

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF RHONDA J. BISSON
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM)

Docket No. DE 18-089

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

2 A. My name is Rhonda J. Bisson. My business address is 780 North Commercial Street,
3 Manchester, New Hampshire. I am employed by Eversource Energy Service Company as
4 Manager of the New Hampshire Rates Department. In that position I provide service to
5 Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or
6 “the Company”).

7 **Q. Have you previously testified before the Commission?**

8 A. Yes, I have.

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

10 A. I have responsibility for the Company’s rate calculations and design and administration of
11 its Delivery Service tariff.

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

13 A. The purpose of my testimony is to propose transmission prices for effect August 1, 2018
14 under the Transmission Cost Adjustment Mechanism (TCAM). My testimony proposes
15 specific rates and charges for transmission based on the transmission revenue requirement
16 contained in the attachments to Mr. Goulding’s testimony.

17 **Q. Have you calculated specific rates and charges for transmission for all rate classes?**

18 A. Yes, I have. The proposed rates and charges are included in Attachment RJB-1.

1 **Q. Please describe generally the transmission pricing rate design contained in**
2 **Attachment RJB-1.**

3 A. The rates have been calculated as required by the settlement agreement in Docket No. DE
4 06-028, in the same manner that they have been calculated since the approval of this
5 settlement. In simple terms, except for its Backup Delivery Service Rate B, the Company
6 adjusts all transmission rates by an equal percentage to achieve the overall average
7 transmission rate, in this case, 1.864 cents/kWh.

8 For Rate B, the settlement agreement provides that transmission costs be recovered through
9 a demand charge, and it splits the demand charge into two components for rate calculation
10 purposes: a base component and an incremental component¹. The settlement agreement
11 describes the cost allocation for the base component, and it also states that other
12 transmission rates will be calculated through equal percentage adjustments.

13 To calculate the base component, a portion of the TCAM costs are allocated to Rate B
14 based on the class contribution to the Company's demands at the time of the Legacy NU
15 monthly system peaks. These costs are reconciled against actual revenue for the class, with
16 any resulting over- or under-recovery flowing into the rate calculation. The incremental
17 component of the rate is adjusted by the same percentage applied to all other rates.

18 **Q. Please describe how the base component of the Rate B demand charge was determined.**

19 A. First, the ratio of average Rate B demands to average total Company demands at the time
20 of the Legacy NU monthly system peaks was calculated. The calculation of that ratio is
21 shown on Page 2 of Attachment RJB-2. Once the ratio was calculated, the Rate B base
22 component revenue requirement for the forecast period was determined by multiplying the
23 ratio by the total transmission revenue requirement for the forecast period included in Mr.
24 Goulding's Attachment CJG-1. The Rate B base component forecasted revenue
25 requirement is shown on line 7 of Page 1 of Attachment RJB-2. The base component

¹ For billing purposes, the two components are summed so only one demand charge is billed.

1 reconciliation from the prior period was then added to the base component forecasted
2 revenue requirement to determine the total base component revenue requirement (line 11 of
3 Page 1 of Attachment RJB-2). The Rate B base component rate was then determined by
4 dividing the total base component revenue requirement by the projected billing demand.
5 As shown on Page 1 of Attachment RJB-2, that calculation produces a Rate B base
6 component rate of \$0.37 per kW or kVA per month.

7 **Q. How did you calculate the base component reconciliation?**

8 A. The base component reconciliation calculation is shown on Page 3 of Attachment RJB-2.
9 It was calculated by multiplying the estimated transmission revenue requirement for the
10 thirteen-month period July 2017 through July 2018 by the base component ratio for the
11 same period. The base component reconciliation for the prior period July 2016 through
12 June 2017 was then added to the base component revenue requirement. The result is
13 shown on line 17 of RJB-2. The estimated base component revenue for the period July
14 2017 through July 2018 was then subtracted from the total base component revenue
15 requirement to determine the base component reconciliation (in this case, an under-
16 recovery of \$29,734).

17 **Q. How did you forecast the data to perform the calculations described above?**

18 A. For the contribution to the Legacy NU monthly system peaks, historical data was used as a
19 proxy for what will occur in the prospective period because there is no reliable way to
20 forecast Rate B contributions to peak load. The projected billing demand for Rate B was
21 based on actual historical data, with adjustments that could reasonably be anticipated. The
22 total transmission revenue requirement is based on the forecast provided in Mr. Goulding's
23 testimony.

24 **Q. How did you calculate all other transmission rates and charges?**

25 A. The transmission rate calculations were based on 2014 actual billing determinants. On
26 Attachment RJB-3, the forecasted TCAM rate provided in Mr. Goulding's attachment was
27 multiplied by 2014 billed MWH sales to produce the target transmission revenue. The Rate

1 B base component revenue shown on Attachment RJB-4 was then subtracted from the
2 target transmission revenue. The result of this subtraction is the amount to be recovered
3 from all other customers. Revenue and the resulting rates and charges for all other
4 customer classes were determined by adjusting all currently-effective revenue and rates by
5 an equal percentage to the level necessary to recover the transmission revenue requirement
6 net of the Rate B base amount. The allocation of transmission revenue to class under this
7 methodology is shown on Attachment RJB-3.

8 **Q. Does this complete your testimony?**

9 A. Yes, it does.