

**THE STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**  
**PREPARED TESTIMONY OF CHRISTOPHER J. GOULDING**  
**FEBRUARY 1, 2019 THROUGH JULY 31, 2019**  
**DEFAULT ENERGY SERVICE RATE CHANGE**  
**Docket No. DE 18-002**

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

2 A. My name is Christopher J. Goulding. My business address is 780 North Commercial  
3 Street, Manchester, NH. I am employed by Eversource Energy Service Company as the  
4 Manager of New Hampshire Revenue Requirements and in that position I provide service  
5 to Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”  
6 or 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 am currently responsible for the coordination and implementation of revenue  
11 requirements calculations for Eversource, as well as the filings associated with  
12 Eversource’s default Energy Service (“ES”) rate, Stranded Cost Recovery Charge  
13 (“SCRC”), Transmission Cost Adjustment Mechanism, and Distribution Rates.

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

15 A. The purpose of my testimony is: (1) to provide an overview of this filing; and (2) to seek  
16 the necessary approvals to set a fixed ES rate for the Small Customer class (Rates R, R-

1 OTOD, G, G-OTOD, and any outdoor lighting associated with those rates billed under  
2 Rates EOL and OL), and a monthly ES rate for the Large Customer class (Rates GV, LG,  
3 B, and any private area lighting associated with those rates billed under Rate OL)  
4 applicable to Eversource's customers who take service under the ES rate that will take  
5 effect on February 1, 2019.

6 **Q. Please explain the ES rates for which the Company is seeking approval.**

7 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE  
8 17-113 and the ES rate filings approved in Docket No. DE 18-002 via Order No. 26,104  
9 (February 22, 2018) and Order No. 26,147 (June 15, 2018) Eversource is requesting that  
10 the Commission review and approve a fixed six-month ES rate for the Small Customer  
11 class for the period of February 1, 2019 through July 31, 2019 based on the weighted  
12 average of the six monthly contracted prices contained in the supply agreement(s) with  
13 the winning ES supplier(s) for the Small Customer class. The fixed ES rate for the period  
14 of February 1, 2019 through July 31, 2019, for the Small Customer class is \$0.09985 per  
15 kWh as calculated on page 1 of Attachment CJG-1.

16 The Company is also requesting that the Commission review and approve a monthly-  
17 variable ES rate for the Large Customer class for the period of February 1, 2019 through  
18 July 31, 2019 based on the six monthly contracted prices contained in the supply  
19 agreement with the winning ES supplier for the Large Customer class. The monthly ES  
20 rates for the period of February 1, 2019 through July 31, 2019, for the Large Customer  
21 class, as calculated on page 2 of Attachment CJG-1, are as follows:

**Large Customer Energy Service  
Rates**

| <b>Month</b>  | <b>Rate (\$/kWh)</b> |
|---------------|----------------------|
| February 2019 | \$0.16749            |
| March 2019    | \$0.13867            |
| April 2019    | \$0.11754            |
| May 2019      | \$0.11217            |
| June 2019     | \$0.09640            |
| July 2019     | \$0.10107            |

1

2 **Q. Have the cost of Eversource's mandated purchased power obligations from**  
3 **independent power producers (“IPPs”), and the power purchase agreements**  
4 **(“PPAs”) with Burgess and Lempster been included in the calculation of the two ES**  
5 **rates?**

6 A. No. Consistent with the Settlement Agreement approved in Docket No. DE 14-238, upon  
7 transitioning to a competitively procured energy paradigm, the costs associated with the  
8 purchases from the IPPs and under the PPAs are all recovered via the SCRC.

9 **Q. Please describe the detailed support for the calculation of the Large Customer and**  
10 **Small Customer ES rates.**

11 A. Attachment CJG-1 (page 1) provides the calculation of the total monthly ES rates for the  
12 Small Customer class including the cost of RPS compliance, prior period reconciliation,  
13 cost of administrative and general expense associated with the ES offering. The weighted  
14 average fixed rate for the six-month period is calculated on Line 11.

15 Attachment CJG-1 (page 2) provides the calculation of the total monthly ES rates for the  
16 Large Customer class including the cost of RPS compliance, prior period reconciliation,

1 cost of administrative and general expense associated with the energy service offering.

2 The monthly rates for the six-month period are calculated on Line 9.

3 Attachment CJG-1 (page 3) provides the forecasted administrative and general expenses  
4 associated with the energy service offering.

5 Attachment CJG-2 (pages 1 and 2) provide a preliminary reconciliation of the Small  
6 Customer and Large Customer ES costs and revenues for the ten-month period ended  
7 January 31, 2019.

8 Attachment CJG-2 (page 3) provides a preliminary reconciliation of the administrative  
9 and general expenses included in the ES rates for the ten-month period ended January 31,  
10 2019.

11 Attachment CJG-2 (page 4) provides a preliminary reconciliation of the RPS expense and  
12 revenues currently included in the ES rate for the ten-month period ended January 31,  
13 2019.

14 Attachment CJG-3 (pages 1 and 2) provide a preliminary reconciliation of the cost of the  
15 Hydro units and the hydro adjuster revenues currently included in the ES rates for the  
16 ten-month period ended January 31, 2019.

1 Reconciling factors will be included in the calculation of the energy service rates  
2 effective August 1, 2019. This is consistent with Section 2.H of the Settlement  
3 Agreement approved in Docket No. DE 17-113.

4 **Q. Has the Company included a calculation of the Hydro Adjuster that was discussed**  
5 **in the settlement in Docket No. DE 17-113 and has the Hydro Adjuster been**  
6 **included in the February 1, 2019 ES rates?**

7 A. No. The sale of the Hydro units was completed in August 2018. All the revenues and  
8 costs associated with the Hydro Adjuster will be included in the annual ES reconciliation  
9 for August 1, 2019, and any over or under recovery would be included in rates at that  
10 time. All ongoing residual Hydro costs after the sale was complete in August 2018 will  
11 be included in the Stranded Cost Recovery Charge (“SCRC”).

12 **Q. Are you familiar with the terms of RSA Chapter 362-H, “THE PRESERVATION**  
13 **AND USE OF RENEWABLE GENERATION TO PROVIDE FUEL DIVERSITY”**  
14 **created by that law?**

15 A. Generally, yes. That law requires Eversource and Unitil to solicit proposals from certain  
16 “eligible facility” generators in their service territories to purchase 100 percent of those  
17 eligible facilities’ net electrical output over a time period that is coterminous with the  
18 time period used in Eversource’s ES supply solicitation. On December 4, 2018 in this  
19 docket Eversource filed information relating to the requirements of the law.

1 **Q. Does that law require that the purchases from those eligible facilities be made at a**  
2 **particular rate?**

3 A. Yes. The law requires the purchases to be at the “adjusted energy rate,” which it defines  
4 as 80 percent of the default energy rate applicable to residential customers minus the  
5 portion of the rate attributable to compliance with the renewable portfolio standards  
6 (“RPS”) law.

7 **Q. Has the Company calculated what the adjusted energy rate would be based upon**  
8 **the results of this solicitation?**

A. Yes. The compensation rate for the output of the eligible facilities in Eversource’s  
territory from February 1, 2019 to July 31, 2019 is \$0.07768 per kWh or \$77.68 per  
mWh. The calculation has been provided in the table below:

| Description                 | Amount         | Source                           |
|-----------------------------|----------------|----------------------------------|
| Residential Rate            | \$0.09985      | Attachment CJG-1, Page 1 Line 11 |
| RPS Adder                   | <u>0.00275</u> | Attachment CJG-1, Page 1 Line 7  |
| Net Residential Rate \$/kWh | \$0.09710      |                                  |
| Adjustment %                | <u>80%</u>     |                                  |
| Adjusted Energy Rate        | \$0.07768      |                                  |

9

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

11 A. Yes, updated tariff pages have been provided as Attachment CJG-4.

12 **Q. Does Eversource require Commission approval of this rate by a specific date?**

13 A. Yes, Eversource is seeking final approval of the proposed ES rates by December 20,  
14 2018, to allow for appropriate notice to customers and to implement the new rates for

1 service rendered on and after February 1, 2019. Because it is addressed in a separate  
2 submission, as part of this submission, Eversource is not seeking approval of the adjusted  
3 energy rate or any other issues relating to RSA 362-H.

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

5 **A.** Yes, it does.