

**THE STATE OF NEW HAMPSHIRE**  
**BEFORE THE PUBLIC UTILITIES COMMISSION**  
**PREPARED TESTIMONY OF DAVID F. BIDMEAD**  
**2018 STRANDED COST RECOVERY CHARGE RATE CHANGE**  
**Docket No. DE 17-xxx**

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

2   A.     My name is David F. Bidmead. My business address is 107 Selden Street, Berlin,  
3           Connecticut. I am employed by Eversource Energy as a Senior Revenue Requirements  
4           Analyst -- New Hampshire and in that position I provide service to Public Service  
5           Company of New Hampshire d/b/a Eversource Energy ("Eversource").

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

7   A.     Yes, I have.

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

9   A.     I currently prepare and/or review the calculation of New Hampshire revenue  
10          requirements for Eversource, as well as the filings associated with Eversource's Energy  
11          Service charge, Stranded Cost Recovery Charge and Transmission Cost Adjustment  
12          Mechanism.

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

14  A.     The purpose of my testimony is: (1) to provide an overview of this filing; and (2) to seek  
15          the necessary approvals to set the average SCRC rate that will take effect January 1,  
16          2018.

1     **Q.     Has the SCRC rate been calculated consistent with Order No. 26,056 in Docket No.**  
2     **DE 17-113?**

3     A.     Yes, the January 1, 2018 Energy Service rate has been prepared consistent with the  
4           order that stated that *"Eversource shall prepare a filing to set an energy service and*  
5           *stranded cost recovery charge for effect January 1, 2018, in the manner which it has*  
6           *used in prior energy service rate filings"*.

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

9     A.     The SCRC recovers certain costs under the authorities contained in RSA Chapters 374-  
10           F and 369-B. The PSNH Restructuring Settlement, approved in Order No. 23,549,  
11           defined PSNH's stranded costs and categorized them into three different parts (i.e., Part  
12           1, 2 and 3). Part 1 costs were composed of the RRB Charge, which was calculated to  
13           recover the principal, net interest, and fees related to Rate Reduction Bonds (the  
14           "RRBs"). These RRBs were fully recovered as of May 1, 2013. Part 2 costs are  
15           "ongoing" stranded costs consisting primarily of the over-market value of energy  
16           purchased from independent power producers ("IPPs") and the amortization of payments  
17           previously made for IPP buy-downs and buy-outs as approved by the Commission. Part  
18           3 costs, which were primarily the amortization of non-securitized stranded costs, were  
19           fully recovered as of June 2006.

20           Additionally, the SCRC rate billed to customers includes the Regional Greenhouse Gas  
21           Initiative ("RGGI") refund as required by RSA 125-O:23, II and Order No. 25,664 (May 9,

1 2014), directing Eversource to rebate RGGI auction revenue it receives through the  
2 SCRC rate.

3 **Q. Is Eversource currently proposing a specific SCRC rate at this time?**

4 A. No, it is not. Attachment DFB-1 provides a preliminary January 1, 2018 rate calculation;  
5 however, prior to the anticipated hearing in December 2017, Eversource plans to update  
6 the SCRC rate calculation primarily for changes attributable to IPP over-market costs  
7 and an update of 2017 actual data. This update will be consistent with the market price  
8 assumptions embedded in the ES update and will be filed at the same time as the  
9 January 1, 2018 ES rate update. The preliminary 2018 average SCRC rate (excluding  
10 the RGGI rebate amount) provided in this filing is 0.146 cents per kWh and is 0.176  
11 cents per kWh higher than the current rate of negative 0.030 cents per kWh. The  
12 preliminary 2018 average SCRC rate (including the RGGI rebate amount of negative  
13 0.124 cents per kwh as discussed below) provided in this filing is 0.022 cents per kWh  
14 and is 0.114 cents higher than the current rate of negative 0.092 cents per kWh.

15 **Q. What are the major reasons for the SCRC rate increase?**

16 A. The increase in the SCRC rate effective January 1, 2018 from the current rate is  
17 primarily due to the current rate having a large prior year over recovery included in it.  
18 The proposed rate has a small prior year under recovery included in it.

1 **Q. Does Eversource plan to minimize cost deferrals for the SCRC through a mid-term**  
2 **adjustment?**

3 A. Yes. If a rate adjustment is deemed necessary, Eversource could file a petition for such  
4 a change in a manner and on a schedule consistent with the modifications to the ES  
5 rate. The Commission could revisit the SCRC rate in an abbreviated investigation.  
6 Eversource would submit actual and estimated data on a date specified by the  
7 Commission to allow the parties and Staff sufficient time to address the need for an  
8 interim adjustment during the 2018 SCRC year.

9 **Q. Please describe the detailed support for the calculation of the average SCRC rate**  
10 **provided in Attachments DFB-1 and DFB-2.**

11 A. Attachment DFB-1, pages 1 and 2, provides a summary of 2018 cost information related  
12 to the Part 2 costs. Page 3 provides the detailed cost information by month related to  
13 the Part 2, ongoing costs. Attachment DFB-2, Pages 1 through 3 provide the detailed  
14 cost and revenue components relating to the preliminary 2017 SCRC reconciliation.

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

16 A. No, it is not. Attachment DFB-3 provides a preliminary RGGI rate calculation; however,  
17 prior to the anticipated hearing in December 2017, Eversource plans to update the RGGI  
18 rate calculation for additional 2017 actual data. The preliminary 2018 RGGI rate  
19 provided in this filing is negative (0.124) cents per kWh and is 0.062 cents per kWh  
20 lower than the current rate of negative (0.062) cents per kWh.

1     **Q.     What are the major reasons for the RGGI rate decrease?**

2     A.     The decrease in the RGGI rate effective January 1, 2018 from the current rate is  
3           primarily due to an increase in forecasted RGGI refund amounts for 2018 versus 2017.

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

6     A.     Attachment DFB-3, pages 1 and 2, provides a summary of 2018 refund information  
7           related to RGGI auctions and the amounts allocated to Eversource for refund.  
8           Attachment DFB-4, page 1 provides the detailed RGGI auctions results along with the  
9           amounts allocated to Eversource for refund and revenue components relating to the  
10          preliminary 2017 RGGI reconciliation.

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

13    A.     Yes, Eversource would need final approval of the SCRC rate by December 27, 2017, in  
14          order to implement the new rate for service rendered on and after January 1, 2018.  
15          Therefore, Eversource requests that the Commission commence a proceeding so that  
16          the procedural schedule can be set to review this filing and approve the SCRC rate in a  
17          timely manner.

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

19    A.     Yes, it does.