

**STATE OF NEW HAMPSHIRE**

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**DIRECT TESTIMONY OF ASHLEY N. BOTELHO AND EDWARD A. DAVIS**

**PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
d/b/a EVERSOURCE ENERGY  
PRELIMINARY REQUEST FOR CHANGE IN STRANDED COST RECOVERY  
CHARGE RATE  
FEBRUARY 1, 2025 THROUGH JANUARY 31, 2026**

**November 20, 2024**

**Docket No. DE 24-xxx**

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1 **I. INTRODUCTION**

2 **Q. Ms. Botelho, please state your name, business address and position.**

3 A. My name is Ashley N. Botelho. My address is 247 Station Drive, Westwood,  
4 Massachusetts. I am the Director of Revenue Requirements, Distribution for Eversource  
5 Energy Service Company (“ESC). In that position, I support Public Service Company of  
6 New Hampshire d/b/a Eversource Energy (“PSNH”, “Eversource,” or the “Company”)  
7 regarding revenue and rate-related matters.

8 **Q. Ms. Botelho, please describe your educational and professional background.**

9 A. I graduated from Drexel University in Philadelphia, Pennsylvania in 2010 with a Bachelor  
10 of Science in Business Administration, with a concentration in finance. In 2013, I  
11 graduated from the Bryant University Graduate School of Business with a Master of  
12 Business Administration degree.

13

1 I began working as a contractor for NSTAR Electric in July 2010 in support of NSTAR  
2 Electric's Smart Grid programs. In October 2011, I was hired as a Smart Grid Associate  
3 Project Manager. In December 2012, I assumed the role of Analyst in Revenue  
4 Requirements. In July 2014, I was promoted to a Senior Revenue Requirements Analyst.  
5 In January 2018, I was promoted to Manager, Revenue Requirements. In July 2022, I was  
6 promoted to my current role of Director, Revenue Requirements, for Distribution.  
7

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

9 A. In this position, I am responsible for the oversight, coordination, and implementation of  
10 revenue requirement calculations in base distribution rate proceedings as well as other  
11 proceedings before state regulatory agencies. I have previously supported base distribution  
12 rate proceedings for the Connecticut operating subsidiaries of Eversource Energy. I am  
13 also responsible for the oversight, coordination, and implementation of revenue  
14 requirement calculations for the Massachusetts and New Hampshire operating subsidiaries  
15 of Eversource Energy, including NSTAR Electric Company, NSTAR Gas Company,  
16 Eversource Gas Company of Massachusetts, and PSNH. In addition, I have the overall  
17 responsibility for regulatory interfaces for all revenue requirement-related filings before  
18 the Massachusetts Department of Public Utilities (the "Department") and the New  
19 Hampshire Public Utilities Commission (the "Commission"), including filings associated  
20 with PSNH's default Energy Service ("ES"), Stranded Cost Recovery Charge ("SCRC"),  
21 Transmission Cost Adjustment Mechanism ("TCAM"), System Benefits Charge ("SBC"),

1 Regulatory Reconciliation Adjustment (“RRA”) mechanism, Pole Plant Adjustment  
2 Mechanism (“PPAM”), and Base Distribution Rates.

3 **Q. Ms. Botelho, have you previously testified before this Commission?**

4 A. Yes, I have.

5 **Q. Mr. Davis, please state your name, business address and position.**

6 A. My name is Edward A. Davis. My business address is 107 Selden Street, Berlin,  
7 Connecticut. My position is Director, Rates at Eversource Energy Service Company.

8 **Q. Mr. Davis, what are your responsibilities in your current position?**

9 A. In my position as Director of Rates at Eversource, I provide rate and tariff related services  
10 to the operating companies of Eversource Energy, including PSNH.

11 **Q. Mr. Davis, please describe your educational and professional background.**

12 A. I hold a Bachelor of Science degree in Electrical Engineering from the University of  
13 Hartford and a Master of Business Administration from the University of Connecticut. I  
14 joined Northeast Utilities, now Eversource Energy, in 1979, and have held various  
15 positions in the areas of consumer economics, engineering and operations, wholesale and  
16 retail marketing and rate design, regulation and administration.

17 **Q. Mr. Davis, have you previously testified before the Commission or other regulatory**  
18 **bodies?**

1 A. Yes. I have on many occasions testified before the New Hampshire Commission on behalf  
2 of Eversource, as well as before the state utility commissions in Connecticut and  
3 Massachusetts on behalf of other Eversource Energy affiliates on rate-related matters.

4 **Q. What is the purpose of your joint testimony?**

5 A. The purpose of this testimony is to propose and explain the Company's SCRC adjustment  
6 for effect February 1, 2025. Our testimony provides an overview of the adjustments to  
7 the components of the SCRC rate, including the (i) Regional Greenhouse Gas Initiative  
8 ("RGGI") refund, (ii) Environmental Remediation costs, (iii) Net Metering, and (iv)  
9 Energy Service Reconciliation<sup>1</sup> adders.

10 **Q. Have the SCRC rates been calculated consistent with the Commission's Order Nos.**  
11 **26,938 (January 26, 2024), 27,053 (August 30, 2024), and 27,066 (October 16, 2024)**  
12 **in Docket No. DE 23-091?**

13 A. Yes, the preliminary February 1, 2025 SCRC rates have been prepared consistent with  
14 the last Commission orders approving SCRC rates for effect February 1, 2024 and  
15 November 1, 2024, with the exception of the inclusion of the Energy Service  
16 Reconciliation adder, as referenced above and described in more detail later in this  
17 testimony.

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<sup>1</sup> In Docket No. DE 24-046, Order No. 27,022 (June 20, 2024) at 9, the Commission directed the Company to (i) place the projected \$6.5 million Large Customer under-recovery into a new deferral account, with the Tariff-specified carrying charges to be assessed, and (ii) prepare a proposal for the integration of the ES Reconciliation Adjustment Factor charges into collection through the SCRC to be filed thirty (30) days in advance of the Company's next SCRC petition filing.

1 **II. OVERVIEW**

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

3 A. The SCRC recovers certain costs under the authorities contained in RSA Chapters 374-F  
4 and 369-B. The PSNH Restructuring Settlement, approved in Order No. 23,549, defined  
5 PSNH's stranded costs and categorized them into three different parts (i.e., Parts 1, 2, and  
6 3). Part 1 costs are comprised of the Rate Reduction Bond ("RRB") Charge, which was  
7 calculated to recover the principal, net interest, and fees related to the RRBs. These original  
8 RRBs were fully recovered as of May 1, 2013. As part of Eversource's divestiture of its  
9 generating facilities under the settlement in Docket No. DE 14-238, new RRBs were issued  
10 in May 2018 and are included as Part 1 costs in the SCRC rate. Part 2 costs are "ongoing"  
11 stranded costs consisting primarily of the over-market value of energy purchased from  
12 independent power producers ("IPPs") and the amortization of payments previously made  
13 for IPP buy-downs and buy-outs as approved by the Commission. Also, as part of the  
14 divestiture of Eversource's generating facilities, Part 2 incorporates various costs,  
15 including: the costs of unsecuritized prudently incurred decommissioning costs (if any),  
16 environmental, or other residual costs or liabilities related to the generating facilities. Part  
17 3 costs, which were primarily the amortization of non-securitized stranded costs, were fully  
18 recovered as of June 2006.

19 Additionally, as noted above, the SCRC rate proposed to be billed to customers beginning  
20 February 1, 2025 includes recovery/refund of the following adders: (i) the RGGI refund as  
21 required by RSA 125-O:23, II and Order No. 25,664, directing Eversource to refund RGGI

1 auction proceeds it receives through the SCRC rate; (ii) amortization of Environmental  
2 Remediation costs per the Docket No. DE 19-057 Settlement Agreement Section 7.1 and  
3 Order No. 26,433; (iii) Net Metering costs per the Docket No. DE 20-136 Settlement  
4 Agreement and Order No. 26,450; and (iv) the proposed Energy Service Reconciliation.

5 **Q. Is Eversource currently proposing a single SCRC rate with separate adders?**

6 A. No, it is not. Attachments ANB/EAD-1, ANB/EAD-2, and ANB/EAD-3 provide  
7 preliminary rate class specific rate calculations for the SCRC rates proposed for February  
8 1, 2025. For this February 1, 2025 rate adjustment, the Company will file a final rate  
9 update in January 2025. The rate update filing is consistent with prior SCRC filings and is  
10 necessary to reflect (i) additional actual data that is currently unavailable (i.e., November  
11 2024 data); and (ii) the annual RRB Routine True-Up letter that will be filed in early  
12 January 2025 in Docket No. DE 17-096 to update the RRB rates effective February 1, 2025.  
13 The preliminary February 1, 2025 average SCRC rates (Part 1 and Part 2 only), excluding  
14 the RGGI Refund, Environmental Remediation, Net Metering, and proposed Energy  
15 Service Reconciliation adder amounts) provided in this filing are shown in the table below.

<b>Rate Class</b>	<b>Current Rate (cents per kWh)</b>	<b>Preliminary Rate (cents per kWh)</b>	<b>Change (cents per kWh)</b>
Rate R	0.571	1.117	0.546
Rate G	0.574	1.185	0.611
Rate GV	0.490	0.948	0.458
Rate LG	0.288	0.383	0.095
Rate OL/EOL	0.799	1.700	0.901

1           The SCRC rate adders for RGGI Refund, Environmental Remediation, Net Metering, and  
2           proposed Energy Service Reconciliation are provided in Attachments ANB/EAD-4,  
3           ANB/EAD-5, and ANB/EAD-6 (RGGI Refund); ANB/EAD-7, ANB/EAD-8, and  
4           ANB/EAD-9 (Environmental Remediation); ANB/EAD-10, ANB/EAD-11, and  
5           ANB/EAD-12 (Net Metering ); and ANB/EAD-13 (Energy Service Reconciliation. The  
6           preliminary February 1, 2025 SCRC rate adders provided in this filing are shown in the  
7           table below.

<b>Rate Adder</b>	<b>Current Rate (cents per kWh)</b>	<b>Preliminary Rate (cents per kWh)</b>	<b>Change (cents per kWh)</b>
RGGI Refund	(0.398)	(0.851)	(0.453)
Environmental Remediation	0.065	0.001	(0.064)
Net Metering	0.695	0.487	(0.208)
Energy Service Reconciliation	0.000	0.093	0.093
<b>Total Adders</b>	<b>0.362</b>	<b>(0.270)</b>	<b>(0.632)</b>

8  
9           The total February 1, 2025 SCRC rates (including adders) by rate class provided in this  
10          preliminary filing are included below.

<b>Rate Class</b>	<b>Current Rate (cents per kWh)<sup>2</sup></b>	<b>Preliminary Rate (cents per kWh)</b>	<b>Change (cents per kWh)</b>
Rate R	0.933	0.847	(0.086)
Rate G	0.936	0.915	(0.021)
Rate GV	0.852	0.678	(0.174)
Rate LG	0.650	0.113	(0.537)
Rate OL/EOL	1.161	1.430	0.269

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<sup>2</sup> Rates approved in Docket No. DE 23-091, Order Nos. 27,053 and 27,066 (October 30, 2024).

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

3 A. As part of the Settlement Agreement approved in Docket No. DE 14-238 at line 252 of  
4 Section III.A, the SCRC Part 2 revenue requirement is allocated to each rate class as  
5 follows:

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

6  
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 ANB/EAD-1 provides the rate  
9 class specific average SCRC rates including and excluding the RGGI Refund,  
10 Environmental Remediation, Net Metering, and proposed Energy Service Reconciliation  
11 adders.

12 **Q. What are the major reasons for the decrease in the total SCRC rates (including**  
13 **adders) from the rates currently in effect?**

14 A. The change in the preliminary SCRC rates for effect on February 1, 2025, as compared to  
15 the current rates, is due primarily to a decrease in the Rate Adders based on (i) the higher  
16 RGGI Auction proceeds benefiting the State of New Hampshire from the recent quarterly  
17 auctions, (ii) elimination of the Ch. 340 Adder effective November 1, 2024, and (iii) the  
18 full amortization of the Environmental Remediation balance as of January 31, 2025. The  
19 decrease in the Rate Adders is somewhat offset by the projected net increase in Part 1 and



1 Part 2 costs as noted below: (i) a slight increase in Part 1 costs of \$0.1 million; (ii) an  
2 increase in Part 2 Above Market IPP and PPA costs of \$14.6 million; (iii) an increase in  
3 other Part 2 costs of \$13.8 million, and (iv) an increase due to the change in prior period  
4 over-recovery, as compared to the current period over-recovery, which amounts to \$20.0  
5 million. The cumulative impact of these changes is an increase in the total SCRC Part 1  
6 and Part 2 rates (excluding Adders). The table below provides additional detail identifying  
7 the variance from the underlying cost in the rates that were approved for February 1, 2024  
8 and the preliminary February 1, 2025 rate filing.

Description	(\$000s)			
	Preliminary Docket No. DE 24-xxx (Forecast Rate Year Feb 2025 to Jan 2026) filed November 20, 2024		(000s)Docket No. DE 23-091 (Forecast Rate Year Feb 2024 to Jan 2025) per Order No. 26,938, January 26, 2024	Inc/(Dec)
Col. A	Col. B		Col. C	Col. D
				Col. B - Col. C
<b>Part 1 Costs</b>	\$ 58,024		\$ 57,924	\$ 101
<b>Part 2 Costs:</b>				
Above Market Non-Wood IPPs	\$ 80		\$ 0	\$ 80
Above Market Cost of Burgess	-		(14,508)	14,508
Above Market Cost of Lempster	-		-	-
Above Market IPP & PPA Costs	\$ 80		\$ (14,508)	\$ 14,588
Energy Service REC Revenues Transfer	-		(13,203)	13,203
REC Sales Proceeds/RPS True-up	-		(359)	359
ISO-NE/Other O&M	24		53	(29)
Residual Generation O&M	(6,453)		(6,205)	(247)
NEIL Credit	(478)		(241)	(237)
EDIT	(2,715)		(2,584)	(132)
Generation Divestiture Costs not Securitized	-		-	-
Return	939		89	850
<b>Total Part 2 SCRC Costs</b>	\$ (8,603)		\$ (36,958)	\$ 28,355
SCRC Part 1 and 2 (Over)/Under Recovery (at January 31)	26,514		6,600	19,914
<b>Total Part 1 and 2 Costs plus (Over)/Under Recovery</b>	\$ 75,935		\$ 27,566	\$ 48,370
SCRC Part 1 and 2 Revenues	(75,930)		(27,563)	(48,367)
<b>Total Increase in SCRC Part 1 and 2 Costs</b>	\$ 6		\$ 3	\$ 2

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3

**Q. Please describe the detailed support for the calculation of the average SCRC rates provided in Attachments ANB/EAD-1, ANB/EAD-2, and ANB/EAD-3.**

1 A. Attachment ANB/EAD-1, page 1, provides the calculation of the average SCRC Part 2  
2 rates for the five rate classes incorporating the cost allocation for each rate class defined in  
3 the settlement agreement approved in Docket No. DE 14-238, as shown above. Page 2  
4 provides a summary of the monthly forecast cost information related to the Part 1 and Part  
5 2 costs, as well as the total monthly forecasted SCRC revenues for the 12-month period  
6 from February 1, 2025 to January 31, 2026. Page 3 provides the estimated rate class  
7 specific RRB charges (SCRC Part 1) that were calculated using the current RRB rates  
8 established for the February 1, 2024 SCRC rate filing in Docket No. DE 23-091. The RRB  
9 charges on page 3 also reflect the most recent RRB rates established for the current period  
10 as filed in Docket No. 17-096 and provided in Attachment ANB/EAD-18. Page 4 has been  
11 provided to reconcile the amount of funds that are collected through the RRB charge by its  
12 inclusion in the SCRC with the amount of funds that are in the Collection and Excess Funds  
13 trust accounts. It is important to note that customers are not directly paying the principal,  
14 interest, and fees associated with the RRBs in the SCRC rate calculation. Instead,  
15 customers are paying an RRB charge as part of the overall SCRC rate that results in  
16 remittances to the RRB trust that are used to satisfy the principal, interest, and fees due  
17 under the RRBs. The RRB charge is calculated to satisfy the principal, interest, and fees  
18 of the RRBs using forecasted sales. Page 5 provides detailed cost information by month  
19 related to the Part 2 ongoing costs, and summary information for the Burgess and Lempster  
20 PPAs, as well as cost and revenues associated with the purchase of Renewable Energy  
21 Certificates (“REC”) from these contracts and the transfer of Class I REC revenues

1 between the ES rate and the SCRC rate to account for the Class 1 RECs necessary to satisfy  
2 the Class 1 Renewable Portfolio Standard (“RPS”) requirement for ES. Page 6 provides  
3 additional details related to the Burgess and Lempster PPAs prior to their termination, as  
4 well as the cost associated with the RECs purchased under these contracts and the transfer  
5 of the Class I REC RPS obligation amount between the SCRC and the ES rates. Page 7  
6 provides the details regarding the calculation of the stipulated return. Attachments  
7 ANB/EAD-2 and ANB/EAD-3, pages 1 through 7, provide the actual and detailed  
8 forecasted cost, revenue, and carrying charge components relating to the SCRC  
9 reconciliation for the 12-month periods ending January 31, 2025 (Attachment ANB/EAD-  
10 2) and January 31, 2024 (Attachment ANB/EAD-3).

11 **III. PART 1 COMPONENT<sup>3</sup>**

12 **Q. How are the February 1, 2025 SCRC Part 1 Costs calculated?**

13 A. The SCRC Part 1 actual and forecast costs for the 12-month periods ending January 31,  
14 2025 and January 31, 2024 are shown in Attachments ANB/EAD-2 and ANB/EAD-3,  
15 Page 3, and forecasted costs for the 12-month period ending January 31, 2026 are shown  
16 in Attachment ANB/EAD-1, Page 3. In the months that have been estimated for this  
17 filing, the forecasted SCRC Part 1 costs are calculated using the RRB rates established in  
18 the latest Routine True-up Letter dated January 8, 2024 in Docket No. DE 17-096  
19 multiplied by the forecasted sales for each rate class. Because there is a one-month lag in

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<sup>3</sup> As of rate year-end January 2025, the RRB principal balance outstanding is \$367.3 million. The \$635.7 million RRB principal balance issued in 2018 will be fully redeemed as of February 1, 2033.

1 the RRB remittance process, the forecasted sales are also reported on a one-month lag in  
2 Attachments ANB/EAD-1 and ANB/EAD-2, Page 3. These estimates represent a  
3 reasonable estimate of the expected RRB charge remittances.

**Q. Will the RRB rates shown in Attachment ANB/EAD-18 (January 8, 2024 RRB True-Up letter) be revised for the February 1, 2025 SCRC rate filing?**

4 A. Yes. The Company will make an updated filing in early January 2025 to reset the RRB  
5 rates after the Annual Routine True-up Letter is filed in Docket No. DE 17-096. The  
6 updated filing will reflect updated forecast SCRC Part 1 costs based on the new RRB  
7 rates. Therefore, the RRB rates set forth in Attachment ANB/EAD-18 of the updated  
8 filing will be applied to the forecast kWh sales used throughout the SCRC rate year by  
9 rate class to calculate the revenue required to apply to the SCRC Part 1 costs. Variances  
10 between estimated and actual revenue received from SCRC Part 1 costs will be  
11 reconciled in the February 1, 2026 SCRC filing.

12 **IV. PART 2 COMPONENT**

13 **Q. Could you please provide additional details for the Part 2 ongoing costs included on**  
14 **page 5 of Attachments ANB/EAD-1, ANB/EAD-2, and ANB/EAD-3?**

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

16 1. (Lines 1 through 11): Non-Wood IPPs: All costs and market revenues associated  
17 with the existing IPPs. Prior to divestiture, any benefit of below market energy or  
18 capacity associated with the IPPs was included in the Energy Service rate, while  
19 the above market portion was included in the SCRC. Consistent with the settlement

- 1 in Docket No. DE 14-238, all IPP costs and revenues, whether above or below  
2 market, now are included in the SCRC.
- 3 2. (Line 12) Burgess PPA<sup>4</sup>: Effective April 1, 2018, the costs and market revenues  
4 associated with the Burgess PPA are included in the SCRC. Line 12 shows the net  
5 cost of the Burgess PPA. Additionally, provided in Attachments ANB/EAD-2 and  
6 ANB/EAD-3 (page 6) is support for the underlying actual costs and revenues  
7 associated with the Burgess PPA by month.
- 8 3. (Line 13) Lempster PPA<sup>5</sup>: Effective April 1, 2018, the costs and market revenues  
9 associated with the Lempster PPA are included in the SCRC, and this line shows  
10 the net cost of the Lempster PPA. Additionally, provided in Attachments  
11 ANB/EAD-2 and ANB/EAD-3 (page 6) is support for the underlying actual costs  
12 and revenues associated with the Lempster PPA by month.
- 13 4. (Line 14) Energy Service REC Revenues Transfer<sup>6</sup>: This line has been included to  
14 capture the transfer of the RECs necessary to satisfy the Class I REC RPS  
15 obligation for ES customers. This is consistent with the treatment of Class I RECs  
16 described in Section II.H of the November 27, 2017 settlement in Docket No. DE  
17 17-113, which states: “As to Eversource’s RPS obligation relevant to Class I, the

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<sup>4</sup> As described in the bankruptcy update filing submitted on February 29, 2024, on February 21, the bankruptcy court granted the Burgess parties’ motion to reject the PPA and the related option agreement, and Eversource and the debtors subsequently entered into a settlement agreement specifying the termination date of the PPA and the transition of the Lead Market Participant function from the Company to a Burgess affiliate; the Court approved the settlement agreement on February 27, 2024.

<sup>5</sup> Lempster and NHEC – Lempster approved in Docket No. DE 08-077, Order No. 24,965 (May 1, 2009); contract terminated on November 30, 2023.

<sup>6</sup> Will not apply going forward from the rate year beginning February 1, 2025.

1 Settling Parties agree that it shall be managed in a manner consistent with that  
2 described on page 14 of the initial Testimony of Shuckerow, White & Goulding.”

3 That testimony provides, with reference to the Burgess and Lempster PPAs:

4 The REC amounts purchased from these sources may more than  
5 meet energy service obligation quantities, eliminating the need for  
6 Class I purchases. Since the 2015 Agreement calls for the costs of  
7 those PPAs to be recovered via the SCRC, a transfer price for RECs  
8 obtained under those PPAs used to satisfy RPS needs for ES  
9 customers must be set. In order to properly account for these Class  
10 I REC purchases for both ES and SCRC purposes, Eversource  
11 proposes to establish a transfer price equal to the Class I REC prices  
12 established via the mechanism described previously.

- 13 5. (Line 15): REC Sales Proceeds/RPS True Up<sup>7</sup>: As Class I RECs in excess of those  
14 necessary to satisfy the Energy Service Class I REC requirement are sold, the  
15 proceeds associated with the sales will be included in actual data, in addition to the  
16 annual RPS compliance filings in the month of June and any related RPS true-up  
17 related to the Class I REC transfer to ES.
- 18 6. (Line 16) ISO-NE/Other Costs: The costs included in this line are miscellaneous  
19 ISO-NE resettlement and administrative costs and other costs, along with credits  
20 that were historically included in the ES rate.
- 21 7. (Line 17) Residual Generation O&M: The ongoing costs and liabilities associated  
22 with the divested Generation assets. These include property tax refunds, pension  
23 credits, commitments associated with the hydro plants, and legal fees associated

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<sup>7</sup> Will not apply going forward from the rate year beginning February 1, 2025.

1 with lawsuits related to the Generation assets when they were owned by  
2 Eversource.

3 8. (Line 18) Nuclear Electric Insurance Limited (“NEIL”) Credits: Charges and  
4 credits related to Seabrook Power Contracts between Eversource and North  
5 Atlantic Energy Company (“NAEC”).

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

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

13 **Q. Is Eversource proposing any changes to recovery of Part 2 costs as part of this filing?**

14 A. Yes. Due to the termination of the Burgess PPA as a result of Burgess bankruptcy  
15 proceedings, the Company submitted its final accounting in compliance with Docket No.  
16 DE 23-091 of Burgess related costs, as directed by the Commission in Order No. 27,053  
17 (August 30, 2024). The final Burgess CRF Reduction amounts for Operating Year 11



1 (December 2023 to February 2024) are shown in Attachments ANB/EAD-2 and  
2 ANB/EAD-3, page 6 line 20.

3 **V. RGGI REFUND COMPONENT**

4 **Q. Please describe the detailed support for the calculation of the RGGI Refund rate**  
5 **provided in Attachments ANB/EAD-4, ANB/EAD-5, and ANB/EAD-6.**

6 A. In Order No. 25,664 in Docket No. DE 14-048, and pursuant to RSA 125-O:23, II, the  
7 Commission ordered that certain proceeds from the quarterly RGGI auctions be rebated to  
8 Eversource's customers through the SCRC. Attachments ANB/EAD-4, ANB/EAD-5, and  
9 ANB/EAD-6, page 1, provide a summary of forecasted 2025 and actual/forecasted 2024  
10 and 2023 information related to RGGI auctions and the amounts allocated to Eversource  
11 for refund.

12 **Q. Is Eversource proposing a specific RGGI Refund rate adder at this time?**

13 A. Yes, it is. Attachment ANB/EAD-4, page 1 provides a proposed rate calculation. The  
14 proposed February 1, 2025 RGGI Refund rate provided in this filing is (0.851) cents/kWh  
15 and is (0.453) cents/kWh higher of a benefit to customers than the current February 1, 2024  
16 RGGI Refund rate of (0.398) cents/kWh.

17 **VI. ENVIRONMENTAL REMEDIATION ADDER COMPONENT**

18 **Q. Please describe the detailed support for the calculation of the Environmental**  
19 **Remediation Cost Adder rate provided in Attachments ANB/EAD-7, ANB/EAD-8,**  
20 **and ANB/EAD-9.**

21 A. Per the Commission's Order No. 26,433 (December 15, 2020) approving the Settlement  
22 Agreement in Docket No. DE 19-057, the Company, in compliance with Section 7.1 of the

1 Settlement Agreement, has prepared Attachment ANB/EAD-7 to recover the  
2 Environmental Remediation Costs through the SCRC. Section 7.1 of the Settlement  
3 Agreement states the following:

4 Since the time of restructuring, PSNH has been permitted to defer  
5 estimated environmental remediation/manufactured gas plant  
6 (“MGP”) costs primarily relating to former generation sites. The  
7 Company shall be allowed to recover the environmental  
8 reserve/MGP liability in the Stranded Cost Recovery Charge  
9 (“SCRC”) rate at equal cents per kWh across customer classes rather  
10 than in distribution rates. To address the shift to the SCRC, the  
11 Company has removed an annual amortization of \$2.3 million over  
12 four years as of December 31, 2018 from its proposed revenue  
13 requirement in this case and shall include it in the SCRC filing  
14 following approval of this Settlement Agreement. The amounts to  
15 be recovered in the SCRC shall be updated to reflect the actual  
16 deferred balance as of the time of the SCRC filing and be amortized  
17 over a four-year period. Future environmental costs shall be  
18 recovered on a current basis through the SCRC.

19  
20 As noted above, the Company removed from the base distribution revenue requirement an  
21 annual amortization amount of approximately \$2.3 million based on the Docket No. DE  
22 19-057 test year-end Regulatory Asset balance. Consistent with the Commission’s  
23 approval of the Settlement Agreement in Order No, 26,433, Attachment ANB/EAD-7, page  
24 2, footnote (A), reflects the Environmental Remediation Regulatory Asset balance as of  
25 January 31, 2021 of approximately \$12.2 million to be recovered over four years, or an  
26 annual amortization amount of approximately \$3.0 million. The amount will be fully  
27 amortized as of January 31, 2025. Attachment ANB/EAD-7, page 1, reflects the proposed  
28 average Environmental Remediation Cost Adder rate of 0.001 cents/kWh effective

1 February 1, 2025, as compared to the current Environmental Remediation Adder rate of  
2 0.065 cents/kWh.

3 **VII. NET METERING ADDER COMPONENT**

4 **Q. Please describe the detailed support for the calculation of the Net Metering Adder**  
5 **rate provided in Attachments ANB/EAD-10, ANB/EAD-11, and ANB/EAD-12.**

6 A. In Docket No. DE 20-136, the Commission reviewed and approved a Settlement  
7 Agreement providing that the SCRC is the appropriate recovery mechanism for recovery  
8 and rate treatment of net metering and group host costs, and that recovery and treatment  
9 are shown in Attachments ANB/EAD-10, ANB/EAD-11, and ANB/EAD-12. Recovery  
10 through the SCRC was approved by the Commission in Order No. 26,450. As noted above,  
11 the decrease in the Net Metering Adder rate is due primarily to the recovery of prior period  
12 under-collections and less volatility in energy market prices as compared with the forecast  
13 include at the time of the SCRC filing in Docket No. DE 23-091 on January 8, 2024.  
14 Attachment ANB/EAD-10 reflects the proposed average Net Metering Adder rate of 0.487  
15 cents/kWh effective February 1, 2025, as compared to the current Net Metering Adder rate  
16 of 0.695 cents/kWh.

17 **VIII. ENERGY SERVICE RECONCILIATION ADDER COMPONENT**

18 **Q. Please describe the detailed support for the calculation of the Energy Service**  
19 **Reconciliation Adder rate provided in Attachment ANB/EAD-13.**

20 A. Per the Commission's directives in Docket No. DE 24-046, Order No. 27,022 (June 20,  
21 2024) at 9, the Company (i) reclassified the projected \$6.5 million Large Customer under-  
22 recovery at July 31, 2024 to a separate deferral account, and (ii) proposes to integrate the

1 Energy Service Reconciliation Adjustment Factor for recovery through the SCRC as  
2 follows:

- 3 • Having the Energy Service Reconciliation assessed through the SCRC as an equitable  
4 and reasonable approach due to the “backstop” nature of the Company’s Energy  
5 Service offering. In connection with this filing, the only part of the Energy Service  
6 Reconciliation Adjustment Factor that is available at this time for transfer from the ES  
7 rate to the SCRC rate is the previously-deferred Large Customer Group of  
8 approximately \$6,866,000. See Attachment ANB/EAD-13, page 1. This Adder would  
9 be recovered from all distribution customers through the SCRC, as shown in  
10 Attachment ANB/EAD-13, at page 1.
- 11 • Going forward, the Company proposes that the entire Energy Service Reconciliation  
12 (over)/under-recoveries be recovered from all Eversource distribution customers  
13 through the SCRC. The Company proposes that the over- or under-recoveries in the  
14 Energy Service Reconciliation Adjustment Factor be determined in connection with  
15 the ES rate adjustment filing in June 2025, and then deferred and accrue carrying  
16 charges until they are included in the SCRC rate adjustment effective on February 1,  
17 2026.
- 18 • That approach is equitable because all distribution customers benefit from the universal  
19 availability of default service as an alternative choice or last resort backstop option, as  
20 recognized by the Commission in Order No. 27,022. And that approach also is

1 consistent with the rate recovery treatment currently in effect for the Company's  
2 affiliated electric distribution company in Massachusetts.

3 Attachment ANB/EAD-13 reflects the proposed average Energy Service Reconciliation  
4 Adder rate of 0.093 cents/kWh effective February 1, 2025, as compared to the current  
5 Energy Service Reconciliation Adder rate of 0.000 cents/kWh.

6  
7 **IX. BILL IMPACTS AND TARIFF PAGES**

8 **Q. Mr. Davis, has the Company included rate exhibits and calculations of the customer**  
9 **bill impacts for the proposed February 1, 2025 SCRC rate change?**

10 A. Yes, this detail is provided in Attachment ANB/EAD-16. Individual rate class SCRC rate  
11 calculations flow from Page 3 to Page 2 and are summarized on Page 1.

- 12 • Page 1 compares the current SCRC rates (as of November 1, 2024) to the updated  
13 SCRC rates proposed for effect February 1, 2025 by rate class calculated on Page  
14 2.
- 15 • Page 2 applies the rate adjustment factors calculated on Page 3 to the current SCRC  
16 rates (excluding the current RGGI adder) by rate class and then adds the proposed  
17 RGGI adder to obtain total SCRC rates.
- 18 • Page 3 provides the calculation of the SCRC rate adjustment factors by rate class  
19 for the updated proposed average SCRC rates and RGGI adders.

- 1           • Page 4 provides a comparison of residential rates proposed for effect February 1,  
2           2025 to current rates (as of November 1, 2024) for a 550 kWh monthly bill, a 600  
3           kWh monthly bill, and a 650 kWh monthly bill.
- 4           • Page 5 provides a comparison of residential rates proposed for effect February 1,  
5           2025 to rates effective February 1, 2024 for a 550 kWh monthly bill, a 600 kWh  
6           monthly bill, and a 650 kWh monthly bill.
- 7           • Page 6 provides the average impact of each change on bills for all rate classes by  
8           rate component on a total bill basis, excluding Energy Service.
- 9           • Page 7 provides the average impact of each change on bills for all rate classes by  
10          rate component on a total bill basis, including Energy Service.

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

12 A. Yes, updated tariff pages are provided as shown in Attachment ANB/EAD-17.

13 **X. ORDER NO. 26,658 COMPLIANCE<sup>8</sup>**

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

15 A. Yes, please see Attachments ANB/EAD-14 (February 2024 to January 2025) and  
16 ANB/EAD-15 (February 2023 to January 2024) for a reconciliation of SCRC Part 2 costs.

17 **Q. The Commission's Order No. 26,768 approved the SCRC to be filed on an annual**  
18 **basis prospectively.<sup>9</sup> Has the Company complied with this directive?**

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<sup>8</sup> Order No. 26,658 (July 28, 2022), at 6.

<sup>9</sup> Order No. 26,768 (January 30, 2023), at 6-7, subject to the proviso that Part 1 RRB Charges may be subject to periodic adjustments, as appropriate, through petitions to the Commission.

1 A. Yes, as previously filed in Docket Nos. 23-091 and 22-039, the Company has implemented  
2 the change to an annual filing as compared to prior SCRC filings, as shown in Attachment  
3 ANB/EAD-1, page 1, lines 6 to 8, whereby it breaks-out the SCRC rate between Part 1 and  
4 Part 2 costs. Going forward for any interim RRB rate change, the rate year forecast for the  
5 following February to January period, as filed in December (Preliminary)/January (Update  
6 with new RRB rates) of each year, would be adjusted to reflect any necessary change in  
7 SCRC Part 1 costs on line 1, and the impacts of that change to lines 4, 6, 8, 10, 12, 14, and  
8 16. The forecast costs and rates for all other SCRC components would be unchanged from  
9 the December/January filings.

10 **XI. CONCLUSION**

11 **Q. Does Eversource require Commission approval of the SCRC rate billed to**  
12 **customers by a specific date?**

13 A. Yes, Eversource requires final approval of the SCRC, RGGI Refund, Environmental  
14 Remediation, Net Metering, and Energy Service Reconciliation Adder rates by January  
15 25, 2025, to implement the new rates for service rendered on and after February 1, 2025.

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

17 A. Yes, it does.