

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

DIRECT TESTIMONY OF MARISA B. PARUTA

On behalf of

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE
ENERGY**

**IN SUPPORT OF THE SETTLEMENT AGREEMENT WITH THE NEW
HAMPSHIRE DEPARTMENT OF ENERGY REGARDING THE PEMIGEWASSET
SUBSTATION PROJECT – SUPREME COURT DOCKET NO. 2021-0498**

Docket No. DE 19-057

NOTICE OF INTENT TO FILE RATE SCHEDULES

August 21, 2023

1 **Q. Please state your name, business address, company position, and principal**
2 **responsibilities in your current position.**

3 A: My name is Marisa B. Paruta. My business address is 107 Selden Street, Berlin,
4 Connecticut. I am employed by Eversource Energy Service Company as the Director of
5 Revenue Requirements and as part of that position, I provide regulatory support to Public
6 Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” “PSNH” or
7 the “Company”). As the Director of Revenue Requirements, I am responsible for the
8 coordination and implementation of revenue requirements calculations and regulatory
9 filings for the Connecticut and New Hampshire electric and natural gas subsidiaries,
10 including PSNH. This includes filings associated with default Energy Service (“ES”),

1 Stranded Cost Recovery Charge (“SCRC”), Transmission Cost Adjustment Mechanism
2 (“TCAM”), Regulatory Reconciliation Adjustment (“RRA”) and Distribution rates.

3

4 **Q. Please provide your educational and professional background.**

5 A: I received a Bachelor of Science degree in accounting from the University of Connecticut
6 School of Business. I started my career at Arthur Andersen in the client audit and
7 assurance practice, continuing at Deloitte in the same practice. I joined Northeast
8 Utilities, Eversource’s predecessor, and worked in the accounting organization through
9 multiple positions leading to the Director of Corporate Accounting and Financial
10 Reporting. I moved to the Regulatory and Revenue Requirements team in my current
11 position in June 2021. I have been with Eversource Energy for over 20 years.

12

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

14 A: Yes, I provided testimony before the Commission in numerous Eversource dockets since
15 2021.

16

17 **Q: What is the purpose of your testimony?**

18 A: The purpose of my testimony is to provide support for the June 30, 2023 Settlement
19 Agreement reached with the New Hampshire Department of Energy (“DOE”) regarding
20 the New Hampshire Public Utilities Commission’s (“Commission”) capital investment
21 disallowance of \$911,000 in the Pemigewasset Substation Project (“Project”), which was
22 the subject of the Company’s New Hampshire Supreme Court appeal of Order Nos.
23 26,504 and 26,528 in this docket (“Settlement”).

1 **Q: Could you summarize the Settlement?**

2 A: Yes, the Settlement requests that the Commission reduce its Project capital investment
3 disallowance from \$911,000 to \$614,652. This modification would allow PSNH to
4 recover the revenue requirement on the \$296,348 difference in capital investment over
5 the remaining useful life of the Project. Recovery would be included in the Company's
6 base distribution rates that are approved by the Commission as the result of the next
7 PSNH base distribution rate case proceeding. PSNH will not recover any revenue
8 requirement associated with the \$296,348 over the period starting with the effective date
9 of PSNH's base distribution rates that would have included the Project's revenue
10 requirement (August 1, 2021) and until the effective date of the Company's base
11 distribution rates resulting from its next base distribution rate case proceeding.

12

13 **Q: Are there any other issues addressed in the Settlement?**

14 A: No, the \$296,348 adjustment to the disallowance represents the entirety of the scope of
15 the Settlement; no other issues are within its purview.

16

17 **Q: What is the reasoning supporting the amount in the Settlement?**

18 A: The \$296,348 represents an amount that was estimated in the supplemental project
19 funding authorization form for the Project, but that was never actually spent. The
20 original disallowance of \$911,000 was calculated by taking the difference between two
21 project funding authorization forms, which were based on estimates. The final funding
22 authorization form was a revised estimate of what the Project would cost, which totaled
23 \$7,729,000. When you subtract the previous Project funding authorization form estimate

1 of \$6,817,000 from the final funding authorization form estimate, this results in the
2 \$911,000, which was disallowed in Order No. 26,504. However, the Company's actual
3 total Project capital investment recorded in the Company's general ledger was
4 \$7,431,652. PSNH and DOE, through this Settlement, agreed that the disallowance in
5 this case will be equal to \$614,652, which was arrived at by comparing the actual costs of
6 \$7,431,652 to the estimated costs of \$6,817,000.

7
8 **Q: What will happen with the remaining \$614,652 in disallowances from Order No.**
9 **26,504?**

10 A: The Company will account for the disallowance in its general ledger as a debit to
11 FERC Account 426.5, a below-the-line expense account that is deducted from the
12 Company's earnings, and a credit to FERC Account 101, subaccount 362-Plant in
13 Service, Substation, which will have the effect of reducing PSNH's rate base.

14
15 **Q: What is the Company requesting of the Commission?**

16 A: PSNH and the DOE recommend in the Settlement that the Commission modify Order No.
17 26,504 with an Order after a hearing, or an Order *nisi* if the Commission feels no hearing
18 is necessary, allowing the Company to recover the revenue requirement on the \$296,348
19 difference in capital investment in the base distribution rates that are approved in the next
20 PSNH base distribution rate case proceeding, which will effectuate the Settlement.

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22

23

1 **Q: What would happen once the Commission effectuates the Settlement?**

2 A: PSNH would withdraw its appeal at the New Hampshire Supreme Court, make the
3 accounting adjustment described above right away, and recover the revenue requirement
4 on the \$296,348 difference in capital investment in its next base distribution rate case.
5 There would be no further action items arising from this matter, as the effectuation of the
6 Settlement would resolve all open issues between PSNH and the DOE in the PSNH
7 Supreme Court appeal.

8

9 **Q: And what if the Commission were to expand or modify the Settlement in some way,
10 or reject the Settlement altogether?**

11 A: Any modification to the Settlement by the Commission would render the Settlement null
12 and void, and the PSNH appeal would return to the Supreme Court and resume.

13

14 **Q: Would the Commission's approval of the Settlement result in just and reasonable
15 rates?**

16 A: Yes it would.

17

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

19 A: Yes it does, thank you.