 10,000 customers. This can be represented by the following formula:

$$\text{[Number of reversed customer complaints per 10,000]} = \frac{\text{[Number of reversed customer complaints]}}{\text{[Total Number of Customers]}} \times 10{,}000$$

As an illustrative example, in a given year assuming 87 reversed complaints and 538,000 NH customers, the final reported score would be 1.62.

Q. What is the Company's proposed baseline and target for this metric?

A. The Company is proposing to develop the baseline for this metric using the average rate of reversed complaints received by NHDOE during calendar years 2022-2024. The target will then be for the Company to remain at or better than the baseline yearly during the PBR term. Once the Company has collected all the data for calendar years 2022-2024, the Company proposes to supplement this metric with the calculated baseline and target values on March 1, 2025 before the end of this proceeding.

Q. Please describe the Transactional Customer Satisfaction Index metric.

A. The Company is proposing a reporting metric called the "Transactional Customer Satisfaction Index." This index is intended to capture major customer transactional touchpoints with the Company. Individual components of this metric include (1) customer satisfaction after being restored from a blue-sky outage; (2) satisfaction after interacting with the Company's phone customer service resources, either live-agent or interactive voice; (3) satisfaction with the process of interconnecting solar resource at a customer's home; (4) satisfaction with working to connect new construction to the grid; and (5) satisfaction after using the Company's website.

Q. How is the Company capturing the components of this metric?

A. The Company has several surveys that it is utilizing to capture the components outlined above. These include the following surveys:

- Unplanned Outage Restoration Survey
- Post-Contact Customer Satisfaction Survey
- Solar Producer Survey
- New Customer Connect Electric Survey
- Web Satisfaction Survey

The Unplanned Outage Restoration Survey, the Post-Contact Restoration Survey, and Solar Producer Survey, are transactional surveys conducted via the Qualtrics online research platform, with customers being invited to provide feedback in an email invitation. For each survey, invitations are sent to a random selection of eligible customers on a daily basis. The Web Satisfaction Survey is an in-channel survey, where a random selection of visitors to the website are invited to participate in a follow-up survey following the completion of their transaction. The New Customer Connect Electric Survey is conducted among electricians and contractors who work with Eversource on new service requests and is conducted by a third-party vendor via telephone. The vendor is provided a list of eligible completed jobs on a weekly basis and continuously works through the list to complete as many survey interviews as possible.

Q. Please describe how the Company proposes to measure this metric.

A. The Transactional Customer Satisfaction Index will comprise an average of the individual components outlined above, giving each component equal weighting. The actual mean score for each of the satisfaction components is based on the customers' rating using a scale

of 1, unacceptable, to 10, outstanding. The goal of giving each component equal weighting as opposed to a weighted average based on survey responses, is to avoid "drowning out" individual components with lower volume of surveys, such as the satisfaction with the solar interconnection process or satisfaction with the new service request process. Such components will never have the same volume of responses to compete with, for example, the outage restoration satisfaction component, but is still a vital touchpoint for a growing segment of New Hampshire customers.

Q. How will this metric be calculated?

A. The Transactional Customer Satisfaction Index will be calculated by weighting the average score of each component metric by 20 percent, and then summing the resulting output together to calculate a combined index score.

Q. What is the Company's proposed baseline and target for this metric?

A. Similar to the Number of Customer Complaints Reversed metric, the Company is proposing to develop the baseline using the average result for each metric component in 2022-2024, weighing each score by 20 percent. An average margin of error of each individual component will also be incorporated into the baseline. The target will then be for the Company to remain at or better than the baseline yearly during the PBR term. Once the Company has collected all the data for calendar years 2022-2024, the Company proposes to supplement this metric with the calculated baseline and target values on March 1, 2025 before the end of this proceeding.

Q. Why is the Company proposing to report on customer satisfaction through these surveys in this metric instead of providing the traditional overall customers satisfaction rating?

A. The Company maintains that the use of a reporting metric such as the Transactional Customer Satisfaction Index is a more balanced metric than utilizing a traditional overall customer satisfaction rating. The Company's long-standing Voice of the Customer Team has ample research showing how heavily influenced an overall customer satisfaction rating can be on the perception of many factors mostly or completely outside of the Company's control, particularly in the area of cost.

2. Solar Generator

Q. Please explain the importance of Solar Generator PBR metrics alongside the Company's proposed PBR Plan.

A. Eversource is determined to streamline, measure, and constantly seek opportunities for improvement in distributed energy resources ("DER") customer satisfaction.. These goals align with those of the PBR Plan in facilitating clean energy interconnection and enhancing customer satisfaction with DER integration.

Q. Please describe the complexity of the customer process in integrating DER.

A. Ultimately, DER customer satisfaction is a complex shared responsibility by multiple stakeholders who have control or influence over certain parts of sequential and parallel processes, but not the entire process, in support of the overall DER customer journey.

This journey moves from a private purchasing decision between the customer and the DER Developer into a structured and regulated process governing interconnection standards and

customer compensation. Stakeholders in that process include policy makers themselves where simple, clear, easy to understand policy provides a faster, easier and less expensive landscape to navigate in all stages of this journey. Other stakeholders that drive the customer journey are applicants, installers, municipal inspectors and various departments within the Company such as Customer Care, Engineering, Metering, and Billing. The more complex a proposed project, the more departments, depth of analysis, and timing is required to ensure a safe and reliable interconnection.

Q. What is the current state of New Hampshire DER interconnection programs and processes?

A. Currently, the New Hampshire DER simplified projects are progressing smoothly and efficiently through the interconnection process and meeting customer/developer expectations. The more complex projects, those requiring engineering assessment and a System Impact Study ("SIS"), progress well, but due to the size and resultant impact on the electric system, require more time to complete. Eversource, and various stakeholders, are reviewing time frames for these complex interconnections in an effort to streamline the review process while ensuring a safe and reliable interconnect for both the interconnecting customer and the reliability of existing customers. There are currently active regulatory dockets reviewing current processes and timelines to complete the SIS applications, and the outcome of these dockets may in turn impact the baseline and calculation of this PBR metric. A consistent, stable process is a prerequisite to developing baseline statistics to show process improvement. If a process and timeline for SIS type interconnects is agreed

upon through the existing dockets, the Company would revise the PBR baseline as necessary for this metric through its proposed PBR annual reports.

Q. Please describe the Company's proposed process for tracking the interconnection of DER customers for the purposes of the Solar Generator metric.

A. The Company recently invested in the tools to allow better customer self-service and tracking of the key performance indicators for the current process, given recent surges in DER applications over the past 3 years. The Company proposes to collect data on the timeline for solar applications for the purpose of establishing a baseline and a target by 2027 for each of the following categories:

1. Simplified Projects – invertor based projects 100 kW and less.
2. Standard Projects – all non-invertor based projects, and invertor based projects greater than 100 kW that do not require a SIS.
3. Standard Projects requiring a SIS – projects greater than 100 kW, that require a SIS. Any project requiring an ISO Study is excluded from the timeline as these projects are to be grouped into ISO studies per FERC 2023.

Q. How is the Company proposing to measure these performance indicators for the Solar Generator PBR metric?

A. The Solar Generator PBR metric will be the percentage of applications meeting the performance targets. This will be calculated by dividing the number of solar applications meeting performance targets by the total number of solar applications. The Company proposes to report on this metric on the three categories identified above: (1) simple (<100kW) applications, (2) standard (>100kW) applications not requiring a system impact study ("SIS"), and (3) standard (>100kW requiring a SIS, not requiring an ISO study) .

Q. How will the baseline and target be developed for this metric?

A. The Company proposes to collect three years of data during calendar years 2024 through 2026 for purposes of establishing the baseline for solar applications for all three types of applications outlined above. The Company would then propose a baseline and a target in its PBR metrics report filed during calendar year 2027 with a description of how the baseline and target is calculated. Prior to this report, the Company will commit to reporting on the annual timelines in the PBR metrics reports filed during calendar years 2025 and 2026.

3. Operations – Customer Work Request

Q. Please describe the Company's proposed Customer Work Request metric within this performance area.

A. The Customer Work Request metric will measure the percentage of work requests the Company completes within a target number of business days in four types of service categories. The time will be calculated from the creation of a work request to the completion of work or the meter in-service date, in number of business days, excluding hold days.

The four types of service categories and the business day targets for each are as follows:

Type of Service	Definition of Type of Service	Business Day Targets
Simple Service	A single span of single-phase secondary to meter location Time frame starts when all Customer Obligations including wiring inspection are complete.	≤8 days
Customer Requested	Customer requested work: includes cover for wires, meter floats and service disconnect/reconnects	≤11 days
Developments (Residential/ Commercial)	Developments for main electric infrastructure, not individual services	≤90 days
Complex Services	Any service requiring design	≤43 days

This metric will provide insight into how well the Company is facilitating customer requested work in a timely manner.

Q. How did the Company calculate the business day targets in which the work request should be completed?

A. The Company calculated the business day targets for this PBR metric proposal based on the average number of business days, excluding hold days, that it took for the Company to complete the customer work requests in each category in New Hampshire in calendar year 2023.

Q. Would you please provide some examples of "hold days" that are excluded from the business days reported for this metric?

A. These include the following delays which are not within the Company's control:

- Time waiting for customer obligations such as payment, easements, etc.
- Time waiting for all the necessary customer load information, approved drawings and site plans, and any other customer information required to complete the design;
- Time for municipality or State to issue a permit for Company infrastructure on public way (e.g., Poles);
- Traffic control cancellations;
- Time waiting for the customer to complete their scope of work;
- Customer municipal inspection approval; and
- Force majeure or Emergency Response Plan.

The Company excludes any days that fall within the categories above from the metric calculation, as these are instances where the Company cannot control how quickly the issues are remedied. This metric proposes to measure the Company's performance completing work requests in instances where the variables and delays are within the Company's control.

Q. Are there any examples of "hold days" or times where a delay is outside of the Company's control that have been included in the baseline data?

A. Yes. In some cases, the customer will request an appointment date that is further out than the business day target on their own accord, which can be due to various reasons on behalf of the customer. This delay, past the business day target, is agreed upon by the Company and the customer in advance and the Company will complete the work on the appointment date, as requested and agreed upon. Even though this work was done outside of the business day target, the Company still performed the customer requested work in a timely manner based on the customer's request.

Because these instances have not altered the data significantly, the Company has kept these types of "hold days" in the calculation of the baseline and will continue to include it to calculate the metric for future PBR metrics reports to maintain consistency. However, if there are several instances of this in a future PBR term year which alters the data significantly, the Company will explain this in its PBR metrics report and it should not negatively affect the Company's overall performance in this metric category.

Q. Please describe how the Company proposes to calculate the percentage of customer requested work that meets the business day targets.

A. The percentage of customer requests meeting the business day targets would be calculated by adding the number of requests that are completed within or under the target number of business days for each category and dividing that number by the total number of work requests across all four categories. This will provide a better overall measure of performance because it will weigh each category equally.

The Company proposes to give each category equal weighting in this manner and report out on the combined average because of the inherent differences in volume and complexity for each of the categories. For example, there is a much higher volume of simple service requests than development requests. However, the Company needs to give equal attention to both types of requests. Therefore, a combined average will show consistent timely performance in completing customer work across all four categories of work requests.

Q. Has the Company determined a baseline and a target for the Customer Work Request metric?

A. The Company has collected data for all four categories for calendar year 2023 and calculated a baseline of 90 percent using the above calculation. The target for this metric is for the Company to remain at or better than the baseline of 90 percent annually for the 4-year PBR term, 2026-2029.

However, because the Company calculated this metric baseline using only one year of data (2023), there is a reasonable range of uncertainty included with this metric. Therefore, the Company proposes to be able to explain and alter this baseline in its annual PBR metrics report in 2026 if calendar year 2023 becomes anomalous as compared to subsequent years. At that time, the Company would propose to utilize a three-year average (2023-2025) to calculate the baseline, similar to the other metrics proposed.

4. Active Demand Response

Q. Please describe the Company's Active Demand Response metric.

A. For the Active Demand Response metric, the Company proposes to measure the active demand reduction as the sum of the "Net Summer kW" reductions from the measure-level calculations tab in the Eversource Electric Active Demand Response ("ADR") Models. These ADR Models are filed in the Plan-Year Reports for the 2024-2026 Three-Year Energy Efficiency Plan Term. All active demand reductions in a given year are reported for that year and are only attributable to that year.

Q. What is the baseline and target for this metric?

A. The baseline will be 7.5 MW, which is the average demand reduction per the 2021-2023 Q4 Reports. The Company proposes to remain at or better than 14.5 MW annually for the 4-year PBR Term, which is the average MW reduction per the 2024-2026 EE Plan.

Q. What is the value created by active demand response through the PBR Plan?

A. Peak demand is a major driver of costs experienced by the Company's customers. Proactive efforts to reduce peak demand can generate significant reductions in system costs for customers as the electric system as a whole must be sized to meet peak demand (at the system and local levels). The Company's Active Demand Response metric will focus on PSNH's system peak, which occurs during the summer months.

Key benefits to customers from reducing system peak demand include avoided capacity market and energy costs and efforts on peak demand management can drive expanded or innovative Company efforts to provide these benefits to customers.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.