

THE STATE OF NEW HAMPSHIRE  
BEFORE THE  
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

**Public Service Company of New Hampshire  
d/b/a Eversource Energy  
Energy Service Rate**

**Docket No. DE 16-822**

**Joint Technical Statement of  
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**June 16, 2017**

**A. Purpose of Technical Statement**

This Technical Statement is being submitted to explain the major changes to Public Service Company of New Hampshire d/b/a Eversource Energy's ("Eversource") proposed Default Energy Service (ES) Rate effective July 1, 2017. This filing updates the Company's ES filing that was submitted on May 9, 2017.

**B. Proposed Rate**

On May 9, 2017, Eversource filed a preliminary 2017 ES rate of 11.60 cents/kWh to be effective for the 6-month period July 1 through December 31, 2017. In this filing, Eversource has calculated an ES rate of 11.66 cents/kWh for effect on July 1, 2017, which is an increase of 0.06 cents/kWh from the May 9, 2017 filed ES rate.

The 0.06 cents/kWh increase in the ES rate is attributable to an increase in actual and forecasted costs of \$1.3 million [revenue increase of \$5.6 million offset by an increase of \$6.9 million in expense] which is contained in Attachment CJK-1.

**C. Changes in Forecasted ES Sales**

For the forecast period June through December 2017, an updated migration forecast was utilized which resulted in forecasted ES sales increasing from 1,615 GWh in the initial filing to 1,666 GWh in the updated filing, an increase of 60 GWh. Forecasted migration has been updated for all months of the forecast period, the results of econometric modeling. For 2017 the forecasted average migration rate has decreased to 58.4%. The table below identifies the monthly migration rates utilized in this filing as well as actual migration for January to May.

### Eversource ES Migration Forecast

<u>2017</u>	<u>Filing Dates</u>		<u>Change</u>
	<u>May 9, 2017 (a)</u>	<u>June 16, 2017 (b)</u>	
Jan	53.4%	53.4%	0.0%
Feb	55.8%	55.8%	0.0%
Mar	58.0%	58.0%	0.0%
Apr	59.6%	59.1%	-0.5%
May	61.9%	59.5%	-2.4%
Jun	60.9%	59.6%	-1.3%
Jul	59.1%	57.8%	-1.3%
Aug	59.4%	58.0%	-1.4%
Sep	61.2%	59.8%	-1.4%
Oct	62.0%	60.8%	-1.1%
Nov	59.2%	58.0%	-1.2%
Dec	56.9%	55.6%	-1.3%
Total (c)	59.8%	58.4%	-1.4%

(a) Actuals January to March

(b) Actuals for January to May

(c) Forecasted June to December average migration

### **D. Changes from the May 9, 2017 Filing**

#### **Attachment CJG-2, Page 3**

For the forecast period June through December 2017, the impact of power supply variable cost updates is a decrease to ES costs of \$1.1 million. Following is a discussion of the major changes (numbers may not add due to rounding):

1. Lines 11 and 12 – Projected coal generation increased 16 GWh and coal fuel expense increased \$1.0 million. Coal generation increased in June to accomplish required operational tests and coal fuel burn expense increased commensurately.
2. Lines 14 thru 16 – Projected Schiller revenue credit decreased \$0.3 million resulting from a lower assumed Class I REC value.
3. Lines 24 thru 26 – IPP energy expenses decreased by \$0.3 million due to lower forward electricity market prices. A table showing forecasted forward electricity market prices used for calculating the ES rate filed in May and for this filing is provided below.

Forward Electricity Prices for Delivery at Massachusetts Hub

All Hours - \$/MWh

Filing Dates

<u>2017</u>	<u>May 9, 2017</u> <u>(4/28/17 Prices)</u>	<u>June 16, 2017</u> <u>(6/5/17 Prices)</u>	<u>Change</u>	
			<u>\$/MWh</u>	<u>%</u>
Jan	66.4	40.3	(26.1)	-39.3%
Feb	68.0	30.0	(38.0)	-55.9%
Mar	43.1	35.8	(7.4)	-17.1%
Apr	29.2	29.2	0.0	0.0%
May	26.6	27.3	0.7	2.8%
Jun	28.4	23.7	(4.7)	-16.5%
Jul	36.2	32.5	(3.8)	-10.5%
Aug	34.9	32.7	(2.2)	-6.3%
Sep	29.9	28.0	(1.9)	-6.4%
Oct	29.3	27.5	(1.8)	-6.0%
Nov	35.0	32.7	(2.3)	-6.5%
Dec	51.4	49.4	(2.1)	-4.0%
Total	35.0	32.4	(2.7)	-7.6%

4. Lines 32 thru 34, 36 and 37, and 39 and 40 – Purchases increased by 43 GWh due to higher loads and expenses decreased by \$1.3 million due to lower forward energy market prices. Sales decreased by 4 GWh increasing expenses by \$0.3 million.

5. Line 44 – Total Energy increased 63 GWh due to lower migration. Total ES sales are higher by 60 GWh. The table below shows the forecasted sales and migration (Non-ES sales) as measured at the customer meter used for calculating the preliminary ES rate filed in May and for this filing. Overall, forecasted ES sales are higher by 3.2% from the estimates used in the May 9, 2017 ES rate filing.

Eversource ES Sales Forecast

MWh

Filing Dates

<u>2017</u>	<u>May 9, 2017 (a)</u>			<u>June 16, 2017 (b)</u>			<u>Change</u>			
	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>ES %</u>
Jan	729,350	389,309	340,041	729,350	389,309	340,041	0	0	0	0.0%
Feb	596,520	332,847	263,673	596,520	332,847	263,673	0	0	0	0.0%
Mar	666,169	386,466	279,703	666,169	386,466	279,703	0	0	0	0.0%
Apr	586,224	349,603	236,621	563,708	324,716	238,992	(22,516)	(24,887)	2,371	1.0%
May	599,333	370,827	228,506	604,845	377,480	227,365	5,512	6,653	(1,141)	-0.5%
Jun	641,933	390,677	251,256	641,933	382,418	259,514	0	(8,258)	8,258	3.3%
Jul	725,319	428,675	296,644	725,319	419,015	306,304	0	(9,660)	9,660	3.3%
Aug	721,980	428,944	293,036	721,980	418,858	303,122	0	(10,086)	10,086	3.4%
Sep	612,898	375,186	237,712	612,898	366,705	246,192	0	(8,481)	8,481	3.6%
Oct	606,635	375,918	230,718	606,635	369,008	237,627	0	(6,910)	6,910	3.0%

Nov	610,673	361,428	249,244	610,673	354,090	256,582	0	(7,338)	7,338	2.9%
Dec	712,594	405,555	307,039	712,594	396,499	316,095	0	(9,057)	9,057	2.9%
Total (c)	4,632,031	2,766,383	1,865,648	4,632,031	2,706,593	1,925,438	0	(59,790)	59,790	3.2%

- (a) Actuals January to March  
(b) Actuals for January to May  
(c) June to December

6. Line 48 – ISO-NE Ancillary expenses increased \$0.1 million due higher loads.

7. Line 49 – RPS expenses decreased \$2.2 million due to decreases in REC prices.

8. Lines 52 and 53 – Capacity surpluses decreased due to lower migration which resulted in increased expense of \$1.1 million.

9. Lines 22, 42, and 50 – Small changes in these items decreased expenses \$0.1 million overall.

**Attachment CJG-2, Pages 1 and 2:**

10. Line 13 – Forecasted O&M increased \$3.2 million compared to the same forecast period in the May 9, 2017 rate filing. This was offset by \$2.6 million of lower O&M in the actual months of April and May.

11. Line 14 – Return on rate base increased \$0.4 million primarily due to an increase in material and supplies.

**E. Actual Period Cost Changes from May 9, 2017 Filing**

Actual costs as compared to forecasted costs for January through May 2017 increased by \$7.8 million. This increase was due primarily to Fuel and Energy costs higher than forecast by \$8.8 million due to serving a higher load than forecasted, O&M costs lower than forecast by \$2.6 million, RPS costs higher than forecast by \$1.0 million and other costs higher than forecast by \$0.6 million.

**F. Total Year Revenue Changes**

The updated ES revenues for 2017 increased by \$5.6 million due to higher sales caused by decreased forecasted sales migration. The updated 2017 sales increased by 61 GWh. For the actual period January through May 2017, ES revenues decreased by \$.07 million and the updated sales increased by 1 GWh. For the forecast period June through December 2017, forecasted ES revenues increased by \$5.6 million and the updated sales increased by 60 GWh.

**G. Forecasted 2016 Under Recovery**

The updated ES 2016 under recovery decreased by \$3.4 million due to the removal of the amount associated with the CSL Settlement described in the 2016 annual Energy Service reconciliation in Docket No. DE 17-075.