

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 19-057

IN THE MATTER OF: **PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE d/b/a EVERSOURCE ENERGY**

REQUEST FOR PERMANENT RATES

DIRECT TESTIMONY

OF

DONNA H. MULLINAX
CONSULTANT TO STAFF

DECEMBER 20, 2019

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DHM-27 Eversource response to Staff 5-019, Attachment A
DHM-28 Eversource response to Staff 5-020

1 **Introduction and Summary**

2 **Q. Please state your full name.**

3 A. My name is Donna Hubler Mullinax.

4
5 **Q. By whom are you employed and what is your business address?**

6 A. I am employed by Blue Ridge Consulting Services, Inc. My business address is 114
7 Knightsridge Road Travelers Rest, SC 29690.

8
9 **Q. Please summarize your education and professional work experience.**

10 A. I graduated with honors from Clemson University with a Bachelor of Science in
11 Administrative Management and a Master of Science in Management. I am a Certified
12 Public Accountant (CPA), Certified Internal Auditor (CIA), a Certified Financial Planner
13 (CFP), and a Chartered Global Management Account (CGMA) designation holder. I am a
14 member of the South Carolina Association of Certified Public Accountants, the American
15 Institute of Certified Public Accountants, and the Institute of Internal Auditors.

16 I have over 40 years of professional experience and have been a utility industry
17 consultant for the last 25 years. My consulting assignments include numerous rate cases
18 filed by public utilities and litigation support for various construction claims. Other
19 project experience includes management, financial, and compliance audits, due diligence
20 reviews, prudence reviews, and economic viability and financial studies. I have worked
21 with public service commissions, attorneys general, and public advocates in Arizona,
22 Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Kentucky, Illinois,

1 Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Hampshire, New York,
2 North Dakota, Ohio, Oregon, Pennsylvania, and Utah.

3
4 **Q. Have you included a more detailed description of your qualifications?**

5 A. Yes. A description of my qualifications is included as Attachment DHM-1.
6

7 **Q. Have you previously testified before the New Hampshire Public Utilities**
8 **Commission?**

9 A. Yes. I have testified before this Commission in Docket Nos. DE 16-383, DE 16-384, DG
10 17-048 and DE 19-064. In addition, Blue Ridge has provided analysis and reported on
11 our findings in Docket Nos. DG 17-070, DW 18-047, DW 18-054, and DW 18-056.
12

13 **Q. On whose behalf are you testifying?**

14 A. I am testifying on behalf of the Staff of the New Hampshire Public Utilities Commission
15 (“Commission”).
16

17 **Q. What is the purpose of your testimony in this proceeding?**

18 A. The purpose of my testimony is to address the revenue requirements proposed by Public
19 Service Company of New Hampshire, d/b/a Eversource Energy (“PSNH,” “Eversource,”
20 or “Company”) and to present the effect of Staff’s recommended ratemaking adjustments
21 on the Company’s revenue requirements.
22

Q. Please summarize your recommendations.

A. The following table summarizes Staff's recommendations regarding revenue requirements.

Table 1: Summary of Staff's Recommended Adjustments and the Effect on Rate Base, Operating Income, and Revenue Deficiency

Staff's Recommended Rate of Return		6.24%	
Revenue Conversion Factor		1.37142	
	Rate Base	Operating Income	Revenue Deficiency
Company Updated Proposal	\$ 1,215,689,670	\$ 42,423,178	\$ 69,254,451
Adjustment 1 Modify Plant in Service	\$ (62,999,792)	\$ 1,542,734	\$ (7,509,303)
Adjustment 2 Catch Up Meter Retirements	(843,000)	(897,100)	1,158,131
Adjustment 3 Cash Working Capital	2,773,118		237,413
Adjustment 4 Audit Issues-Placeholder		-	-
Adjustment 5 Payroll		300,389	(411,960)
Adjustment 6 Incentive Compensation		2,929,117	(4,017,056)
Adjustment 7 Severance		21,741	(29,816)
Adjustment 8 Remove SERP		557,761	(764,926)
Adjustment 9 Sharing of D&O Liability Insurance		25,624	(35,141)
Adjustment 10 Vegetation Management		9,999,650	(13,713,743)
Adjustment 11 Remove Amortization of Merger Cost to Achieve		662,830	(909,020)
Adjustment 12 Depreciation Expense-Whole Life		(1,015,574)	1,392,780
Adjustment 13 Environmental Reserve		871,486	(1,195,175)
Adjustment 14 Enterprise IT Expense		1,009,741	(1,384,781)
Adjustment 15 Healthcare		214,600	(294,307)
Adjustment 16 Storm Costs		(2,865,986)	3,930,477
Adjustment 17 New Start Arrearage Forgiveness	1,700,000	(861,877)	1,327,538
Adjustment 18 Interest Synchronization		(393,938)	540,255
Uncollectible Adjustment			(292,955)
Impact of Staff's Recommended Cost of Capital			(22,904,322)
Staff Recommend Adjustments	\$ (59,369,674)	\$ 12,101,198	\$ (44,875,910)
Staff Recommended Totals	\$ 1,156,319,997	\$ 54,524,375	\$ 24,378,542

Q. What revenue increase does Staff recommend?

A. Staff recommends a base rate increase of no more than \$24,378,542. The following table shows the Company's updated revenue requirement request and Staff's recommendation.

Table 2: Staff's Recommended Revenue Requirement

Company's Updated Revenue Deficiency	\$ 69,254,451
Staff's Recommended Adjustment	(44,875,910)
Staff's Recommended Revenue Deficiency	<u>\$ 24,378,542</u>

1 **Q. Are you presenting any exhibits in connection with your direct testimony in this**
2 **proceeding?**

3 A. Yes. Besides my qualifications already mentioned as Attachment DHM-1, Attachment
4 DHM-2 includes Staff's revenue requirement schedules, and Attachments DHM-3
5 through DHM-28 are copies of selected documents that are referenced in my testimony.
6

7 **Q. How are Staff's revenue requirement schedules organized?**

8 A. Staff's revenue requirement schedules, included in Attachment DHM-2, are organized
9 into summary schedules and adjustment schedules. The schedules consist of Schedules 1,
10 1.1, 1.2, 2, 2.1, 3, 3.1 through 3.18.
11

12 **Q. What is shown on Schedule 1?**

13 A. Schedule 1 is a summary comparison of the Company's and Staff's computation of the
14 revenue requirement and the revenue deficiency. The schedule summarizes the total
15 impact of Staff's recommended adjustments and reflects the revenue requirement needed
16 for the Company to earn Staff's recommended rate of return on Staff's proposed rate
17 base.
18

19 **Q. What is shown on Schedule 1.1?**

20 A. Schedule 1.1 provides additional detail by major rate base and operating income
21 categories and shows how Staff's recommended adjustments are applied to the
22 Company's updated filings to obtain Staff's recommended revenue requirement and
23 revenue deficiency.

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Q. What is shown on Schedule 1.2?

A. Schedule 1.2 presents the calculation of the revenue conversion factor. The revenue conversion factor grosses up the Income Deficiency amount for income taxes to obtain the Revenue Deficiency amount. The conversion is needed to reflect that more than one dollar in gross revenue is needed for each dollar of net operating income because of the imposition of taxes on those earnings.

Q. What is shown on Schedule 1.3?

A. Schedule 1.3 presents the calculation of the uncollectibles or bad debt percentage that is applied to the revenue deficiency to estimate the portion that will likely not be collected and charged off as bad debt. The estimated uncollectible revenues are added to the revenue deficiency to determine the final revenue requirement. The Company has assumed 0.6571% of its retail revenue will be charged as a net write off.

Q. What is shown on Schedules 2 and 2.1?

A. Schedule 2 summarizes the capital structure and cost of capital proposed by the Company relative to the recommendation of Staff witness J. Randall Woolridge. Schedule 2.1 isolates the impact on the revenue deficiency for the difference between the Company's proposed capital structure and cost of capital and that recommended by Staff.

1 **Q. What is shown on Schedule 3 and Schedules 3.1 through 3.18?**

2 A. Schedule 3 summarizes Staff's adjustments to rate base and operating income (i.e.,
3 revenues less expenses). Schedules 3.1 through 3.18 provide further support and
4 calculations for the adjustments Staff is recommending.

5
6 **Revenue Requirements**

7 ***Eversource's Requested Revenue Increase***

8 **Q. What revenue increase has been requested by the Company?**

9 A. The Company's Application filed on April 26, 2019, requested an increase in base rate
10 revenues of \$69.913 million, which includes its request for a temporary rate adjustment
11 of approximately \$33 million.¹ On November 11, 2019, the Company filed an update to
12 its revenue requirement. The Company's updated request is for an increase in base rates
13 of \$69.254 million, or a decrease of \$658,245 from its initial request.²

14
15 ***Changes Made in Eversource's Updated Revenue Requirements***

16 **Q. What changes did the Company make to its updated revenue requirement?**

17 A. The Company stated that it made 16 adjustments from its initial filing to reflect
18 adjustments as a result of discovery requests or information exchanged during technical
19 sessions or that had been identified as needing to be updated when the Company's initial
20 filing was made. The following is a list of the cost of service changes the Company made
21 in the updated revenue requirements.

¹ Eversource filing dated May 28, 2019, cover letter.

² Eversource filing dated November 4, 2019, Updated Revenue Requirement.

- 1 1. Regulatory Assessments were updated to reflect the latest NHPUC regulatory
2 assessments (July 1, 2019–June 30, 2020). Increases revenue requirements by
3 \$463,737.
- 4 2. Revenues were adjusted to normalize late payment fees by removing 2018
5 from the three-year average. Reduces revenue requirements by \$490,290.
- 6 3. Materials & Supplies were adjusted to remove inventory obsolescence
7 incorrectly classified as distribution. Reduces revenue requirements by
8 \$59,825.
- 9 4. Dues & Memberships were adjusted for PSNH allocation of EEI dues (non-
10 lobbying portion) from 20% to 15%. Reduces revenue requirements by
11 \$47,469.
- 12 5. Customer Service Normalizing amount was adjusted from an estimated
13 amount to actual. Reduces revenue requirements by \$17,311.
- 14 6. Fine paid to the NH Department of Labor was moved below the line. Reduces
15 revenue requirements by \$7,500.
- 16 7. Dues & Memberships were reduced to remove Business and Industry
17 Association (BIA) dues associated with public policy advocacy. Reduces
18 revenue requirements by \$4,400.
- 19 8. Lease Expenses were adjusted to correct the lease escalation. Reduces revenue
20 requirements by \$3,151.
- 21 9. Mineral Oil Normalizing amount was adjusted from an estimated amount to
22 actual. Increases revenue requirements by \$441.

1 10. Residual O&M Expense Inflation was adjusted to reflect the impact of all
2 normalizing adjustments. Reduces revenue requirements by \$18,461.

3 11. Employee Health Care Costs were adjusted to incorporate the impact of 2020
4 working rates. Increases revenue requirements by \$294,440.

5 12. Pension, PBOP, SERP were adjusted to reflect the latest actuarial reports.
6 Reduces revenue requirements by \$798,587.

7 13. Insurance Expense was adjusted to reflect the latest policy information.
8 Increases revenue requirements by \$32,347.

9 14. Property Taxes Placeholder will be updated to reflect latest tax bills when
10 available in December 2019.

11 15. Cash Working Capital was adjusted to incorporate the effect of the changes
12 listed above. Increases rate base by \$2,121.

13 16. Uncollectibles Expense was adjusted to incorporate the effect of the changes
14 listed above. Reduces revenue request by \$4,297.³

15
16 *Staff's Position on Eversource's Updates to Revenue Requirements*

17 Healthcare Costs

18 **Q. Does Staff agree with the revisions the Company made to its updated revenue**
19 **requirement?**

20 A. Staff appreciates the Company's review and refinement of its revenue requirements
21 following the discovery process. However, Staff objects to the Company's healthcare
22 cost update "to incorporate [the] impact of 2020 working rates" based on data from an
23 external benefits consultant. No additional information was provided with the update and

³ Eversource filing dated November 4, 2019, Updated Revenue Requirement.

the change is not known and measurable and should be rejected. Staff recommends using the original Healthcare Costs submitted by the Company. As shown on Schedule 3.15, Staff's adjustment *increases* Operating Income by \$214,600.

Establishment of Current Distribution Revenue Requirement

Q. When was the Company's current Distribution revenue requirement established?

A. Eversource's current rates were established in Order No. 25,123 (June 28, 2010) in Docket No. DE 09-035. The rates were based on a test year of the 12 months ended December 31, 2008, with rates effective July 1, 2010. The Company requested \$51 million. The current rates were the result of a Settlement, resulting in an increase in Distribution revenues of \$45.5 million and projected changes July 1, 2011–\$(2.9 million), July 1, 2012–\$9.5 million, and July 1, 2013–\$11.1 million.⁴

Test Year

Q. What test year is being used in this case?

A. The Company has based its request for a revenue increase on a historical test year of the 12 months ended December 31, 2018.⁵ Staff's calculations use the same historical test year.

Q. Did the Company make adjustments to its historical test year?

A. Yes. The Company stated that it made normalizing adjustments to address costs or revenue items that are non-recurring, out-of-period, or otherwise not appropriate to be

⁴ Docket No. DE 09-035 Settlement Agreement on Permanent Distribution Service Rates, pages 2–3.

⁵ Direct Testimony of Eric H. Chung and Troy M. Dixon, page 7, line 16 (Bates 000068).

1 reflected in the revenue requirement. Similarly, to the extent that the test year excluded
2 certain known and measurable costs or revenue changes that will be incurred on a
3 continuing basis, those items were included in the revenue requirements.⁶
4

5 **Q. Did the Commission's Audit Staff audit the Company's historical test year results?**

6 A. Staff's audit is ongoing, and it is my understanding that the final audit report will be
7 complete by the end of the year (after the Company has had an opportunity to comment
8 on a draft audit report). Staff plans to recalculate its proposed revenue requirement to
9 reflect the results of the final audit report.
10

11 **Adjustments to Rate Base**

12 **Q. What rate base had the Company proposed?**

13 A. The Company's revised rate base is \$1,215,689,670.⁷
14

15 **Q. Is Staff proposing any adjustments to the Company's proposed rate base?**

16 A. Yes. Staff proposes adjustments to the following rate base items:

- 17 • Plant in Service
 - 18 • Catch Up Meter Retirements
 - 19 • Cash Working Capital
- 20

⁶ Direct Testimony of Eric H. Chung and Troy M. Dixon, page 9, line 12–page 10, line 2 (Bates 000070–000071).

⁷ Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-1 (Perm), November 4, 2019 Update.

1 ***Plant in Service***

2 **Q. Please explain Staff's recommended adjustment to Plant in Service.**

3 A. Staff's overall adjustment to Plant in Service includes the individual adjustments that are
4 supported by the testimonies of Staff witness Jay Dudley.

5
6 **Q. What is the effect of Staff's recommended adjustments to Plant in Service?**

7 A. The effect of these adjustments to gross plant and the corresponding impact on
8 accumulated depreciation *reduces* Rate Base by \$62,999,792. The adjustments to Plant in
9 Service will also *reduce* depreciation expense by \$2,115,740, which *increases* Operating
10 Income by \$1,542,734. Staff's recommended adjustment is presented on Schedule 3.1.

11
12 ***Catch Up Meter Retirements***

13 **Q. Please explain Staff's recommended adjustment regarding Catch Up Meter**
14 **Retirements.**

15 A. During discovery the Company determined that the plant balance for Account 370–
16 Meters was misstated. The Company's manual process for retiring meters was not
17 working as intended. Representatives from the Company's Plant Accounting and Meter
18 Operations groups performed a detailed analysis of the meter count reflected in Account
19 370 per the Company's plant accounting system of record (PowerPlan) and compared it
20 to data from a separate system that is utilized by the Meter Operations group
21 (PowerTrack) which maintains information related to meters installed in the field. The
22 Company determined that \$14,327,816 in meter assets must be retired.⁸

⁸ Eversource response to Staff TS 2-018 (Attachment DHM-03).

1
2 **Q. Does this late developing issue affect other components of the Company's revenue**
3 **requirements?**

4 A. Yes. While the additional retirements do not change net plant in service, since gross plant
5 goes down by the same amount as accumulated depreciation, the Company explained that
6 there is an effect on the Company's revenue deficiency for the following three reasons:

- 7 • The recommended depreciation rate will change as a result of reflecting the
8 additional retirement activity. The depreciation rate under either the remaining
9 life method or the whole life method increases.
- 10 • The balance against which the depreciation rate is applied has gone down, which,
11 if not for the increase in the depreciation rate, would result in a small decrease in
12 the revenue deficiency proposed in this case.
- 13 • The balance of ADIT as of December 31, 2018, would increase by approximately
14 \$843,000 reflecting this additional retirement activity.

15 The Company stated that the overall increase on the revenue deficiency resulting from
16 these three factors would cause an increase in the revenue deficiency of \$3.9 million,
17 from \$69.3 million to \$73.2 million under the Company's proposed remaining life
18 method for calculating depreciation rates. Due to the late development of this issue, the
19 Company is not proposing to update the revenue requirement at this time. In the January
20 update, the Company will update the revenue requirement to reflect the latest balances in
21 account 370–Meters as well as the associated accumulated depreciation reserve and the
22 effect on ADIT.⁹

⁹ Eversource response to Staff 4-034-SP01 (Attachment DHM-04).

1 While the Company stated that it has not updated its revenue requirement, it did
2 provide preliminary numbers on how the meter retirement would affect net plant in
3 service, accumulated depreciation, accumulated deferred income taxes, and depreciation
4 expense. Staff has reflected these preliminary numbers in its revenue requirement so that
5 the potential effect of the catch up meter retirement can be considered. Schedule 3.2
6 reflects the retirement of the meters¹⁰ and the matching accumulated depreciation,¹¹
7 resulting in \$0 effect on net plant in service. The effect on accumulated deferred income
8 taxes is also shown on Schedule 3.2. The adjustment *reduces* rate base by \$843,000. Staff
9 has also recognized the effect of the meter retirements on depreciation expense, using
10 Staff's preferred Whole Life methodology.¹² As shown on Schedule 3.2, the adjustment
11 *reduces* Operating Income by \$897,100.

12
13 ***Cash Working Capital***

14 **Q. Please explain Staff's recommended Cash Working Capital adjustment.**

15 A. Cash Working Capital was developed through the preparation of a lead-lag study. The
16 lead-lag is applied to each component of the cost of service to quantify the cash working
17 capital requirement associated with that cost of service item. Staff's adjustment to Cash
18 Working Capital updates the revenue and expense components of the Company's lead-lag
19 study to reflect Staff's adjustments that are discussed within this testimony. As shown on
20 Schedule 3.3, Staff's adjustment to Working Capital *increases* jurisdictional Rate Base
21 by \$2,773,118.

¹⁰ Eversource response to Staff 2-004 and Staff 2-004-SP01 (Attachment DHM-05).

¹¹ Eversource response to Staff 2-003 and Staff 2-003-SP01 (Attachment DHM-06)

¹² Staff converted the Depreciation Expense from the Company's Remaining Life methodology to Whole Life on Schedule 3.12. The adjustment on Schedule 3.2 adjusts Staff's Whole Life methodology before the meter retirements to the effect after the retirements.

1
2 **Q. What is the impact of Staff's recommended adjustments to the Company's**
3 **requested rate base?**

4 A. The Company's updated rate base was \$1,215,689,670. Staff's recommended
5 adjustments *reduces* the rate base to \$1,156,319,997.
6

7 **Adjustments to Operating Income**

8 **Q. What net operating income has the Company proposed?**

9 A. The Company's revised operating income at current rates is \$42,423,178.¹³
10

11 **Q. Is Staff proposing any adjustments to the Company's proposed net operating**
12 **income?**

13 A. Yes. Staff is recommending adjustments to the following expense components:

- 14 • Audit Issue Placeholder
- 15 • Payroll Expense and Payroll Taxes
- 16 • Incentive Compensation
- 17 • Severance
- 18 • SERP
- 19 • Sharing of Directors and Officers ("D&O") Liability Insurance
- 20 • Vegetation Management
- 21 • Removal of Amortization of Merger Costs
- 22 • Depreciation Expense

¹³ Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-1 (Perm), November 4, 2019 Update.

- Environmental Reserve
- Enterprise IT Expense
- Storm Costs
- New Start Arrearage Forgiveness Program
- Interest Synchronization

Audit Issue Placeholder

Q. Please explain Staff's recommended adjustment Audit Issue Placeholder.

A. Staff's audit is ongoing, and it is my understanding that the final report will be complete by the end of the year. Staff's recommended revenue requirements will likely need to be updated when the final audit report is available. Staff has included a placeholder on Schedule 3.4 for any audit findings that would affect the Company's requested rate increase.

Payroll Expense and Payroll Taxes

Q. Please explain Staff's adjustment to Payroll Expense.

A. Staff's adjustment to Payroll Expense and Payroll Taxes includes: (1) payroll reduction for the incremental post-test year FTEs that the Company has not yet hired and (2) removed payroll associated with workforce reduction in which severance was paid.

Q. Please explain Staff's recommendation regarding incremental post-test year FTEs.

A. The Company's payroll adjustment reflects incremental post-test year hires (FTEs). The new FTEs includes (1) five PSNH employees to support the Company's Expanded

Troubleshooters Program (\$528,231) and (2) PSNH's allocated share of 14 new Information Technology FTEs, which are being hired by Eversource Energy Service Company (\$99,671).¹⁴ The Company has not filled all of the proposed new positions as shown in the following table.¹⁵

Table 3: Status of Incremental FTEs Included In Payroll Expense

	<u>Total Payroll</u>	<u>Planned FTEs</u>	<u>Actual FTEs</u>
Incremental FTEs-Cyter Security	99,671	14	6
Incremental FTEs-Troubleshooters and SOC	528,231	5	2

Staff recommends excluding payroll expense and payroll taxes associated with the incremental unfilled positions because it is not certain that the Company will follow through on its hiring plans. Additionally, the longer the new positions remain vacant, the future expense is increasingly remote from the test year.

Q. Please explain Staff's adjustment to payroll expense and payroll taxes associated with severance.

A. Severance was paid to two individuals whose positions were eliminated as part of a workforce reduction. The salaries of these two individuals totaling \$8,476 were included in the Test Year revenue requirements.¹⁶ Staff has removed the salaries of these positions from payroll expenses and payroll taxes.

¹⁴ Direct Testimony of Eric H. Chung and Troy M Dixon 45:15–17 (Bates 000106) and Eversource response to OCA 1-024 (Attachment DHM-07).

¹⁵ Eversource response to Staff TS 2-010 (Attachment DHM-08) and Staff TS 2-011 (Attachment DHM-09).

¹⁶ Eversource response to Staff 12-001 (Attachment DHM-10).

Q. What is the total effect of Staff's recommended adjustments to Payroll Expense and Payroll Taxes?

A. As shown on Schedule 3.5, Staff's recommended adjustments to Payroll Expense and Payroll Taxes *increase* Operating Income by \$300,389.

Incentive Compensation

Q. Please explain the Company's incentive compensation plans.

A. The Company provides incentive compensation to non-union employees, executives and directors. The Company's Employee Annual Incentive Program includes cash payouts.¹⁷ The Eversource Energy Incentive Plan includes cash awards and equity awards, including Stock Options, Stock Appreciation Rights (SARs), Restricted Stock, and Stock Units.¹⁸ The Company is seeking recovery of the following variable compensation amounts.¹⁹

Table 4: Variable Compensation Included in Rate Year

Description	Amount in Rate Year	Percent
Employee Incentive	\$ 3,962,425	52%
Executive Incentive	1,409,087	19%
Executive Stock Incentive	1,902,217	25%
Director RSU's	340,097	4%
Total Variable Compensation	<u>\$7,613,826</u>	<u>100%</u>

Q. How are the amounts to be awarded determined by the Company?

A. The Board of Trustees approves the annual incentive program and sets the overall corporate performance goals. The Company stated that the performance objectives and weighting for each of the plans was included in the annual proxy statements.²⁰ All

¹⁷ 1604.01(a)(15) Attachment 2 (Bates SFR-003907-003909).

¹⁸ 1604.01(a)(15) Attachment 3, page 4 (Bates SFR-003910-SFR003911).

¹⁹ Eversource response to OCA 1-030 (Attachment DHM-11).

²⁰ Eversource response to Staff 5-033 (Attachment DHM-12).

Eversource employees (executive and non-executives) share in the attainment of stated goals.²¹ The 2018 goals continue to base 70% of the annual incentive performance targets on the Company's overall financial performance and 30% on overall operational performance. Specific goals are used to assess performance, with potential ratings on each goal ranging from 0% to 200% of target. Financial and Operational goals were assigned specific goals that were used to assess performance, with weightings for each goal as shown in the following table.²²

Table 5: 2018 Incentive Compensation Performance Goals

<u>2018 Annual Incentive Program Goals</u>		
Financial	70%	
Earnings per Share		60%
Dividend Growth		10%
Advancement of Strategic Growth Initiatives		30%
Operational	30%	
Service Reliability and Restoration		60%
Safety Ratings, Gas Service Response, Diversity		40%
Promotions and Hires of Leadership Employee Positions, and Key Initiatives		

Q. What does Staff recommend regarding incentive compensation?

A. As a performance-based component of total compensation, the Company links compensation to metrics and outcomes related to financial and operational performance. Goals that are based on profitability benefit shareholders while being potentially detrimental to ratepayers. Staff recommends that the portion of the Incentive Compensation goals that promote the interest of shareholders be funded by shareholders.

²¹ Eversource response to OCA 8-040 (Attachment DHM-13).

²² Eversource response to OCA 1-029, Attachment C, page 10 (Attachment DHM-14).

Q. Please explain why focusing on shareholder-related goals can hurt ratepayers.

A. Financial performance targets are not designed to promote the interests of customers and, at worst, can be in conflict when competing priorities must be balanced. For example, expenses can be reduced to increase profitability by deferring maintenance (resulting in increased outages). Further, expenses can be reduced by failing to adequately staff Customer Services. As an example, customers could have an outage and be without power and find it difficult to access customer service to report the outage. Customer services will also have long wait times for other inquiries or complaints if it is understaffed to reduce costs and drive up profitability.

Considering the Company's performance goals on a weighted total, the following percentages result.

Table 6: Incentive Compensation Goals - With Weighting

2018 Annual Incentive Program Goals	Basis	Goals	Weighted
Financial	70%		
Earnings per Share		60%	42%
Dividend Growth		10%	7%
Advancement of Strategic Growth Initiatives		30%	21%
Operational	30%		
Service Reliability and Restoration		60%	18%
Safety Ratings, Gas Service Response, Diversity		40%	12%
Promotions and Hires of Leadership Employee Positions, and Key Initiatives			
			100%

By reducing expenses, the Company's management can increase its net income, which influences the Earnings per Share Goals (weighted at 42%) and dividend growth (weighted at 7%). Operational goals related to Service Reliability and Restoration is weighted at only 18%. Having goals to incent performance is a good management practice; however, it is important that incentive payments are based on performance goals that drive the desired behaviors. The Company has made the decision to prioritize shareholder goals above those of ratepayers because all net income and dividends accrues

1 to the investors. Therefore, shareholders should fund the awards that incentivize
2 management for achieving the goals that benefit them. Ensuring that the competing
3 interests are balanced is also important. This balance has been achieved by requiring the
4 sharing of incentive compensation between ratepayers and shareholders.

5 As further support to Staff's concern regarding the imbalance between ratepayer
6 and shareholder interests, a significant portion of the awards are stock related (Executive
7 Stock Incentive-25% and Director RSU's-4%), which could influence decisions that
8 promote shareholders' interest. Therefore, Staff is recommending the portion of the
9 Incentive Compensation that more closely benefits shareholders be funded by
10 shareholders. Staff's adjustment reduces incentive compensation by 49%.

11
12 **Q. Please explain the adjustment to payroll taxes associated with incentive**
13 **compensation cash awards.**

14 A. A portion of incentive compensation is awarded as cash and would be subject to payroll
15 taxes. The reduction in the cash award would also reduce the payroll taxes associated
16 with them.

17
18 **Q. What is the total effect of Staff's recommendation for incentive compensation?**

19 A. As shown on Schedule 3.6, the adjustment to incentive compensation and the associated
20 adjustment to payroll tax *increases* Operating Income by \$2,929,117.

1 *Severance*

2 **Q. Please describe the severance expense reflected in the test year.**

3 A. The Company incurred allocated severance expense of \$54,297 in the test year (inflated
4 to \$57,136 in the Rate Year). The payments covered six individuals with the reason for
5 termination Involuntary–Mutual Agreement (and Involuntary–Workforce Reduction).²³
6

7 **Q. Does Staff recommend an adjustment for severance expense?**

8 A. Yes. Staff recommends two adjustments. First, consistent with its recommendation in DG
9 17-048, to which the Commission agreed, Staff recommends excluding severance paid to
10 employees who were asked to resign. Ratepayers have already borne the costs of paying
11 all the Company's employees to perform. If circumstances are such that employees are
12 being asked to resign, ratepayers should not bear the costs. Shareholders should carry the
13 cost of bad hiring decisions, and if the least cost means of removing employees is
14 severance pay, Eversource should take that course to reduce its costs to shareholders.
15 The Commission agreed with Staff and ruled

16 The Commission is persuaded by Staff's position that ratepayers should
17 bear the expense of payroll for services provided, but should not bear
18 severance costs related to employees who resign to avoid being fired.
19 Layoffs (where Staff did not recommend disallowance of related
20 severance pay) could involve reductions in work force where the saved
21 payroll expense would find its way into lower rates. Involuntary
22 resignations, on the other hand, may involve subpar performance, and
23 customers should not be required to bear an underperforming employee's
24 payroll and the severance cost incurred to remove that same employee.²⁴
25

²³ Eversource responses to Staff 5-012 (Attachment DHM-15) and OCA 1-068 (Attachment DHM-16).

²⁴ DG 17-048, Order No. 26,122 (April 27, 2018), page 13.

1 For these reasons, Staff proposes to disallow severance expense of \$28,334 in the
2 test year for severance paid associated with mutually agreed upon separations. The
3 adjustment is shown on Schedule 3.7 and *increases* Operating Income by \$21,741.

4
5 ***SERP***

6 **Q. Please explain the Company's Supplemental Executive Retirement Plan (SERP).**

7 A. The Company provides supplemental executive retirement plan (SERP) benefits to highly
8 compensated employees. These supplemental retirement plans for highly compensated
9 individuals are provided because benefits under the general retirement plans are subject
10 to certain limitations under the Internal Revenue Code ("Code"). As such, these types of
11 plans are often referred to as non-qualified plans. Benefits payable under these non-
12 qualified plans are typically equivalent to the amounts that would have been paid but for
13 the limitations imposed by the Code. Supplemental retirement plans for highly
14 compensated employees are designed to provide benefits in excess of the general pension
15 plans of the company. The Company is requesting recovery of \$979,307 for its non-
16 qualified or supplemental executive retirement plan.²⁵

17
18 **Q. What is Staff's recommendation regarding recovery of SERP?**

19 A. Staff recommends that shareholders pay the costs of the supplemental executive
20 retirement plans. This recommendation means that ratepayers would pay for the
21 executive benefits included in the Company's regular pension plan, and shareholders will
22 pay for the additional executive benefits included in the supplemental plans. For
23 ratemaking purposes, shareholders should bear the additional costs associated with

²⁵ Eversource response to Staff 4-032 (Attachment DHM-17).

1 supplemental benefits to highly compensated executives, since these costs are not
2 necessary for the provision of utility service but are instead discretionary costs to attract,
3 retain, and reward already highly compensated executives. The SERP is exclusive to the
4 executive officers and the funding of this benefit should not be borne by the ratepayers.
5 Staff recommends removing SERP from recovery. As shown on Schedule 3.8, Staff's
6 adjustment *increases* Operating Income by \$557,761.

7
8 **Q. Is SERP included in the cost of service for Liberty in DE 19-064.**

9 A. No. Liberty's rate request does not include any recovery related to SERP.²⁶

10
11 ***Sharing of Directors and Officers ("D&O") Liability Insurance***

12 **Q. Please explain Staff's recommended adjustment regarding the sharing of Directors**
13 **and Officers ("D&O") Liability Insurance.**

14 A. The total current premium for D&O liability insurance is \$1,066,485, with \$70,281
15 allocated to PSNH.²⁷ Staff's adjustment removes one-half of the D&O Liability
16 Insurance expense. The 50% removal reflects a sharing of this insurance between
17 shareholders and ratepayers. As shown on Schedule 3.9, Staff's adjustment *increases*
18 Operating Income by \$25,824.

19
20 **Q. Why should the cost of D&O Liability Insurance Expense be shared between**
21 **shareholders and ratepayers?**

22 A. The Company provided a list of acts covered by its D&O liability insurance.

²⁶ Docket No. DE 19-064, Liberty's response to Staff 5-11 (Attachment DHM-18).

²⁷ Attachment EHC/TMD-1, WP EHC/TMD-13 (Perm) November 4, 2019 Update.

1 D&O Liability insurance covers the Directors and Officers of PSNH for
2 claims made against them while serving on the Board of Directors and/or
3 as an Officer of PSNH. Elements to the D&O policy are as follows;
4

- 5 • Side A—Protects PSNH’s Directors and Officers when PSNH cannot
6 indemnify the individuals.
- 7 • Side B—Reimburses PSNH when it indemnifies the individual
8 Directors and Officers, thus protecting PSNH’s balance sheet.
- 9 • Side C—Also known as “entity coverage,” covers PSNH in a
10 securities class action lawsuit.
11

12 The types of claims that may target PSNH leadership individually as well
13 as PSNH as an entity typically include shareholder suits over company or
14 stock performance, creditor or investor suits over mismanagement or
15 dereliction of fiduciary duties, misrepresentation in a prospectus, decisions
16 exceeding the authority granted to a PSNH Officer, failure to comply with
17 regulations or laws, employment practices and HR issues, pollution and
18 other regulatory claims.²⁸
19

20 As shown by this list, D&O Liability Insurance protects the personal assets of
21 officers and directors from the costs of lawsuits that may be initiated by employees,
22 vendors, shareholders, and other parties for alleged wrongful acts in managing the
23 Company.

24 When required to be utilized, shareholders benefit from payouts under the policy
25 that would reduce the cost not recoverable from ratepayers. On the other hand, ratepayers
26 benefit because having the insurance enables the directors and officers to make decisions
27 without fear of personal liability. As a result, it is reasonable for shareholders to bear a
28 portion of the cost of D&O Liability Insurance.
29

²⁸ Eversource response to Staff 5-029 (Attachment DHM-19).

Vegetation Management

Q. Please explain Staff's recommendation regarding Vegetation Management.

Staff is recommending several adjustment related to Vegetation Management. These include (1) Costs not paid by Consolidated Communications and (2) vegetation management capital costs-transferred to O&M expense. The final result of these adjustments results in an annual recovery of \$18.3 million for vegetation management. As shown on Schedule 3.10, Staff's recommended adjustments *increase* Operating Income by \$9,999,650.

Q. Please explain Staff's recommended adjustment regarding costs not paid by Consolidated Communications.

A. The Company included a normalizing adjustment to increase the expense for vegetation management by \$1,213,743. The Company explained that the amount represents the work performed in calendar year 2018 and not paid by Consolidated Communications ("Consolidated") for its contribution to the vegetation-related costs as a joint pole owner. The Company stated that it does not expect Consolidated will pay this amount with the following explanation:

The underlying issue raised by Consolidated in discussions with the Company is that there is a growing difference between the need for vegetation management on the Company's system and the benefit that the Consolidated system is receiving. PSNH has engaged in substantial discussion with Consolidated and is aware that the benefit that the Consolidated system is receiving is not increasing in correlation with the increased spending demanded by the electric distribution system. As a result, PSNH does not expect that Consolidated will continue to escalate its contribution to align with the need for expenditure on the electric distribution system, but rather will look to exercise its right under the IOP to correlate its contribution to the benefit its system is receiving.²⁹

²⁹ Eversource response to OCA 6-018 (Attachment DHM-20).

Staff's position is that the \$1,213,743 due from Consolidated should not be borne by ratepayers. Passing the past due balance through to ratepayers would remove the incentive for PSNH to resolve the contribution issues with Consolidated.

Q. What is Staff's recommendation regarding vegetation management capital costs-transferred to O&M expense?

A. Staff's adjustment regarding the transfer of vegetation management capital costs to O&M expenses is supported by the testimony of Staff witness Kurt Demmer. Staff's adjustment removed \$12.5 million from O&M expenses.

Removal of Amortization of Merger Costs

Q. What is the Company seeking regarding the Amortization of Merger Costs?

A. The Company is seeking recovery of "PSNH's share of the merger costs, to be recovered over ten years, in its request for rate relief."³⁰ The Company stated the total Merger Costs to Achieve is \$125.9 million and has allocated 7.22% of those costs to PSNH or \$9.09 million. The Company's pro forma amortization for merger costs is \$909,020, which is based on amortizing \$9.09 million over ten years.

Table 7: Amortization of Merger Costs to Achieve

Total Merger Cost to Achieve	\$ 125,903,082
Allocation Rate (gross plant allocator)	7.22%
Total Amount Allocated to PSNH	\$ 9,090,203
Amortization Period (years)	10
Annual Amortization	<u>\$ 909,020</u>

³⁰ Direct Testimony of Eric H. Chung and Troy M. Dixon 75:10–11 (Bates 000136).

1
2 **Q. What is Staff's position regarding the Company's request?**

3 A. The New Hampshire ratepayers should not bear any of the \$125 million the Company
4 spent to consummate the merger. Staff recommends that the amortization of the Merger
5 Cost to Achieve be disallowed for recovery in this proceeding. As shown on Schedule
6 3.11, Staff's adjustment *increases* Operating Income by \$662,830.

7
8 **Q. Why have you removed the amortization related to merger costs?**

9 A. The Company has included the pro forma adjustment for merger costs as part of its
10 "Amortization of Deferred Assets."³¹ In the case of the merger costs, however, there is
11 no underlying deferred asset to be amortized. According to the Company, these merger
12 costs were incurred and expensed by the Eversource company parent and have never
13 been carried on the books of PSNH.³² Thus, I see no basis for including the merger cost
14 amortization when PSNH has no corresponding deferred asset and the same costs were
15 expensed by the parent or service company.

16 By comparison, the Company is also seeking, under the same category of
17 "Amortization of Deferred Assets," to amortize an environmental reserve balance over a
18 four-year period.³³ As the Company notes, however, PSNH was specifically authorized to
19 defer these estimated environmental remediation costs in a 1999 settlement agreement
20 and again in three subsequent rate cases.³⁴ In the case of the merger costs, there was no

³¹ Direct Testimony of Eric H. Chung and Troy M. Dixon page 60-75 (Bates 000121 -136).

³² Eversource response to Staff 15-5 (Attachment DHM-21).

³³ Direct Testimony of Eric H. Chung and Troy M. Dixon pages at 76-77 (Bates 000137-138).

³⁴ Direct Testimony of Eric H. Chung and Troy M. Dixon page 76:58 (Bates 000137).

1 order authorizing creation of a deferred asset or deferral of these costs for future
2 recovery.

3
4 **Q. Is PSNH legally entitled to recovery of the merger costs?**

5 A. I am not an attorney, but the Company itself notes that in New Hampshire there are no
6 examples “where recovery of merger-related transaction and integration costs were
7 actually recovered by a post-merger entity.”³⁵

8
9 ***Depreciation Expense***

10 **Q. Please explain Staff’s adjustment to Depreciation Expense.**

11 A. The Company performed a depreciation study and incorporated the results in its proposed
12 Depreciation Expense. The Company used the Remaining Life methodology in its
13 depreciation study.³⁶ The Commission has consistently used the Whole Life
14 methodology. Staff’s adjustment reflects the difference between the two methodologies.

15 The Whole Life methodology results in a Depreciation Reserve Imbalance that
16 must be amortized separately and reflected in Depreciation Expense. Staff has used ten
17 years to amortize the Depreciation Reserve Imbalance. As shown on Schedule 3.12, the
18 conversion to Whole Life *reduces* Operating Income by \$1,015,574.

19
20 ***Environmental Reserve***

21 **Q. What is the Company requesting regarding amortization of Environmental Costs?**

22 A. The Company is seeking recovery of its Environmental Reserve Balance of \$9.2 million
23 over four years. The Company explained that

³⁵ Eversource response to Staff 12-014 (Attachment DHM-22).

³⁶ Direct Testimony of John J. Spanos, 7:3–7 (Bates 001408).

1 Under the terms of the 1999 PSNH restructuring settlement agreement
2 (DE 99-099), approved by the Commission, and in three subsequent rate
3 proceedings (DE 03-200, DE 06-028, and DE 09-035), PSNH was
4 allowed to defer estimated environmental remediation costs as they are
5 accrued for future recovery. The estimated costs were recognized when
6 PSNH's environmental scientists quantified the costs of the site
7 remediation. When remediation work begins at a site, the reserve account
8 is charged for remediation costs, such as labor and materials. The
9 regulatory asset established for environmental costs will be amortized to
10 expense once recovery begins.³⁷
11

12 The project balance in the Company's last rate case, Docket No. DE 09-035, was
13 \$829,000. As that docket progressed, the balance was revised to approximately \$8.5
14 million to reflect the higher remediation costs, primarily related to the Keene
15 manufactured gas plant site. The original amount of \$829,000 was approved via the
16 settlement agreement, while the remaining costs were deferred, along with any future
17 costs and adjustments, to be addressed in the Company's next rate case. The balance as of
18 December 31, 2018, is \$9.2 million. The Company proposes to amortize the balance over
19 four years, or \$2,291,182 per year.³⁸
20

21 **Q. Why did the reserve balance increase from \$8.5 million to \$9.2 million?**

22 A. The Company stated,

23 The deferred environmental remediation costs reached \$8.5M in 2017.
24 The additional \$664,729 was incurred in 2017 and 2018. Due to a
25 directive from Eversource environmental accounting experts, in 2017 the
26 reserve for Reserve Site #10 Laconia MGP was increased by \$934,955 to
27 account for 30 years of groundwater monitoring and 10 years for coal tar
28 recovery. Previously, the reserve included a budget for five years for both
29 groundwater monitoring and coal tar recovery. There were also several
30 other increases and decreases to reserve sites #11 Keene, #14 Dover, #16
31 Franklin, #17 Nashua, #18 Coakley Landfill, and insurance proceeds.

³⁷ Direct Testimony of Eric H. Chung and Troy M. Dixon 76:5–12 (Bates 000137).

³⁸ Direct Testimony of Eric H. Chung and Troy M. Dixon 76:13–77:6 (Bates 000137–000138).

1 These increases and decreases in 2017 and 2018 left a deferred total at the
2 end of 2018 of \$9,164,729.³⁹

3
4 As part of the Company's response it provided a list of the transactions from 2012
5 through 2018.

6
7 **Q. What is Staff's concern regarding the \$9.2 million that the Company has**
8 **accumulated in its Environmental Reserve Balance?**

9 A. Since the establishment of the \$7.6 million balance from Docket No. DE 09-035,⁴⁰ the
10 Company has added \$2.59 million identified as "record stipulated rate of return" to the
11 balance. Staff is concerned that the Company is recording carrying charges for estimated
12 costs that have not actually been incurred. As stated in its explanation for the increase
13 from \$8.5 million to \$9.2 million, part of the increase was due to "30 years of
14 groundwater monitoring and 10 years for coal tar recovery. Previously, the reserve
15 included a budget for five years for both groundwater monitoring and coal tar recovery."
16 These costs are estimated and not out of pocket, and the Company should not earn a
17 return on them.

18
19 **Q. What was the Company's basis for adding these carrying charges to the reserve**
20 **balance?**

21 A. When asked about the addition of carrying charges, the Company stated that the
22 environmental reserve accounting treatment was first established following Docket No.
23 DE 99-099. Since that time, the Company has applied the applicable stipulated rate of

³⁹ Eversource response to Staff 5-017 (Attachment DHM-23).

⁴⁰ Neither the Settlement Agreement (April 30, 2010) nor the Commission Order No. 25,123 approving the settlement Agreement (June 28, 2010) mention that the \$7.6 million was deferred and would be addressed in the next base rate case.

1 return then in effect to the unrecovered balance. The Company is proposing to continue
2 the practice going forward and would apply the weighted average cost of capital
3 approved by the NHPUC as a result of this docket.⁴¹
4

5 **Q. What is Staff's recommendation regarding the carrying charges in the Reserve**
6 **Balance and recovery of them from ratepayers over four years?**

7 A. Staff recommends that the Environmental Reserve balance be *reduced* by \$2.59 million
8 to remove the incremental carrying charges from 2010 when the original balance of \$7.6
9 was established in Docket No. DE 09-035. These carrying costs have been calculated on
10 estimates of future expenditures and are not out-of-pocket costs. No shareholder capital
11 has been expended, so it is not just and reasonable that the Company earn a return on this
12 balance. In addition, allowing the Company to earn a return on the balance established for
13 environmental remediation could have an unintended effect. As long as the Company can
14 earn a return on estimated future expenditures there is reduced incentive to actually
15 perform the remediation activities.

16 In addition, Staff recommends the balance be recovered over six years rather than
17 the four years proposed by the Company. The period between the current 2019 and the
18 Company's last base rate case is ten years. If a similar time period elapses between this
19 proceeding and the next base rate case and the Company collects its proposed annual
20 amortization (based on four years) for ten years, the Company would over recover the
21 estimated remediation costs. As shown on Schedule 3.13, the balance without carrying
22 charges, amortized over six years, *increases* Operating Income by \$871,486.

⁴¹ Eversource response to Staff TS 2-014 (Attachment DHM-24).

Enterprise IT Expense

Q. Please explain Staff's concern regarding Enterprise IT Expense.

A. Enterprise IT Projects that benefit multiple operating companies are typically placed in service at the service company, rather than individually at each operating company. The Company's IT capital projects for the service company, as well as PSNH's allocated dollar amount, have increased significantly over the last several years as shown in the following chart and table.⁴²

Figure 1: Net Enterprise IT Project Expense Allocated to PSNH 2015–2018

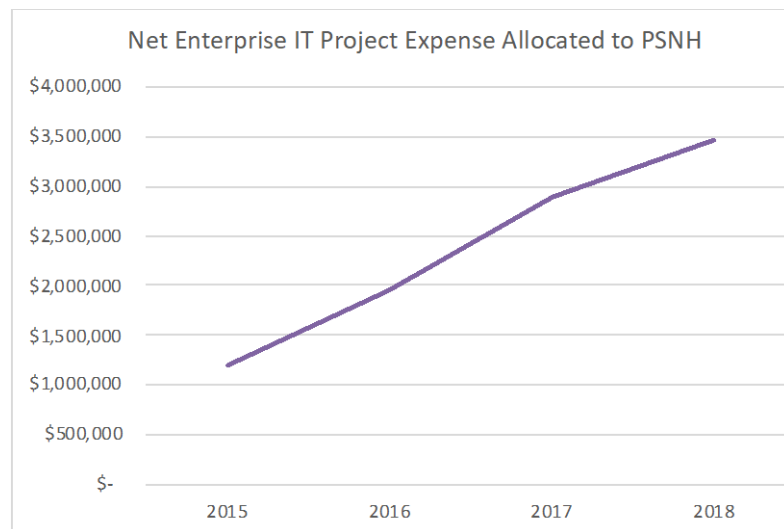


Table 8: Enterprise IT Project Expense 2015–2018

	2015	2016	2017	2018
Total Enterprise IT Project Expense	\$ 11,050,149	\$ 20,786,008	\$ 35,904,377	\$ 47,300,244
Allocated to PSNH	1,350,612	2,212,896	3,660,498	4,291,690
Less: Capitalized Portion	(147,622)	(260,679)	(772,365)	(831,049)
Net Enterprise IT Project Expense	\$ 1,202,990	\$ 1,952,217	\$ 2,888,133	\$ 3,460,641

⁴² Eversource response to Staff 5-019 (Attachment DHM-27).

1 **Q. What was the Company's reasons for the increase in Enterprise IT Expense?**

2 A. The Company stated that the increase was due to several large projects being completed,
3 such as: Supply Chain Consolidation (Maximo, Ariba), Human Resources Platform
4 (WorkDay & WorkForce), Enterprise ACD/IVR (Automated Call Distribution,
5 Interactive Voice Response), CIP (Critical Infrastructure Protection), and Financial
6 Reporting (PowerPlan).⁴³

7
8 **Q. What is Staff's recommended adjustment for Enterprise IT Expense?**

9 A. While a small portion of these projects are capitalized, the majority of the expenditures
10 are charged as an expense. The Test Year expense allocated to PSNH (2018-\$3.5
11 million) is the highest in recent history and includes several large projects that were
12 completed in 2018. Using this amount overstates the Company's recurring operating
13 experience. Staff recommends that Enterprise IT Project expenses should be normalized
14 using a three-year average 2016 through 2018. As shown on Schedule 3.14, the
15 adjustment *increases* Operating Income by \$1,009,741.

16
17 ***Storm Costs***

18 **Q. What is Staff's recommendation regarding Storm Costs?**

19 A. Staff has two adjustments that affect revenue requirements related to Storm Costs. First,
20 Staff witness Richard Chagnon provides testimony to support Staff's recommendation
21 regarding the Company's proposed transfer of \$4 million from the Company's current
22 annual funding for the Storm Reserve Accrual and the Company's new proposed annual

⁴³ Eversource response to Staff 5-019 (Attachment DHM-27).

1 funding level of the Major Storm Cost Recovery (MSCR) mechanism. Staff's adjustment
2 returns the \$4 million to the Storm Reserve Accrual.

3
4 **Q. What is Staff's second recommendation regarding Storm Costs?**

5 A. The Company included a normalizing adjustment that added \$69,523 to O&M expense
6 for communication expenses that were initially recorded to the Major Storm Cost
7 Reserve, and, as such, the costs were not included in per-book test year distribution
8 expenses. In Docket No. DE 18-058, Audit Staff denied recovery through the Major
9 Storm Cost Reserve as the costs were not related to the literal restoration of power. The
10 costs were identified as media communication associated with pre-staging.⁴⁴ Staff is
11 recommending removing these costs as non-recurring.

12
13 **Q. What is the effect of Staff's recommended adjustments to Storm Costs?**

14 A. As shown on Schedule 3.16, the adjustment *reduces* Operating Income by \$2,865,986.

15
16 ***New Start Arrearage Forgiveness Program***

17 **Q. Please explain Staff's adjustment regarding the New Start Arrearage Forgiveness**
18 **Program.**

19 A. Staff witness Richard Chagnon provides testimony to support Staff's recommendation
20 regarding recovery of the New Start Arrearage Forgiveness Program. As shown on
21 Schedule 3.17, Staff's recommendation creates a regulatory asset for the set-up costs to
22 be recovered over five years and recovers the estimated arrearage forgiveness, net of

⁴⁴ Eversource response to Staff 5-20 (Attachment DHM-28).

1 avoided costs, over 4.5 years. Staff recommendation *increases* rate base by \$1.7 million
2 and *reduces* Operating Income by \$861,877.

3
4 ***Interest Synchronization***

5 **Q. Please explain Staff's recommended adjustment to Interest Synchronization.**

6 A. The interest synchronization adjustment synchronizes the rate base and cost of capital
7 with the tax calculation using Staff's recommended weighted cost of debt. The
8 adjustment is shown on Schedule 3.18.

9
10 **Q. What is the impact of Staff's recommended adjustments to the Company's operating**
11 **income?**

12 A. The Company's updated operating income is \$42,423,178. Staff's recommended
13 adjustments increase operating income to \$54,524,375.

14
15 **Conclusions**

16 **Q. In conclusion, what is Staff's recommended increase to base revenue?**

17 A. Staff is recommending that the Company be allowed an increase to its distribution base rates
18 of no more than \$24,378,542.

19
20 **Q. Does this conclude your testimony?**

21 A. Yes.

Professional Experience and Qualifications of Donna H. Mullinax

Summary

Mrs. Mullinax has over thirty-nine years of financial, management and consulting experience. She is President of Blue Ridge Consulting Services, Inc. Prior to becoming President, she held the position of Vice President and Chief Financial Officer for Blue Ridge and her former employer. She has served on various Boards of Directors. She has extensive experience in project management; regulatory and litigation support; financial, administration, and human resource management. She has performed numerous financial, compliance and management audits. Mrs. Mullinax has excellent analytical skills and report writing capabilities. She has designed and implemented accounting and business systems and developed policy and procedure manuals to support those systems.

Key Qualifications and Selected Professional Experience

Financial, Administration, and Human Resource Management

As Chief Financial Officer and Vice President she was responsible for all aspects of financial, administration, and human resources. Her responsibilities included accounting, cash management, budgeting, tax planning and preparation, fixed assets, human resources, and employee benefits. Records under her control have been subject to an IRS compliance audit with no findings.

Project Management

Mrs. Mullinax has successfully managed numerous projects controlling cost, schedule, and scope. These projects included management, financial, and compliance audits, M&A due diligence reviews, economic viability studies, prudence reviews, and litigation/regulatory support for construction contract claims and regulatory proceedings. She works well with diverse team members and has an excellent ability to reconcile various viewpoints and establish and maintain effective working relationships among cross-functional teams.

Financial, Compliance, and Management Auditing

Mrs. Mullinax is a skilled auditor. She has performed numerous financial, compliance, and management audits for governmental entities, businesses, and public utilities. As a CPA and CIA, she is knowledgeable about sound internal control processes and procedures and has made numerous recommendations for modifications to provide reasonable assurance regarding the achievement of objectives related to (1) effectiveness and efficiency of operations; (2) reliability of financial records, and (3) compliance with laws and regulations.

She has also conducted detailed base rates revenue requirements and rider compliance audits. She has analyzed financial information and budget projections, performed risk identification, and evaluated performance against industry benchmarks. Her extensive professional experience allows her to effectively analyze and evaluate methods and procedures and to thoroughly document her findings. She has successfully testified to her audit findings.

❖ On behalf of the Staff of the Public Utilities Commission of Ohio (PUCO)

Plant in Service and Capital Spending Prudence Audits

Columbia Gas of Ohio

- Case No. 17-2202-GA-ALT, May 2018–October 2018
- Case No. 19-0438-GA-RDR, April 2019–August 2019

Project Manager and Lead Auditor. Led the review to determine if the company has accurately determined and account for its plant in service balance. Also reviewed the necessity, reasonableness, and prudence of the Company's capital expenditures and associated assets. Analyses included through data requests, interviews, field inspections, and various other analyses including variance analysis, and detailed transactional testing. Drafted the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly support all work performed.

- Case No. 15-1830-EL-AIR: Plant in Service Balance Audit of Dayton Power and Light Company, April 2017–August 2018.

Project Manager and Lead Auditor. Led the review to ensure the accuracy and reasonableness of the Company's plant in service balances placed in service from April 1, 1991 through September 30, 2015. Analyses included through data requests, interviews, field inspections, and various other analyses including variance analysis, substation analysis, FERC-7-Factor analysis and detailed transactional testing. Drafted the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly support all work performed.

Distribution Infrastructure Rider Compliance Audits

First Energy

- Case No. 11-5428-EL-RDR, November 2011–April 2012
- Case No. 12-2885-EL-RDR, December 2012–July 2013
- Case No. 13-2100-EL-RDR, December 2013–April 2014
- Case No. 14-1929-EL-RDR, December 2014–May 2015
- Case No. 15-1739-EL-RDR, January 2016–July 2016
- Case No. 16-2041-EL-RDR, January 2017–November 2017
- Case No. 17-2009-EL-RDR, December 2017–May 2018
- Case No. 18-1542-EL-RDR, December 2018–April 2019

AEP-Ohio

- Case No. 13-0419-EL-RDR, March–August 2013
- Case No. 16-0021-EL-RDR, March–August 2016
- Case No. 17-0038-EL-RDR, April–November 2017
- Case No. 18-0230-EL-RDR, April 2018–August 2018

Dayton Power & Light

- Case No. 19-439-EL-RDR, April 2019–October 2019

Project Manager and Lead Auditor. Led the review to ensure the accuracy and reasonableness of the Companies' compliance with its Commission-approved infrastructure cost recovery rider filings. The reviews included a detailed mathematical verification and validation of the support of the riders' revenue requirements model, development of sensitivity analysis that supported the PPS sampling techniques used to isolate specific plant work order for further testing. Summarized the transactional testing results and calculated the impact to the rider's revenue requirements. Detailed variance analyses of historical data with investigations into any significant changes. Drafted the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly support all work performed.

- Case No. 08-0072-GA-AIR Columbia Gas of Ohio, April–August 2008
- Case No. 07-0829-GA-AIR Dominion East Ohio, November 2007–July 2008
- Case No. 07-0589-GA-AIR Duke Energy Ohio, November 2007–February 2008

Lead Auditor and assistant project manager. Performed a comprehensive rate case audit of companies' gas rate filings to validate the filings, provided conclusions and recommendations concerning the reliability of the information, and supported Staff in its evaluation of the reasonableness of the filing. Drafted the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly document work performed.

❖ Before the Nebraska Public Service Commission (NEPSC) on behalf of the Public Advocate of Nebraska

- Application NG-0095 Effects of Tax Cuts and Jobs Act of 2017 Nebraska Gas Utility Company, LLC and Black Hills Gas Distribution, LLC

Project Manager. Led the review of the Company's proposed refund to ratepayers related to the tax-rate change.

- Application NG-0078.6 System Safety and Integrity Rider (SSIR) of Black Hills Distribution, LLC-Nebraska, October 2018–December 2018.
- Application NG-0078.5 Extension of the System Safety and Integrity Rider (SSIR) of Black Hills Distribution, LLC-Nebraska, June 2018–December 2018.
- Application NG-0078.4, System Safety and Integrity Rider (SSIR) of Black Hills Distribution, LLC-Nebraska, October 2017–December 2017.
- Application NG-0078.3, System Safety and Integrity Rider (SSIR) of Black Hills Distribution, LLC-Nebraska (formerly SourceGas Distribution LLC), October 2016–December 2016.
- Application NG-0078.2, System Safety and Integrity Rider (SSIR) of SourceGas Distribution, LLC, October 2015– January 2016
- Application NG-0078.1, System Safety and Integrity Rider (SSIR) of SourceGas Distribution, LLC, November 2014– February 2015

Project Manager and Lead Auditor. Led the review of the Company's applications for a system safety and integrity rider for compliance to the Commission directives. The reviews included a detailed mathematical verification and validation of support for the revenue requirements model and reviews of proposed plant to be placed in service and the verification of planned versus actual plant placed in service for the prior year. Summarized the transactional testing results and calculated the impact to the customer charge. Drafted the report including documentation of findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly support all work.

- Application NG-0072.1, Infrastructure System Replacement Cost Recovery Charge (ISR Rider) of SourceGas Distribution, LLC May 2014–August 2014.
- Application No. NG-0074, Infrastructure System Replacement Cost Recovery Charge (ISR Rider) of Black Hills/Nebraska Gas Utility Company, LLC, d/b/a Black Hills Energy, July–November 2013.
- Application No. NG-0072, Infrastructure System Replacement Cost Recovery Charge (ISR Rider) of SourceGas Distribution, LLC March 2013–May 2013.

Project Manager and Lead Auditor. Led the review of the Company's applications for an infrastructure system replacement cost recovery charge for compliance to the Nebraska Natural Gas Regulation Act. The reviews included a detailed mathematical verification and validation of support for the revenue requirements model and reviews of plant work order supporting the requested recovery of utility plant in service. Summarized the transactional testing results and calculated the impact to the customer charge. Drafted the report including documentation of findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly support all work.

- ❖ Before the New Hampshire Public Utilities Commission on behalf of Staff
 - Docket No. DE 16-822 Public Service of New Hampshire d/b/a Eversource Energy. Project Manager and Lead Auditor. Led the review of the Company's revised cash working capital study in its 2017 Energy Service rate calculations. February 2017-May 31, 2017.
- ❖ On behalf of the Massachusetts Department of Public Utilities, Case No. D.P.U. 08-110, regarding the Petition and Complaint of the Massachusetts Attorney General for an Audit of New England Gas Company (NEGC), February–August 2010. Lead Auditor and Assistant Project Manager. Conducted a management audit on how NEGC manages its accounting and financial reporting functions and whether sufficient controls are in place to ensure that the information included in the company's filings can be reasonably relied upon for setting rates – areas reviewed included general accounting, financial reporting, and internal controls; plant accounting; income tax; accounts receivable; accounts payable; cash management; payroll; cost allocations; and capital structure. Developed the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly document work performed.
- ❖ On behalf of the Staff of the Connecticut Public Utilities Regulatory Authority (PURA)

- Management Audit of Yankee Gas Services Company. June 2014–April 3, 2015. Lead Auditor and Assistant Project Manager. Performed an in-depth investigation and assessment of the company's business processes, procedures, and policies relating to the management operations and system of internal controls of the company's executive management and financial operations. Lead auditor for scope areas of accounting and financial reporting, internal audit practices, and capital/O&M budgeting.
- Diagnostic Management Audit of Connecticut Light and Power Company, July 2008–June 2009, Lead Auditor and Assistant Project Manager. Performed an in-depth investigation and assessment of the company's business processes, procedures, and policies relating to the management operations and system of internal controls of the company's executive management, system operations, financial operations, marketing operations, human resources, customer service, external relations, and support services. In addition, supported an in-depth review of the development and implementation process of the company's new customer information system. Developed the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly document all findings.
- ❖ Before the Oregon Public Utilities Commission (ORPUC), Docket No. UP 205: Examination of NW Natural's Rate Base and Affiliated Interests Issues, Co-sponsored between NW Natural, ORPUC Staff, Northwest Industrial Gas Users, Citizens Utility Board, August 2005-January 2006, Lead Auditor and Assistant Project Manager. Examined NW Natural's Financial Instruments, Deferred Taxes, Tax Credits, and Security Issuance Costs to ensure Company compliance with orders, rules, and regulations of the ORPUC and with Company policies. Developed the report including documenting findings, conclusions, and recommendations and coordinated the accumulation of work papers to thoroughly document work performed.

Partial List of Reports and Publications

- Compliance Audit of the Distribution Investment Rider (DIR) for the Period Covering October 1, 2015 through January 21, 2019, of The Dayton Power & Light company, September 11, 2019
- Audit of the Capital Expenditure Program for the 2018 Annual Adjustment to the CEP Rider for Columbia Gas of Ohio, Inc. July 10, 2019
- Compliance Audit of the 2018 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, April 30, 2019
- Examination of Black Hills Gas Distribution, LLC Application to Adjust System Safety and Integrity Costs in 2019 on Behalf of the Nebraska Public Advocate, December 7, 2018
- Prudence Audit of Plant in Service and Capital Expenditure Program Spending for Columbia Gas of Ohio, September 3, 2018
- Compliance Audit of the 2017 Distribution Investment Rider (DIR) Ohio Power Company d/b/a AEP Ohio, August 23, 2018
- Compliance Audit of the 2017 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, May 11, 2018
- Examination of Black Hills Gas Distribution, LLC Application to Increase Eligible System Safety and Integrity Costs in 2018 on Behalf of the Nebraska Public Advocate, December 11, 2017
- Audit of Plant in Service for Dayton Power & Light's Application to Increase Rates, September 28, 2107
- Compliance Audit of the 2016 Distribution Investment Rider (DIR) Ohio Power Company d/b/a AEP Ohio, August 9, 2017
- Review of Public Service Company of New Hampshire d/b/a Eversource Energy Cash Working Capital and Lead-lag Methodology, May 31, 2017
- Compliance Audit of the 2016 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, May 1, 2017
- Examination of Black Hills Gas Distribution, LLC Application for Recovery of 2017 Eligible System Safety and Integrity Costs on Behalf of the Nebraska Public Advocate, December 2, 2016
- Compliance Audit of the 2015 Distribution Investment Rider (DIR) Ohio Power Company d/b/a AEP Ohio, August 5, 2016

- Compliance Audit of the 2015 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, April 22, 2016
- Examination of SourceGas Distribution LLC Application for Recovery of 2015 Eligible System Safety and Integrity Costs on Behalf of the Nebraska Public Advocate, January 8, 2015
- Compliance Audit of the 2014 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, March 30, 2015
- Management Audit of Yankee Gas Services Company, April 3, 2015
- Examination of the Infrastructure System Replacement Cost Recovery Charge of SourceGas Distribution LLC, June 30, 2014
- Compliance Audit of the 2013 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, April 9, 2014
- Examination of the Infrastructure System Replacement Cost Recovery Charge of Black Hills/Nebraska Gas Utility, LLC d/b/a Black Hills Energy, October 4, 2013
- Compliance Audit of the 2012 Distribution Investment Rider (DIR) of Columbus Southern Power and Ohio Power Company d/b/a AEP-Ohio, June 19, 2013
- Examination of the Infrastructure System Replacement Cost Recovery Charge of SourceGas Distribution LLC, May 16, 2013
- Compliance Audit of the 2012 Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, March 22, 2013
- Compliance Audit of the Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, April 12, 2012
- Revenue Requirements Audit of New England Gas Company, May 12, 2011
- Accounting and Financial Reporting Review of New England Gas Company, August 5, 2010
- Management Audit of The Connecticut Light & Power Company, May 29, 2009
- Report of Conclusions and Recommendations on the Financial Audit of the Columbia Gas of Ohio, Inc. in Regards to Case No. 08-0074-GA-AIR, August 13, 2008
- Report of Conclusions and Recommendations on the Financial Audit of the East Ohio Gas Company d/b/a Dominion East Company in Regards to Case No. 07-0829-GA-AIR, April 16, 2008
- Report of Conclusions and Recommendations on the Financial Audit of Duke Energy Ohio, Inc. in Regards to Case No. 07-0589-GA-AIR, December 17, 2007
- Report of Conclusions and Recommendations of NW Natural's Rate Base and Affiliated Interest Issues in Support of Oregon Public Utilities Commission Docket UM1148, December 23, 2005

Regulatory and Civil Litigation

She has provided or supported civil or regulatory testimony in Arizona, Colorado, Connecticut, Delaware, Illinois, Maryland, Michigan, Missouri, New Hampshire, New York, North Carolina, North Dakota, Pennsylvania, South Carolina, Texas, and Utah. She has also served as an advisor to public service commissioners in the District of Columbia and Connecticut. In addition to providing analytical support, she has served as an expert witness and routinely works with other highly specialized expert witnesses. She has developed defensible analyses and testimony in connection with rate cases, audit findings, and other regulatory issues. She has also supported various civil litigations including delay and disruption construction claims and financial fraud. She has supported counsel with interrogatories, depositions, and hearings/trials support.

Regulatory Proceedings

- ❖ Before the New Hampshire Public Utilities Commission on behalf of Staff
 - Docket No. DE 19-064 Liberty Utilities (Granite State Electric) Distribution Service Rate Case, May 2019–present
 - Docket No. DE 19-067 Eversource Energy Distribution Service Rate Case, May 2019–present

Project Manager and Expert Witness. Led the review of the Company's proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company's positions and incorporating recommended adjustments.

- Docket No. DW 18-047 Abenacki Water Company, Inc.
- Docket No. DW 18-054 Aquarion Water Company of NH, Inc.
- Docket No. DW 18-056 Lakes Region Water Company, Inc.

Project Manager and Expert Witness. Led the review and reporting of the Company's tax rate change effect compliance filings following passage of the Tax Cut and Jobs Act of 2017 and changes to state taxes. December 2018–present.

- Docket No. DG 17-0048 – Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities general rate case. June 2017–December 2018.

Project Manager and Expert Witness. Led the review of the Company's proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company's positions and incorporating recommended adjustments. Supported Staff with Settlement discussions. Also evaluated the Company's calculated Rate Effects on the Federal and State Corporate Tax Reductions provided during Settlement. Testified March 21, 2018.

- Docket No. DE 16-384 – Unitil Energy Systems, Inc. general rate case. Testimony was filed on November 16, 2016. July 2016– January 2017.
- Docket No. DE 16-383 – Liberty Utilities (Granite State Electric) Corp general rate case. Testimony was filed on December 16, 2016. July 2016– January 2017.

Project Manager and Expert Witness. Led the review of the Company's proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company's positions and incorporating recommended adjustments. Supported Staff with Settlement discussions.

- Docket No. DG 17-0070 Northern Utilities, Inc. Rate Effects on the Federal and State Corporate Tax Reductions. January 2018– February 2018.

Project Manager. Led the review of the Company's proposed changes in its revenue requirement to reflect the change in federal and state corporate income tax rates. Supported Staff with Settlement discussions.

- ❖ Before the Kentucky Public Service Commission on behalf of the Office of Attorney General, Louisville/Jefferson County Metro Government, and Lexington-Fayette Urban County Government
 - Case No. 2018-00294, Kentucky Utilities, October 2018–May 2019.
 - Case No. 2018-00295 Louisville Gas and Electric Company, October 2018–May 2019.

Expert Witness testifying to the Company's revenue requirements. Direct Testimony filed January 16, 2019.

- ❖ Before the Pennsylvania Public Utility Commission on behalf of the Office of Consumer Advocate
 - Docket No. R-2018-3000019, The York Water Company, May 2018–November 2018. Expert Witness testifying to the Company's revenue requirements. Direct Testimony filed August 23, 2018. Surrebuttal Testimony filed October 4, 2018.
- ❖ Before the Massachusetts Department of Public Utilities on behalf of the Massachusetts Attorney General Office

- D.P.U. 16-106, Fitchburg Gas and Electric Light Company d/b/a Unitil. January 2017–May 2017. Expert Witness reviewing the Company’s Capital Cost Adjustment filing for compliance to the Department’s Order.
- ❖ Before the Arizona Corporation Commission (AZCC) on behalf of Staff
 - Docket No. E-01933A-19-0028, Tucson Electric Power Company, general rate case January 2019–present. Project Manager and Expert Witness. Led the review of the Company’s proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company’s positions and incorporating recommended adjustments. Testimony was filed on October 21, 2019
 - Docket No. E-01933A-15-0322, Phase I, Tucson Electric Power Company, general rate case January 2016–August 2016. Project Manager and Expert Witness. Led the review of the Company’s proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company’s positions and incorporating recommended adjustments. Testimony was filed on June 3, 2016. Supported Staff during Settlement of revenue requirements. Agreement filed with Commission August 15, 2016.
 - Docket No. E-04204A-15-0142, UNS Electric, Inc. general rate case August 2015–January 2017. Project Manager and Expert Witness. Led the review of the Company’s proposed rate base, net operating income, and revenue requirements and offered recommendations for adjustments. Developed a revenue requirement model analyzing the Company’s positions and incorporating recommended adjustments. Direct Testimony was filed on November 6, 2016. Surrebuttal Testimony was filed February 23, 2016.
- ❖ Before the Connecticut Public Utilities Regulatory Authority
 - Docket No. 18-05-10 Yankee Gas Services Company d/b/a Eversource Energy general rate case July 2018–February 2019
 - Docket No. 18-05-16 Connecticut Natural Gas Corporation (CNG) general rate case July 2018–February 2019

Project Manager supporting a team of experts assisting Staff in its regulatory oversight of Yankee Gas and CNG with a focus on revenue forecasting, rate mechanisms, and rate design; depreciation; rate base analysis; cash working capital; and environmental remediation. Team developed interrogatories, summarized parties positions, and developed questions for cross examination.
- ❖ Before the Nebraska Public Service Commission (NEPSC) on behalf of the Public Advocate of Nebraska
 - Application NG-0095/PI-213, Investigation into the Effect of the Tax Cut and Jobs Act of 2017. March 2018–June 2018. Project Manager and Expert Witness. Review the tax effect filings and calculations of Black Hills/Nebraska Gas Utility Company, LLC, Black Hills Distribution, LLC, Northwestern Corporation. Provided report with recommendations. Supported settlement discussions that were adopted by the Nebraska Commission.
 - Application NG-0093, Black Hills Energy/Nebraska Gas Utility LLC d/b/a Black Hills Energy, September 2017–March 2018. Project Manager and Expert Witness. Led the evaluation of the Company’s request for approval of accounting and regulatory treatment related to a regulatory asset comprised of increased location costs with the ALLO Fiber Optics Project. Testimony filed on December 18, 2017.
 - Application NG-0090, Black Hills/Nebraska Gas Utility, LLC d/b/a Black Hills Energy, December 2016–August 2017. Project Manager and Expert Witness. Led the evaluation of the Company’s Farm Tap Safety Proposal. Testimony filed on March 17, 2017. Supported the Public Advocate during Settlement discussions.

- Application NG-0088, SourceGas Distribution LLC, December 2015–March 2016. Project Manager and Expert Witness. Led the evaluation of the company’s request for regulatory asset treatment related to net buyout costs of gas-supply-related contracts. Testimony filed on February 24, 2016. Supported the Public Advocate during Settlement discussions
- Application NG-0084, Black Hills Holdings, Inc. acquisition of SourceGas Holdings, LLC, October 2015–December 2015. Project Manager and Expert Witness. Led the analysis of the impact of the proposed acquisition on whether it would be consistent with the public interest and not adversely affect the utility’s ability to service its ratepayers. Testimony was filed on November 6, 2015.
- Application NG-0078, SourceGas Distribution, LLC May 2014–November 2014. Project Manager, Lead Auditor, and Expert Witness. Led the review of the Companies’ applications to replace its infrastructure system replacement (ISR) cost recovery charge with a prospective System Safety and Integrity Rider (SSIR). The SSIR was subject to a detailed mathematical verification and validation of support for the revenue requirements model and reviews of proposed projects supporting the requested recovery of utility plant in service. Testimony on the analysis was filed in August 2014.
- ❖ On behalf of the Commissioners and Staff of the District of Columbia Public Service Commission (DCPSC)
 - Formal Case No. 1151 Washington Gas Light Company’s Application for Approval of Reduction of Distribution Rates to Reflect the Tax Cuts and Jobs Act of 2017 March 2018–July 2018
 - Formal Case No. 1150/FC1151 Pepco base electric rate case, March 2018–November 2018. (includes rate impact associated with Tax-Change Effect)
 - Formal Case No. 1139 Pepco base electric rates case, October 2016–November 2017.
 - Formal Case No. 1137 Washington Gas Light Company (WGL) base gas rates case, May 2016–March 2017.
 - Formal Case No. 1103 Potomac Electric Power Company (Pepco) base electric rate case, June 2013–August 2014. Project Manager.
 - Formal Case No. 1093 Washington Gas Light Company (WGL) base gas rates case, July 2011–July 2013. Project Manager.
 - Formal Case No. 1087 Pepco base electric rates case, September 2011–December 2012
 - Formal Case No. 1076 Pepco base electric rates case, July 2009–December 2009
 - Formal Case No. 1053 Pepco base electric rates case, February 2007–June 2008
 - Lead Consultant advising Commissioners and Staff of the Office of Technical and Regulatory Analysis regarding Companies’ proposed rate base, net operating income and revenue requirements. Assessed the companies’ and Intervenors’ positions on various issues and provided defensible recommendations for the Commissioners’ consideration. Developed “what if” revenue requirement model used during Commission deliberations to analyze the impact of various adjustments. Supported the drafting of the Commission’s Order and supplied the revenue requirement schedules to support the final decision. Supported the Commissioners’ legal team in addressing motions for reconsideration.
 - Formal Case No. 1032 Pepco base electric rates case, January–March 2005. Senior Technical Consultant and Assistant Project Manager. Reviewed and evaluated Company’s compliance filings for class cost of service and revenue requirements for distribution service pursuant to a settlement approved in May 2002. Provided analysis and recommended adjustments to Staff. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.
 - Formal Case No. 1016 WGL natural gas base rates case, June–December 2003. Senior Technical Consultant and Project Manager. Analyzed and recommended adjustments regarding the company’s proposed increase to base rates – advised the Commission on party positions during deliberations Review and evaluation of company’s depreciation study filed with the Commission.
- ❖ Before the Missouri Public Service Commission, Case No. HR-2011-0241, on behalf of the City of Kansas City: Veolia Energy Company 2011 and 2012 electric base rates case, July–September 2011. Senior Technical Consultant. Analyzed Company’s proposed net operating income, rate base, and revenue

requirements. Supported testifying witness with drafted testimony and development of a model to calculate an alternative revenue requirement incorporating recommended adjustments.

- ❖ Before the North Dakota Public Service Commission, Case No. PU-10-657/PU-11-55: Northern States Power Company (NSP) 2011 and 2012 electric base rates case, April–November 2011. On behalf of the Commission Staff, Lead Consultant and Assistant Project Manager. Led the analysis of NSP’s rate increase filings and supported adjustments for the Commission’s consideration. Developed a model to calculate the appropriate revenue requirements and exhibits to support Staff recommended adjustments.
- ❖ Before the Connecticut Public Utilities Regulatory Authority (PURA), Docket 10-02-13: Aquarion Water Company base rates case, on behalf of the PURA, April–August 2010. Senior Technical Consultant and Assistant Project Manager. Reviewed the expense component of the company’s revenue requirement and recommended adjustments for Staff consideration.
- ❖ Before the of the Delaware Public Service Commission on behalf of Staff
 - Docket No. 09-414: Delmarva Power & Light Company (DPL) electric base rates case, September 2009–May 2010. Expert Witness and Assistant Project Manager. Analyzed the company’s rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements.
 - Docket No. 06-284: DPL’s gas base rates case, October 2006–March 2007. Senior Technical Consultant and Assistant Project Manager. Analyzed the Company’s filings, checked the mathematical accuracy of the Company’s revenue requirements calculations, and provided analytical support to testifying witness.
- ❖ Before the Michigan Public Service Commission (MIPSC) on behalf of the Michigan Attorney General
 - Case No. U-15506: Consumers Energy Company base gas rates case, May–November 2008. Expert Witness and Assistant Project Manager. Analyzed the company’s rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements – proceeding was settled through negotiations.
 - Case No U-15244 Detroit Edison electric base rates case, September 2007–October 2008.
 - Case No. U-15245 Consumers Energy Company base gas rates case, July 2007–April 2008.
Senior Technical Consultant and Assistant Project Manager. Analyzed the Company’s filings, checked the mathematical accuracy of the Company’s revenue requirements calculations, and provided analytical support to testifying witness.
 - Case No. U-14547 Consumers Energy Company base gas rates case, December 2005–April 2006. Expert Witness and Assistant Project Manager. Analyzed Company’s rate increase filings and provided testimony offering adjustments for Commission consideration related to the rate base and revenue requirements.
- ❖ Before the Maryland Public Service Commission (MDPSC)
 - Case No. 9092 Pepco electric base rates case, on behalf of the Staff of the MDPSC, December 2006–June 2007. Expert Witness and Assistant Project manager. Analyzed Company’s rate increases filings and provided direct and rebuttal testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements.
 - Case No. 9062 Chesapeake Utilities Corporation gas base rates case, on Behalf of the Maryland Office of People’s Counsel, May 2006–August 2006. Expert Witness and Assistant Project Manager. Analyzed Company’s rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements – participated in settlement negotiations that were ultimately accepted by all parties.
- ❖ Before the Illinois Commerce Commission, Case No. 05-0597, on behalf of the Illinois Citizens Utility Board, Cook County State Attorney’s Office and City of Chicago, November 2005–May 2006. Senior

Technical Consultant and Assistant Project Manager. Analyzed the Company's filings, checked the mathematical accuracy of the Company's revenue requirements calculations, and provided analytical support to testifying witness.

- ❖ Before the Hawaii Public Utilities Commission (HPUC), Docket No. 05-0075: Instituting a Proceeding to Investigate Kauai Island Utility Cooperative's Proposed Revised Integrated Resource Planning and Demand Side Management Framework, On behalf of the Staff of the HPUC, June–November 2005. Senior Technical Consultant and Assistant Project Manager. Conducted and reported on the results of an industry survey of other cooperatives and Commissions to obtain an overview of how other entities approach the specific issues identified within this docket.
- ❖ Before the Public Utilities Commission of the State of Colorado (COPUC), Docket No. 04A-050E: Review of the Electric Commodity Trading Operations of Public Service Company of Colorado (PSCo), On behalf of the COPUC Staff, March–September 2004. Expert Witness and Assistant Project Manager. Performed a transaction audit of PSCo's electric commodity trading operations and submitted testimony describing the process used to conduct the investigation, a summary of the audit findings, and discussion of the significance of the findings.
- ❖ Before the New York Public Service Commission, Case No. 00-E-0612: Proceeding on Motion of the Commission to Investigate the Forced Outage at Consolidated Edison Company of New York, Inc.'s Indian Point No. 2 Nuclear Generation Facility, On behalf of Consolidated Edison Company of New York, Inc., October 2000–September 2003. Project Manager. Supervised cross functional teams to assist scheduling and nuclear engineering experts with responses to interrogatories and the development of three comprehensive rebuttal testimonies on the prudence of extended outages at the Indian Point 2 nuclear power plant. The proceeding settled prior to filing of testimony.

Civil Litigation

- ❖ ADF Construction vs. Kismet, On Behalf of ADF Construction, December 2003–February 2004. Assistant Project Manager for a delay and disruption construction claim related to a large hotel complex in North Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages.
- ❖ On behalf of New Carolina Construction, July 2002–January 2003
 - New Carolina Construction vs. Atlantic Coast
 - New Carolina Construction vs. Acusti

Project Manager for a delay and disruption claim related to construction of a large high school complex in South Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.
- ❖ State of Nevada Bureau of Consumer Protection, September–December 2003. Assistant Project Manager for damage assessment project related to potential litigation regarding the Western Market Manipulation.
- ❖ Oakwood Homes, On behalf of Oakwood Homes, February 1999–May 2000. Assistant Project Manager for a delay and disruption claim related to the construction of a large manufacturing facility in Texas – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Dispute was settlement through mediation.
- ❖ McMillan Carter, On behalf of McMillan Carter, June–September 2002. Project Manager for a delay and disruption claim related to construction of a large high school complex in North Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.
- ❖ Fluor Daniel Inc. vs. Solutia, Inc., On behalf of Fluor Daniel, May 2000–August 2001. Assistant Project Manager for a delay and disruption construction claim related to large chemical processing facility in Texas – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Dispute proceeded through mediation.

- ❖ First National Bank of South Carolina vs. Pappas, On Behalf of First National Bank of South Carolina, 1991–1992. Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Supported counsel and expert witnesses during civil proceeding.
- ❖ First Union vs. Pappas, On Behalf of First Union, 1991–1992. Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Dispute was settled out of court.

Testimony proffered

Before the Arizona Corporation Commission

- Tucson Electric Power Company – Docket No. E-01933A-19-0028
- Tucson Electric Power Company – Docket No. E-01933A-15-0239
- UNS Electric, Inc. – Docket No. E-04204A-15-0142

Before the Colorado Public Utilities Commission

- Public Service Company of Colorado - Docket No. 04A-050E

Before the Delaware Public Service Commission

- Delmarva Power & Light Company - Docket No. 09-414

Before the Kentucky Public Service Commission

- Kentucky Utilities Company-Case No. 2018-00294
- Louisville Gas and Electric Company - Case No. 2018-00295

Before the Maryland Public Service Commission

- Potomac Electric Power Company - Case No. 9092
- Chesapeake Utilities Corporation - Case No. 9062

Before the Michigan Public Service Commission

- Consumers Energy Company - Case No. U-15506
- Consumers Energy Company - Case No. U-14547

Before the Pennsylvania Public Service Commission

- The York Water Company - Docket No. R-018-3000019

Before the Public Service Commission of Nebraska

- SourceGas Distribution LLC – Docket No. NG-0078
- Black Hills Utility Holdings, Inc. and Source Gas Holdings Inc. – Docket No. NG-0084
- SourceGas Distribution LLC – Docket No. NG-0088
- Black Hills Energy – Docket No. NG-0090

Before the New Hampshire Public Utilities Commission

- Liberty Utilities (Granite State Electric) Corp. – Docket No. DE 19-064
- Unitil Energy Systems, Inc. – Docket No. DE 16-384
- Liberty Utilities (Granite State Electric) Corp. – Docket No. DE 16-383
- Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities – Docket No. DG 17-0048

System Implementation

Mrs. Mullinax has worked with various business and local governmental entities to design and implement accounting and business systems that addressed real world problems and concerns. She has developed accounting policy and procedure manuals for county governments, a library, and a water utility.

Professional Experience

Blue Ridge Consulting Services, Inc.: 2004 - Present

President

Vice President and Chief Financial Officer

Senior Technical Consultant / Expert Witness

Hawks, Giffels & Pullin, Inc.: 1993 - 2004

*Vice President and Chief Financial Officer
Executive Consultant
Controller*

Cherry, Bekaert & Holland, CPAs: 1991 - 1993

*Accounting Supervisor
Senior Accountant
Staff Accountant*

Smith, Kline and French Pharmaceutical Company: 1988 - 1991

Professional Sales Representative

Milliken & Company: 1979 - 1988

*Quality Assurance Manager
Technical Cause Analyst
Department Manager*

Professional Certification

Certified Public Accountant (CPA), State of South Carolina - 1993
Certified Financial Planner (CFP) - 1994
Certified Internal Auditor (CIA) - 2006
Chartered Global Management Account (CGMA) - 2012

Professional Affiliations

Member of the American Institute of Certified Public Accountants (AICPA)
Member of the South Carolina Association of Certified Public Accountants (SCACPA)
Member of the Institute of Internal Auditors (IIA)
Member of the Western Carolinas Chapter of the Institute of Internal Auditors (WCIIA)

Education

Clemson University, B.S. Administrative Management with honors, 1978
Clemson University, M.S. in Management, 1979
College for Financial Planning, 1994
NARUC Utility Rate School, 32nd Annual Eastern

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057

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

List of Schedules

Line #	Schedule #	Description
1	Schedule 1	Summary Comparison of Computation of Revenue Requirement and Revenue Deficiency
2	Schedule 1.1	Revenue Requirements and Revenue Deficiency with Staff's Recommended Adjustments
3	Schedule 1.2	Computation of Gross Up for Income Taxes
4	Schedule 1.3	Uncollectibles / Bad Debt
5	Schedule 2	Rate of Return Calculation
6	Schedule 2.1	Impact of Staff's Recommended Rate of Return on Company's Revenue Deficiency
7	Schedule 3	Ratemaking Adjustments
8	Schedule 3.1	Adjustment 1 Modify Plant in Service
9	Schedule 3.2	Adjustment 2 Catch Up Meter Retirements
10	Schedule 3.3	Adjustment 3 Cash Working Capital
11	Schedule 3.4	Adjustment 4 Audit Issues-Placeholder
12	Schedule 3.5	Adjustment 5 Payroll
13	Schedule 3.6	Adjustment 6 Incentive Compensation
14	Schedule 3.7	Adjustment 7 Severance
15	Schedule 3.8	Adjustment 8 Remove SERP
16	Schedule 3.9	Adjustment 9 Sharing of D&O Liability Insurance
17	Schedule 3.10	Adjustment 10 Vegetation Management
18	Schedule 3.11	Adjustment 11 Remove Amortization of Merger Cost to Achieve
19	Schedule 3.12	Adjustment 12 Depreciation Expense-Whole Life
20	Schedule 3.13	Adjustment 13 Environmental Reserve
21	Schedule 3.14	Adjustment 14 Enterprise IT Expense
22	Schedule 3.15	Adjustment 15 Healthcare
23	Schedule 3.16	Adjustment 16 Storm Costs
24	Schedule 3.17	Adjustment 17 New Start Arrearage Forgiveness
25	Schedule 3.18	Adjustment 18 Interest Synchronization

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057
Schedule 1

Public Service Company of New Hampshire d/b/a Eversource Energy
Twelve Months Ending December 31, 2018

Summary Comparison of Computation of Revenue Requirement and Revenue Deficiency

Line	Description	Company Application (A)	Company 11/4/19 Update	Staff Recommended (C)	Difference (D)
1	Rate Base	\$ 1,215,667,897	\$ 1,215,689,670	\$ 1,156,319,997	\$(59,369,674)
2	Rate of Return	7.62%	7.62%	6.24%	-1.37%
3	Return Requirement	92,590,130	92,591,788	72,184,432	(20,407,356)
4	Adjusted Net Operating Income	41,944,680	42,423,178	54,524,375	12,101,198
5	Income Deficiency	50,645,450	50,168,610	17,660,057	(32,508,553)
6	Income Tax Effect	18,810,851	18,633,742	6,559,340	(12,074,402)
7	Revenue Deficiency	69,456,300	68,802,352	24,219,397	(44,582,955)
8	Uncollectible Adjustment	456,397	452,100	159,146	(292,955)
9	Total Increase (Decrease)	<u>\$ 69,912,696</u>	<u>\$ 69,254,451</u>	<u>\$ 24,378,542</u>	<u>\$(44,875,910)</u>
10	Percent of Original Request			35.20%	

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

Twelve Months Ending December 31, 2018

Revenue Requirements and Revenue Deficiency with Staff's Recommended Adjustments

Line	Description	Application (A)	Company 11/4/19 Update (B)	Staff Adjustments (C)	Staff Recommended (D)
1	Rate Base				
2	Utility Plant in Service	\$ 2,171,045,401	\$ 2,171,045,401	\$ (79,443,349)	\$ 2,091,602,052
3	Less: Reserve for Depreciation	(602,426,195)	(602,426,195)	16,443,557	(585,982,638)
4	Net Plant in Service	\$ 1,568,619,205	\$ 1,568,619,205	\$ (62,999,792)	\$ 1,505,619,413
5	Plus: Cash Working Capital	13,760,897	13,782,670	\$ 2,773,118	\$ 16,555,788
6	Plus: Materials and Supplies	12,213,448	12,213,448	-	12,213,448
7	Plus: Prepayments	728,530	728,530	-	728,530
8	Plus: Regulatory Assets	3,423,381	3,423,381	1,700,000	5,123,381
9	Less: Reserve for Deferred Income Tax	(370,640,053)	(370,640,053)	(843,000)	(371,483,053)
10	Less: Regulatory Liabilities	(4,036,554)	(4,036,554)	-	(4,036,554)
11	Less: Customer Deposits/Advances	(8,400,957)	(8,400,957)	-	(8,400,957)
12	Total Rate Base	\$ 1,215,667,897	\$ 1,215,689,670	\$ (59,369,674)	\$ 1,156,319,997
13	Rate of Return	7.62%	7.62%		6.24%
14	Return Requirement	\$ 92,590,130	\$ 92,591,788	\$ (20,407,356)	\$ 72,184,432
15	Operating Revenues				
16	Distribution	\$ 349,862,116	\$ 349,862,116	\$ -	\$ 349,862,116
17	Reconciliation Mechanism	-	-	-	-
18	Other Operating Revenues	16,427,867	16,918,157	-	16,918,157
19	Total Operating Revenues	\$ 366,289,983	\$ 366,780,273	\$ -	\$ 366,780,273
20	Operating Expenses				
21	O&M Expense	\$ 167,728,188	\$ 167,562,411	\$ (15,563,615)	\$ 151,998,796
22	Depreciation and Amortization Expense	94,785,798	94,785,798	(1,256,854)	93,528,945
23	Taxes Other than Income Taxes	52,537,385	52,537,385	(315,641)	52,221,744
24	Income Taxes	9,293,931	9,471,501	5,034,912	14,506,413
25	Total Operating Expenses	\$ 324,345,303	\$ 324,357,095	\$ (12,101,198)	\$ 312,255,898
26	Net Operating Income	\$ 41,944,680	\$ 42,423,178	\$ 12,101,198	\$ 54,524,375
27	Income Deficiency	\$ 50,645,450	\$ 50,168,610	\$ (32,508,553)	\$ 17,660,057
28	Revenue Conversion Factor	1.37142	1.37142		1.37142
29	Revenue Deficiency	\$ 69,456,300	\$ 68,802,352	\$ (44,582,955)	\$ 24,219,397
30	Uncollectible Adjustment	456,397	452,100	(292,955)	\$ 159,146
31	Revenue Deficiency with Uncollectible Adjustment	\$ 69,912,696	\$ 69,254,451	\$ (44,875,910)	\$ 24,378,542
32	Percent of Original Request				35.20%
33	Refund of Federal Tax Surplus (period from 1/18 - 6/19)	(11,993,902)	(11,993,902)		

Notes and Sources

Column A, lines 1–13: Schedule EHC/TMD-36 (Perm) Bates 000286
Column A, lines 16–19: Schedule EHC/TMD-4 (Perm) Bates 000193
Column A, lines 20–25: Schedule EHC/TMD-5 (Perm) Bates 000197
Column A, line 33: Schedule EHC/TMD-1 (Perm) Bates 000189–000190
Column B, lines 1–13: Schedule EHC/TMD-36 (Perm) November 4, 2019 Update
Column B, lines 16–19: Schedule EHC/TMD-4 (Perm) November 4, 2019 Update
Column B, lines 20–25: Schedule EHC/TMD-5 (Perm) November 4, 2019 Update
Column B, line 33: Schedule EHC/TMD-1 (Perm) Bates 000189–000190 [Confirmed no change 11/4/19 Update]
Line 28: Schedule 1.2
Line 30: Line 29*Uncollectible Ratio from Schedule 1.3

Column C: Schedule 3

Distribution Revenue	\$ 366,289,983	\$ 349,862,116
Revenue Deficiency with Uncollectible Adjustment	\$ 69,456,300	\$ 69,254,451
% Increase over Test Year Distribution Revenue	19.0%	19.8%

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

Twelve Months Ending December 31, 2018

Computation of Gross Up for Income Taxes

Line	Description	Company	Adjustment	Adjusted Amount
		(A)	(B)	(C)
1	NH Tax Rate	7.700%		7.700%
2	Federal Statutory Tax rate	21.00%		21.00%
3	Federal Effective Tax rate (1-State rate*Federal rate)	19.383%		19.383%
4	Total Composite Tax rate	27.083%		27.083%
5	Revenue Requirement Gross-Up Factor	72.917%		72.917%
6	Revenue Conversion Factor	1.3714		1.3714

Notes and Sources

Column A - Schedule EHC/TMD-2 (Perm) Bates 000191 [Confirmed no change 11/4/19 Update]

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

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Twelve Months Ending December 31, 2018

Uncollectibles / Bad Debt

Line	Description	Net Write-offs (A)	Retail Revenue (B)	Net Write-offs as a % of Retail Revenue (C)
<u>Company Proposed</u>				
1	2016	\$ 6,021,040	\$ 888,734,198	0.6775%
2	2017	6,274,763	907,152,025	0.6917%
3	2018	5,770,266	953,681,402	0.6051%
4	3 Year Average	<u>\$ 24,088,092</u>	<u>\$ 3,666,090,167</u>	<u>0.6571%</u>
<u>Staff Recommended</u>				
5	2016	\$ 6,021,040	\$ 888,734,198	0.6775%
6	2017	6,274,763	907,152,025	0.6917%
7	2018	5,770,266	953,681,402	0.6051%
8	3 Year Average	<u>\$ 24,088,092</u>	<u>\$ 3,666,090,167</u>	<u>0.6571%</u>

Notes and Sources

Lines 1–4: Schedule EHC/TMD-8 (Perm) Bates 000209 [Confirmed no change 11/4/19 Update]

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

Twelve Months Ending December 31, 2018

Rate of Return Calculation

Line	Description	Balance (A)	Capital Structure (B)	Cost % (C)	Weighted Cost % (D)
<u>Company Proposed Rate of Return</u>					
1	Short-Term Debt	\$ 71,805,000	3.17%	2.45%	0.08%
2	Long-Term Debt	949,708,000	41.98%	4.37%	1.83%
3	Common Equity	1,240,847,000	54.85%	10.40%	5.70%
4	Total	<u>\$ 2,262,360,000</u>	<u>100.00%</u>		<u>7.62%</u>
<u>Staff Recommended Rate of Return</u>					
5	Short-Term Debt		3.51%	2.45%	0.09%
6	Long-Term Debt		46.49%	4.37%	2.03%
7	Common Equity		50.00%	8.25%	4.13%
8	Total		<u>100.00%</u>		<u>6.24%</u>

Notes and Sources

Lines 1–4: Schedule EHC/TMD-40 (Perm) Bates 000292 [Confirmed no change 11/4/19 Update]

Lines 5–7: See Testimony of J. Randall Woolridge

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Schedule 2.1

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Twelve Months Ending December 31, 2018

Impact of Staff's Recommended **Rate of Return** on Company's Revenue Deficiency

Line	Description	Company 11/4/19 Update (A)	Adjustment (B)	Recommended (C)
1	Total Rate Base	\$1,215,689,670		\$ 1,215,689,670
2	Rate of Return	7.62%	-1.37%	6.24%
3	Return Requirement	\$ 92,591,788	\$ (16,701,145)	\$ 75,890,643
4	Net Operating Income	\$ 42,423,178		\$ 42,423,178
5	Income Deficiency	\$ 50,168,610		\$ 33,467,466
6	Revenue Conversion Factor	1.37142		1.37142
7	Revenue Deficiency	\$ 68,802,352	\$ (22,904,322)	\$ 45,898,030

Notes and Sources

Column A: Summary Totals from Schedule 1

Line 2: Schedule 2

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Public Service Company of New Hampshire d/b/a Eversource Energy
Twelve Months Ending December 31, 2018
Ratemaking Adjustments

Line	Description	Company 11/4/19 Update (A)	Staff Adjustment 1 (B) Schedule 3.1	Staff Adjustment 2 (C) Schedule 3.2	Staff Adjustment 3 (D) Schedule 3.3	Staff Adjustment 4 (E) Schedule 3.4	Staff Adjustment 5 (F) Schedule 3.5	Staff Adjustment 6 (G) Schedule 3.6	Staff Adjustment 7 (H) Schedule 3.7	Staff Adjustment 8 (I) Schedule 3.8	Staff Adjustment 9 (J) Schedule 3.9	Adjustment Subtotal (K)
Reference Schedule												
1	Rate Base											
2	Plant in Service	\$ 2,171,045,401	\$(65,115,532)	\$ (14,327,817)								\$ (79,443,349)
3	Less: Accumulated Depreciation & Amortization	(602,426,195)	2,115,740	14,327,817								16,443,557
4	Net Plant in Service	1,568,619,205	(62,999,792)	-	-	-	-	-	-	-	-	(62,999,792)
5	Plus: Cash Working Capital	13,782,670			2,773,118							2,773,118
6	Plus: Materials and Supplies	12,213,448										-
7	Plus: Prepayments	728,530										-
8	Plus: Regulatory Assets	3,423,381										-
9	Less: Reserve for Deferred Income Tax	(370,640,053)		(843,000)								(843,000)
10	Less: Regulatory Liabilities	(4,036,554)										
11	Less: Customer Deposits/Advances	(8,400,957)										
12	Total Rate Base	\$ 1,215,689,670	\$(62,999,792)	\$(843,000)	\$ 2,773,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (61,069,674)
13	Rate of Return	7.62%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%
14	Return Requirement	\$ 92,591,788	\$(3,932,825)	\$(52,625)	\$ 173,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(3,812,335)
15	Operating Revenues											
16	Distribution	\$ 349,862,116										\$ -
17	Commodity	-										-
18	Other Operating Revenues	16,918,157										-
19	Total Operating Revenues	\$ 366,780,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Operating Expenses											
21	O&M Expense	\$ 167,562,411					\$ (382,601)	\$ (3,730,775)	\$ (29,816)	\$ (764,925)	\$ (35,141)	\$ (4,943,257)
22	Depreciation and Amortization Expense	94,785,798	(2,115,740)	1,230,303								(885,437)
23	Taxes Other than Income Taxes	52,537,385					(29,359)	(286,282)				(315,641)
24	Income Taxes	9,471,501	573,006	(333,203)			111,571	1,087,940	8,075	207,164	9,517	1,664,070
25	Total Operating Expenses	\$ 324,357,095	\$(1,542,734)	\$ 897,100	\$ -	\$ -	\$(300,389)	\$(2,929,117)	\$(21,741)	\$(557,761)	\$(25,624)	\$(4,480,265)
26	Net Operating Income	\$ 42,423,178	\$ 1,542,734	\$(897,100)	\$ -	\$ -	\$ 300,389	\$ 2,929,117	\$ 21,741	\$ 557,761	\$ 25,624	\$ 4,480,265
27	Income Deficiency	\$ 50,168,610	\$(5,475,559)	\$ 844,475	\$ 173,115	\$ -	\$(300,389)	\$(2,929,117)	\$(21,741)	\$(557,761)	\$(25,624)	\$(8,292,600)
28	Revenue Conversion Factor	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142
29	Revenue Deficiency	\$ 68,802,351	\$(7,509,303)	\$ 1,158,131	\$ 237,413	\$ -	\$(411,960)	\$(4,017,056)	\$(29,816)	\$(764,926)	\$(35,141)	\$(11,372,657)
30	Percent of Total	Check \$ 68,802,351	10.9%	-1.7%	-0.3%	0.0%	0.6%	5.8%	0.0%	1.1%		
	Adjustment 1		Modify Plant in Service									
	Adjustment 2		Catch Up Meter Retirements									
	Adjustment 3		Cash Working Capital									
	Adjustment 4		Audit Issues-Placeholder									
	Adjustment 5		Payroll									
	Adjustment 6		Incentive Compensation									
	Adjustment 7		Severance									
	Adjustment 8		Remove SERP									
	Adjustment 9		Sharing of D&O Liability Insurance									

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Public Service Company of New Hampshire d/b/a Eversource Energy
Twelve Months Ending December 31, 2018
Ratemaking Adjustments

(in thousands)

Line	Description	Carry Forward	Staff Adjustment 10	Staff Adjustment 11	Staff Adjustment 12	Staff Adjustment 13	Staff Adjustment 14	Staff Adjustment 15	Staff Adjustment 16	Staff Adjustment 17	Staff Adjustment 18	Adjustment Subtotal	Adjustment Totals
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	Reference Schedule		Schedule 3.10	Schedule 3.11	Schedule 3.12	Schedule 3.13	Schedule 3.14	Schedule 3.15	Schedule 3.16	Schedule 3.17	Schedule 3.18		
1	Rate Base												
2	Plant in Service	\$ (79,443,349)										\$ (79,443,349)	\$ 2,091,602,052
3	Less: Accumulated Depreciation & Amortization	16,443,557										16,443,557	(585,982,638)
4	Net Plant in Service	(62,999,792)	-	-	-	-	-	-	-	-	-	(62,999,792)	1,505,619,413
5	Plus: Cash Working Capital	2,773,118										2,773,118	16,555,788
6	Plus: Materials and Supplies	-										-	12,213,448
7	Plus: Prepayments	-										-	728,530
8	Plus: Regulatory Assets	-								1,700,000		1,700,000	5,123,381
9	Less: Reserve for Deferred Income Tax	(843,000)										(843,000)	(371,483,053)
10	Less: Regulatory Liabilities	-										-	(4,036,554)
11	Less: Customer Deposits/Advances	-										-	(8,400,957)
12	Total Rate Base	\$ (61,069,674)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000	\$ -	\$ (59,369,674)	\$ 1,156,319,997
13	Rate of Return	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%
14	Return Requirement	\$ (3,812,335)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,124	\$ -	\$ (20,407,356)	\$ 72,184,432
15	Operating Revenues												
16	Distribution	\$ -										\$ -	\$ 349,862,116
17	Commodity	-										-	-
18	Other Operating Revenues	-										-	16,918,157
19	Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366,780,273
20	Operating Expenses												
21	O&M Expense	\$ (4,943,257)	\$ (13,713,743)				\$ (1,384,781)	\$ (294,308)	\$ 3,930,477	\$ 841,997		\$ (15,563,615)	\$ 151,998,796
22	Depreciation and Amortization Expense	(885,437)		(909,020)	1,392,780	(1,195,176)				340,000		(1,256,854)	93,528,945
23	Taxes Other than Income Taxes	(315,641)										(315,641)	52,221,744
24	Income Taxes	1,664,070	3,714,093	246,190	(377,206)	323,690	375,040	79,708	(1,064,491)	(320,120)	393,938	5,034,912	14,506,413
25	Total Operating Expenses	\$ (4,480,265)	\$ (9,999,650)	\$ (662,830)	\$ 1,015,574	\$ (871,486)	\$ (1,009,741)	\$ (214,600)	\$ 2,865,986	\$ 861,877	\$ 393,938	\$ (12,101,198)	\$ 312,255,898
26	Net Operating Income	\$ 4,480,265	\$ 9,999,650	\$ 662,830	\$ (1,015,574)	\$ 871,486	\$ 1,009,741	\$ 214,600	\$ (2,865,986)	\$ (861,877)	\$ (393,938)	\$ 12,101,198	\$ 54,524,375
27	Income Deficiency	\$ (8,292,600)	\$ (9,999,650)	\$ (662,830)	\$ 1,015,574	\$ (871,486)	\$ (1,009,741)	\$ (214,600)	\$ 2,865,986	\$ 968,001	\$ 393,938	\$ (32,508,553)	\$ 17,660,057
28	Revenue Conversion Factor	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142	1.37142
29	Revenue Deficiency	\$ (11,372,657)	\$ (13,713,743)	\$ (909,020)	\$ 1,392,780	\$ (1,195,175)	\$ (1,384,781)	\$ (294,307)	\$ 3,930,477	\$ 1,327,538	\$ 540,255	\$ (44,582,955)	\$ 24,219,397
30	Percent of Total		19.9%	1.3%	-2.0%	1.7%	2.0%	0.4%	-5.7%	-1.9%	-0.8%		24,219,397

Adjustment 10 Vegetation Management
Adjustment 11 Remove Amortization of Merger Cost to Achieve
Adjustment 12 Depreciation Expense-Whole Life
Adjustment 13 Environmental Reserve
Adjustment 14 Enterprise IT Expense
Adjustment 15 Healthcare
Adjustment 16 Storm Costs
Adjustment 17 New Start Arrearage Forgiveness
Adjustment 18 Interest Synchronization

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

Adjustment 1

Modify Plant in Service

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
<u>RATE BASE</u>				
1	Plant in Service	\$ 2,171,045,401	\$(65,115,532)	\$2,105,929,869
2	Accumulated Depreciation & Amortization	(602,426,195)	2,115,740	(600,310,455)
3	Total Impact to Rate Base	\$ 1,568,619,205	\$(62,999,792)	\$1,505,619,413
<u>EXPENSES</u>				
4	Plant in Service	2,171,045,401	(65,115,532)	2,105,929,869
5	Composite Depreciation Rate	3.25%		3.25%
6	Depreciation Expense	\$ 70,541,805	\$ (2,115,740)	\$ 68,426,065
7	NH Income Tax	7.70%		7.70%
8	Effect on NH income tax expense	\$ (5,431,719)	\$ 162,912	\$ (5,268,807)
9	Federal Taxable	\$ 65,110,086		\$ 63,157,258
10	Federal Income Tax Rate	21%		21%
11	Effect on Federal income tax expense	\$ (13,673,118)	\$ 410,094	\$ (13,263,024)
12	Total Taxes	\$ (19,104,837)	\$ 573,006	\$ (18,531,831)
13	Impact to Operating Income	\$ (51,436,968)	\$ 1,542,734	\$ (49,894,234)

Notes and Sources

See the Direct Testimony of Staff Witness Jay Dudley

Column A, Line 7: Attachment EHC/TMD-1, Schedule EHC/TMD-28 November 4, 2019 Update

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Public Service Company of New Hampshire d/b/a Eversource Energy
Adjustment 2
Catch Up Meter Retirements

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
<u>RATE BASE</u>				
1	Plant in Service	\$ 2,171,045,401	\$ (14,327,817)	\$ 2,156,717,584
2	Accumulated Depreciation & Amortization	(602,426,195)	\$ 14,327,817	(588,098,378)
3	Accumulated Deferred Income Taxes	(370,640,053)	(843,000)	(371,483,053)
4	Total Impact to Rate Base	\$ 1,197,979,153	\$ (843,000)	\$ 1,197,136,153
<u>EXPENSES</u>				
		Schedule 3.12		
		<u>Whole Life</u>		
<u>Depreciation</u>				
5	Reserve Imbalance	\$ 67,281,337	\$ 12,711,317	\$ 79,992,654
6	Recovery Period (years)	10		10
7	Annual Amortization of Reserve Imbalance	6,728,134	1,271,132	7,999,265
8	Depreciation Expense-Whole Life (without Reserve Imbalance)	65,878,933	452,518	66,331,451
9	Annual Depreciation Expense	\$ 72,607,067		\$ 74,330,716
10	Less Depreciation on Transportation Equipment-Whole Life	(2,755,776)	-	(2,755,776)
11	Annual Depreciation Expense without Transportation Equipment	\$ 69,851,291		\$ 71,574,940
<u>Vehicles</u>				
12	Depreciation Expense-Whole Life	1,405,446	(493,347)	912,099
13	Annual Depreciation	\$ 71,256,737	\$ 1,230,303	\$ 72,487,039
14	NH Income Tax	7.70%		7.70%
15	Effect on NH income tax expense	\$ (5,486,769)	\$ (94,733)	\$ (5,581,502)
16	Federal Taxable	\$ 65,769,968		\$ 66,905,537
17	Federal Income Tax Rate	21%		21%
18	Effect on Federal income tax expense	\$ (13,811,693)	\$ (238,470)	\$ (14,050,163)
19	Total Taxes	\$ (19,298,462)	\$ (333,203)	\$ (19,631,665)
20	Impact to Operating Income	\$ (51,958,275)	\$ (897,100)	\$ (52,855,374)

Notes and Sources

Column A, Line 1: Eversource response to Staff 2-004
Column C, Line 1: Eversource response to Staff 2-004-SP01
Column A, Line 2: Eversource response to Staff 2-003
Column C, Line 2: Eversource response to Staff 2-003 SP01
Column A, Line 3: Attachment EHC/TMD-1, Schedule EHC/TMD-39 (Perm) November 4, 2019 Update
Column C, Line 3: Eversource response to Staff 4-034 SP01

Staff converted Depreciation Expense from Remaining Life to Whole Life on Schedule 3.12
This adjustment reflects the effect of the Meter Retirements on Whole Life
Column A, Lines 5-13: Schedule 3.12, Column C
Column C, Line 5: Eversource response to Staff 4-034-SP01, Attachment Staff 4-034-SP01 B
Column C, Line 8: Eversource response to Staff 4-034-SP01, Attachment Staff 4-034-SP01 A
Column C, Line 10: Eversource response to Staff 4-034-SP01, Attachment Staff 4-034-SP01 A
Column C, Line 12: Eversource response to Staff TS 2-013-SP01 (Page 1 of 1), Attachment Staff TS 2-013-SP01 B (Page 2 of 2)

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

Adjustment 3

Cash Working Capital

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Cash Working Capital	<u>13,782,670</u>	<u>2,773,118</u>	<u>16,555,788</u>
2	Impact to Rate Base	<u>13,782,670</u>	<u>2,773,118</u>	<u>16,555,788</u>

Notes and Sources:

Column A: Schedule EHC/TMD-41 (Perm) November 4, 2019 Update

Column B: Schedule 3.1 CWC WP

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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Schedule 3.3 WP
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Public Service Company of New Hampshire d/b/a Eversource Energy

Adjustment 3

Cash Working Capital

Line	Description	Company Annual Expense (A)	Staff Adjustments (B)	Revised Annual Expense (C)	Daily Expense (D)	Company Net Days (E)	Staff Adjusted (F)	Company Position (G)	Difference (H)
1	Distribution Expenses								
2	Operation and Maintenance								
3	Payroll	\$ 54,496,899	4,360,057	\$ 58,856,956	161,252	33.82	\$ 5,454,102	\$ 5,050,081	\$ 404,021
4	Payroll Incentive	7,613,826	(3,730,775)	3,883,051	10,638	(224.21)	(2,385,135)	(4,676,999)	2,291,864
5	Employee Benefits	15,517,897	(1,059,233)	14,458,664	39,613	33.83	1,339,981	1,438,146	(98,165)
6	Regulatory Assessments	5,230,057	-	5,230,057	14,329	33.69	482,766	482,766	0
7	Insurance Expense & Injuries & Damages	2,513,011	(35,141)	2,477,871	6,789	204.50	1,388,344	1,407,976	(19,632)
8	Other O&M	82,190,722	(15,098,524)	67,092,198	183,814	(0.16)	(29,358)	(35,965)	6,607
9	Total Operation and Maintenance	\$ 167,562,411	\$ (15,563,615)	\$ 151,998,796	\$ 416,435		\$ 6,250,700	\$ 3,666,005	\$ 2,584,695
10	Taxes and Interest Expense								
11	Local Property	47,399,353	-	47,399,353	129,861	71.20	\$ 9,246,483	\$ 9,246,483	\$ 0
12	Payroll Taxes	5,138,032	(315,641)	4,822,391	13,212	33.82	446,767	476,018	(29,251)
13	Federal Income Taxes	6,648,231	-	6,648,231	18,214	15.78	287,423	287,423	(0)
14	NH Profit and Enterprise Taxes	2,823,270	-	2,823,270	7,735	13.80	106,741	106,741	0
15	Income Taxes (Staff's Adjustments)		4,640,974	4,640,974	12,715	15.78	200,647		200,647
16	Interest Synchronization		393,938	393,938	1,079	15.78	17,027		17,027
17	Total Taxes and Interest Expense	\$ 62,008,886	\$ 4,719,271	\$ 66,728,157	\$ 182,816		\$ 10,305,089	\$ 10,116,665	\$ 188,424
18	Weighted Net Lag Days						27.63	21.91	
19	Percentage						7.57%	6.00%	
20	Working Capital						\$ 16,555,788	\$ 13,782,670	\$ 2,773,118

Notes and Sources

Columns A, E, G: Schedule EHC/TMD-41 (Perm) November 4, 2019 Update

Interest Synchronization			
	w/o Int Sync	w/ Int Sync	Int Sync
Income Taxes	4,640,974	5,034,912	393,938

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

Adjustment 4

Audit Issues-Placeholder

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1				
2				\$ -
3				-
4				-
5				-
6	Total Audit Issues	\$ -	\$ -	\$ -
7	NH Income Tax	7.70%		7.70%
8	Effect on NH income tax expense	\$ -	\$ -	\$ -
9	Federal Taxable	\$ -		\$ -
10	Federal Income Tax Rate	21%		21%
11	Effect on Federal income tax expense	\$ -	\$ -	\$ -
12	Total Taxes	\$ -	\$ -	\$ -
13	Impact to Operating Income	\$ -	\$ -	\$ -

Notes and Sources

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

Adjustment 5

Payroll

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
<u>Payroll</u>				
1	Incremental FTEs-Cyber Security	\$ 99,671	\$ (56,955)	\$ 42,716
2	Incremental FTEs-Troubleshooters and SOC	528,231	(317,170)	211,061
3	Severed Employees	8,476	(8,476)	-
4	Total Payroll	\$ 636,378	\$ (382,601)	\$ 253,777
<u>Payroll Taxes</u>				
5	Total Payroll	\$ 636,378		\$ 253,777
6	Composite Payroll Tax Rate	7.67%		7.67%
7	Total Payroll Taxes	\$ 48,833	\$ (29,359)	\$ 19,474
<u>Income Taxes</u>				
8	Total Payroll & Payroll Taxes	\$ 685,211		\$ 273,251
9	NH Income Tax	7.70%		7.70%
10	Effect on NH income tax expense	\$ (52,761)	\$ 31,721	\$ (21,040)
11	Federal Taxable	\$ 632,450		\$ 252,211
12	Federal Income Tax Rate	21%		21%
13	Effect on Federal income tax expense	\$ (132,814)	\$ 79,850	\$ (52,964)
14	Total Income Taxes	\$ (185,575)	\$ 111,571	\$ (74,004)
15	Impact to Operating Income	\$ (499,636)	\$ 300,389	\$ (199,247)

Notes and Sources

Attachment EHC-TMD-1, Schedule EHC/TMD-14 November 4, 2019 Update

Lines 1-2: Eversource response to OCA 1-024

Column B, Line 1: Eversource response to Staff TS 2-010

<u>Cybersecurity FTEs</u>	<u>Planned</u>	<u>Unfilled</u>
Total Salary	99,671	56,955
Number of Positions	14	8
Average Salary	7,119	

Column B, Line 3: Eversource response to Staff TS 2-011; 3 positions remain unfilled.

Line 3: Severance - Eversource response to Staff 12-1

Line 6: Composite Payroll Tax Rate (Eversource response to Staff 5-14)

FTEs Payroll Adjustment	528,232
FTE Payroll Taxes	40,534
	7.67%

	<u>Total Payroll</u>	<u>Planned FTEs</u>	<u>Actual FTEs</u>
Incremental FTEs-Cyber Security	99,671	14	6
Incremental FTEs-Troubleshooters and SOC	528,231	5	2

Eversource response to Staff TS 2-010 and Staff TS 2-011

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

Adjustment 6

Incentive Compensation

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
	<u>Incentive Compensation</u>			
1	Employee Incentive	\$ 3,962,425	(1,941,588)	\$ 2,020,837
2	Executive Incentive	1,409,087	(690,453)	718,634
3	Executive Stock Incentive	1,902,217	(932,086)	970,131
4	Director RSU's	340,097	(166,648)	173,449
5	Total Incentive Compensation	\$ 7,613,826	\$ (3,730,775)	\$ 3,883,051
	<u>Payroll Taxes</u>			
6	Total Variable Compensation	7,613,826		3,883,051
7	Composite Payroll Tax Rate	7.67%		7.67%
8	Total Payroll Taxes	\$ 584,249	\$ (286,282)	\$ 297,967
	<u>Income Taxes</u>			
9	Total Incentive Comp & Payroll Taxes	8,198,075		4,181,018
10	NH Income Tax	7.70%		7.70%
11	Effect on NH income tax expense	<u>\$ (631,252)</u>	<u>\$ 309,314</u>	<u>\$ (321,938)</u>
12	Federal Taxable	\$ 7,566,823		\$ 3,859,080
13	Federal Income Tax Rate	21%		21%
14	Effect on Federal income tax expense	<u>\$ (1,589,033)</u>	<u>\$ 778,626</u>	<u>\$ (810,407)</u>
15	Total Income Taxes	<u>\$ (2,220,285)</u>	<u>\$ 1,087,940</u>	<u>\$ (1,132,345)</u>
16	Impact to Operating Income	<u>\$ (5,977,790)</u>	<u>\$ 2,929,117</u>	<u>\$ (3,048,673)</u>

Notes and Sources

Column A, Lines 1–5: Attachment EHC/TMD-1, Schedule EHC/TMD-15 (Perm) November 4, 2019 Update and Eversource response to OCA 1-030

Adjustment:

49% based on weighting of Financial Goals (EPS and Dividend Growth)

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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

Adjustment 7

Severance

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Severance associated with			
2	Involuntary-Mutual Agreement	\$ 28,334	\$ (28,334)	\$ -
3	Involuntary-Workforce Reduction	25,962		25,962
4	Severance paid in Test Year	54,296		25,962
5	Residual O&M Inflation			
6	Involuntary-Mutual Agreement	1,482	(1,482)	-
7	Involuntary-Workforce Reduction	1,358		1,358
8	Total Severance Rate Year	\$ 57,136	\$ (29,816)	\$ 27,320
9	NH Income Tax	7.70%		7.70%
10	Effect on NH income tax expense	\$ (4,399)	\$ 2,295	\$ (2,104)
11	Federal Taxable	\$ 52,737		\$ 25,216
12	Federal Income Tax Rate	21%		21%
13	Effect on Federal income tax expense	\$ (11,075)	\$ 5,780	\$ (5,295)
14	Total Taxes	\$ (15,474)	\$ 8,075	\$ (7,399)
15	Impact to Operating Income	\$ (41,662)	\$ 21,741	\$ (19,921)

Notes and Sources

Lines 1–4: Eversource response to Staff 5-012

Line 6–7: Schedule EHC/TMD-27 (Perm) November 4, 2019 Update, page 2 of 2

Inflation Factor 5.23%

Line 8: Eversource response to OCA 1-068

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

Adjustment 8

Remove SERP

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	SERP	\$ 764,925	\$ (764,925)	\$ -
2	NH Income Tax	7.70%		7.70%
3	Effect on NH income tax expense	<u>\$ (58,899)</u>	<u>\$ 58,899</u>	<u>\$ -</u>
4	Federal Taxable	\$ 706,026		\$ -
5	Federal Income Tax Rate	21%		21%
6	Effect on Federal income tax expense	<u>\$ (148,265)</u>	<u>\$ 148,265</u>	<u>\$ -</u>
7	Total Taxes	<u>\$ (207,164)</u>	<u>\$ 207,164</u>	<u>\$ -</u>
8	Impact to Operating Income	<u>\$ (557,761)</u>	<u>\$ 557,761</u>	<u>\$ -</u>

Notes and Sources

Line 1: Attachment EHC/TMD-1 November 4, 2019 Update (page 4 of 15 (Bates 000112))

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Schedule 3.9

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

Adjustment 9

Sharing of D&O Liability Insurance

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	D&O Liability Insurance	\$ 70,281	\$ (35,141)	\$ 35,141
2	NH Income Tax	7.70%		7.70%
3	Effect on NH income tax expense	<u>\$ (5,412)</u>	<u>\$ 2,706</u>	<u>\$ (2,706)</u>
4	Federal Taxable	\$ 64,869		\$ 32,435
5	Federal Income Tax Rate	21%		21%
6	Effect on Federal income tax expense	<u>\$ (13,622)</u>	<u>\$ 6,811</u>	<u>\$ (6,811)</u>
7	Total Taxes	<u>\$ (19,034)</u>	<u>\$ 9,517</u>	<u>\$ (9,517)</u>
8	Impact to Operating Income	<u>\$ (51,247)</u>	<u>\$ 25,624</u>	<u>\$ (25,624)</u>

Notes and Sources

Line 1: Attachment EHC/TMD-1, WP EHC/TMD-13 (Perm) November 4, 2019 Update

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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Schedule 3.10
Page 1 of 1

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

Adjustment 10

Vegetation Management

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Vegetation Management-Test Year	\$ 14,016,121		\$ 14,016,121
2	Consolidated Unpaid Contribution	1,213,743	\$ (1,213,743)	-
3	Vegetation Mgmt Capital-Transfer to O&M	16,800,000	(12,500,000)	4,300,000
4	Total Vegetation Management	\$ 32,029,864	\$ (13,713,743)	\$ 18,316,121
5	NH Income Tax	7.70%		7.70%
6	Effect on NH income tax expense	<u>\$ (2,466,300)</u>	<u>\$ 1,055,959</u>	<u>\$ (1,410,341)</u>
7	Federal Taxable	\$ 29,563,564		\$ 16,905,780
8	Federal Income Tax Rate	21%		21%
9	Effect on Federal income tax expense	<u>\$ (6,208,348)</u>	<u>\$ 2,658,134</u>	<u>\$ (3,550,214)</u>
10	Total Taxes	<u>\$ (8,674,648)</u>	<u>\$ 3,714,093</u>	<u>\$ (4,960,555)</u>
11	Impact to Operating Income	<u>\$ (23,355,216)</u>	<u>\$ 9,999,650</u>	<u>\$ (13,355,566)</u>

Notes and Sources

Lines 1–3: Attachment EHC/TMD-1, WP EHC/TMD-20 (Perm) November 4, 2019 Update

Lines 2–3: Attachment EHC/TMD-1, Schedule CHC/TMD-5 (Perm) November 4, 2019 Update

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Schedule 3.11
Page 1 of 1

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

Adjustment 11

Remove Amortization of Merger Cost to Achieve

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Total Merger Cost to Achieve	\$ 125,903,082	\$ (125,903,082)	\$ -
2	Allocation Rate (gross plant allocator)	7.22%		7.22%
3	Total Amount Allocated to PSNH	\$ 9,090,203		\$ -
4	Amortization Period (years)	10		10
5	Annual Amortization	\$ 909,020	\$ (909,020)	\$ -
6	NH Income Tax	7.70%		7.70%
7	Effect on NH income tax expense	<u>\$ (69,995)</u>	<u>\$ 69,995</u>	<u>\$ -</u>
8	Federal Taxable	\$ 839,025		\$ -
9	Federal Income Tax Rate	21%		21%
10	Effect on Federal income tax expense	<u>\$ (176,195)</u>	<u>\$ 176,195</u>	<u>\$ -</u>
11	Total Taxes	<u>\$ (246,190)</u>	<u>\$ 246,190</u>	<u>\$ -</u>
12	Impact to Operating Income	<u>\$ (662,830)</u>	<u>\$ 662,830</u>	<u>\$ -</u>

Notes and Sources

Lines 1–5: Attachment EHC/TMD-1, WP EHC/TMD-30 (Perm) November 4, 2019 Update, page 3 of 4

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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Schedule 3.12
Page 1 of 1

Public Service Company of New Hampshire d/b/a Eversource Energy
Adjustment 12

Depreciation Expense-Whole Life

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
<u>Depreciation</u>				
1	Reserve Imbalance		\$ 67,281,337	\$ 67,281,337
2	Recovery Period (years)		10	10
3	Annual Amortization of Reserve Imbalance		6,728,134	6,728,134
4	Depreciation Expense-Remaining Life	\$ 70,541,805	\$ (70,541,805)	\$ -
5	Depreciation Expense-Whole Life (without Reserve Imbalance)	-	65,878,933	65,878,933
6	Annual Depreciation Expense	\$ 70,541,805		\$ 72,607,067
7	Less Depreciation on Transportation Equipment-Remaining Life	\$ (1,361,860)	\$ 1,361,860	\$ -
8	Less Depreciation on Transportation Equipment-Whole Life	-	(2,755,776)	(2,755,776)
	Annual Depreciation Expense without Transportation Equipment	\$ 69,179,945		\$ 69,851,291
<u>Vehicles</u>				
9	Depreciation Expense-Remaining Life	\$ 684,012	\$ (684,012)	\$ -
10	Depreciation Expense-Whole Life	-	1,405,446	1,405,446
11	Annual Depreciation	\$ 69,863,957	\$ 1,392,780	\$ 71,256,737
12	NH Income Tax	7.70%		7.70%
13	Effect on NH income tax expense	\$ (5,379,525)	\$ (107,244)	\$ (5,486,769)
14	Federal Taxable	\$ 64,484,432		\$ 65,769,968
15	Federal Income Tax Rate	21%		21%
16	Effect on Federal income tax expense	\$ (13,541,731)	\$ (269,962)	\$ (13,811,693)
17	Total Taxes	\$ (18,921,256)	\$ (377,206)	\$ (19,298,462)
18	Impact to Operating Income	\$ (50,942,701)	\$ (1,015,574)	\$ (51,958,275)

Notes and Sources

Line 1: Eversource response to Staff 4-034, Attachment Staff 4-034b
Line 4: Attachment EHC/TMD-1, Schedule EHC/TMD-28 November 4, 2019 Update
Line 5: Eversource response to Staff 4-034, Attachment Staff 4-034a
Line 7: Attachment EHC/TMD-1, Schedule EHC/TMD-28 November 4, 2019 Update
Line 8: Eversource response to Staff 4-034, Attachment Staff 4-034a
Line 9: Attachment EHC/TMD-1, Schedule EHC/TMD-24 (Perm) November 4, 2019 Update
Line 10: Eversource response to Staff TS 2-013, Attachment TS 2-013B

Note: Catch Up Meter Retirements effect is reflected on Schedule #.2

Whole Life, 10 Year Amortization of Reserve Imbalance

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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Schedule 3.13
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Public Service Company of New Hampshire d/b/a Eversource Energy
Adjustment 13

Environmental Reserve

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Environmental Reserve Balance 12/31/18	\$ 9,164,729	\$ (2,588,692)	\$ 6,576,037
2	Amortization Period (Years)	4.00	2.00	6.00
3	Annual Amortization	\$ 2,291,182	\$ (1,195,176)	\$ 1,096,006
4	NH Income Tax	7.70%		7.70%
5	Effect on NH income tax expense	<u>\$ (176,421)</u>	<u>\$ 92,029</u>	<u>\$ (84,392)</u>
6	Federal Taxable	\$ 2,114,761		\$ 1,011,614
7	Federal Income Tax Rate	21%		21%
8	Effect on Federal income tax expense	<u>\$ (444,100)</u>	<u>\$ 231,661</u>	<u>\$ (212,439)</u>
9	Total Taxes	<u>\$ (620,521)</u>	<u>\$ 323,690</u>	<u>\$ (296,831)</u>
10	Impact to Operating Income	<u>\$ (1,670,661)</u>	<u>\$ 871,486</u>	<u>\$ (799,175)</u>

Notes and Sources

Column A, Lines 1–2: Attachment EHC/TMD-1, WP EHC/TMD-30, page 4 of 4 November 4, 2019 Update
Column B: Eversource response to Staff 5-17, isolated "Record stipulated rate of return" - See Schedule 3.13 WP

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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Schedule 3.13 WP

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

Adjustment 13

Environmental Reserve WP

Line	Account 182EL0	DEF'D ENVIR REMED COSTS DE- 09-035	Page 1 of
1	Date	Journal ID#	Description
2	2010		
3	06/30/2010	7,638,891.34 GLA 06 7500	xfer Req Asset in excess of Allowed
4	06/30/2010	7,638,891.34	
5			
6			
7	07/31/2010	3,064.07 GLA 06 7500	Record stipulated rate of return
8	08/31/2010	6,004.65 GLA 06 7500	Record stipulated rate of return
9	09/30/2010	9,206.55 GLA 06 7500	Record stipulated rate of return
10	09/30/2010	7,657,166.61	
11			
12	10/31/2010	(3,041.76) GLA 06 0253	Adj environmental Insurance proceeds
13	10/31/2010	13,127.36 GLA 06 7500	Record stipulated rate of return
14	11/30/2010	15,914.26 GLA 06 7500	Record stipulated rate of return
15	12/31/2010	18,031.21 GLA 06 7500	Record stipulated rate of return
16	12/31/2010	1,300,000.00 GLA 06 7500	Adj environmental reserve Keene
17	12/31/2010	9,001,197.68	
18			
19	2011		
20	01/31/2011	20,903.63 GLA 06 7500	Record stipulated rate of return
21	02/28/2011	21,044.24 GLA 06 7500	Record stipulated rate of return
22	03/31/2011	3,041.76 GLA06 0253	Xfer Env ins proceeds to seament 6D
23	03/31/2011	(3,041.76) GLA06 0253	Xfer Env ins proceeds to seament 6D
24	03/31/2011	21,210.46 GLA 06 7500	Record stipulated rate of return
25	03/31/2011	9,064,356.01	
26			
27	04/30/2011	21,374.66 GLA 06 7500	Record stipulated rate of return
28	05/31/2011	21,931.00 GLA 06 7500	Record stipulated rate of return
29	06/30/2011	(5,824.94) GLA 06 0253	Adj environmental Insurance proceeds
30	06/30/2011	23,266.13 GLA 06 7500	Record stipulated rate of return
31	06/30/2011	9,125,102.86	
32			
33	07/31/2011	24,735.30 GLA 06 7500	Record stipulated rate of return
34	08/31/2011	27,526.65 GLA 06 7500	Record stipulated rate of return
35	09/30/2011	30,577.85 GLA 06 7500	Record stipulated rate of return
36	09/30/2011	9,207,942.66	
37			
38	10/31/2011	31,181.80 GLA 06 7500	Record stipulated rate of return
39	11/30/2011	31,042.86 GLA 06 7500	Record stipulated rate of return
40	12/31/2011	(2,030.99) GLA 06 0253	Adj environmental Insurance proceeds
41	12/31/2011	31,465.73 GLA 06 7500	Record stipulated rate of return
42	12/31/2011	9,299,602.06	
43			
44	2012		
45	01/31/2012	31,850.80 GLA 06 7500	Record stipulated rate of return
46	01/31/2012	60,000.00 GLA 06 7500	Adjust Environmental reserve Laconia
47	02/29/2012	32,127.19 GLA 06 7500	Record stipulated rate of return
48	03/31/2012	(2,739.95) GLA 06 0253	Adj environmental Insurance proceeds
49	03/31/2012	32,288.35 GLA 06 7500	Record stipulated rate of return
50	03/31/2012	9,453,128.45	
51			
52	04/30/2012	31,424.52 GLA 06 7500	Record stipulated rate of return
53	05/31/2012	32,482.73 GLA 06 7500	Record stipulated rate of return
54	06/30/2012	33,170.83 GLA 06 7500	Record stipulated rate of return
55	06/30/2012	26,500.00 NFM 06 7500	Adj environmental reserve Laconia
56	06/30/2012	9,576,706.53	
57			

58	07/31/2012	34,131.69	GLA 06 7500	Record stipulated rate of return	34.131.69
59	08/31/2012	36,554.82	GLA 06 7500	Record stipulated rate of return	36.554.82
60	09/30/2012	38,463.00	GLA 06 7500	Record stipulated rate of return	38.463.00
61	09/30/2012	9,685,856.04			
62					
63	10/31/2012	38,096.64	GLA 06 7500	Record stipulated rate of return	38.096.64
64	11/30/2012	37,741.24	GLA 06 7500	Record stipulated rate of return	37.741.24
65	12/31/2012	38,124.01	GLA 06 7500	Record stipulated rate of return	38.124.01
66	12/31/2012	(2,032.62)	GLA 06 0253	Adi environmental Insurance proceeds	
67	12/31/2012	(72,859.22)	NFM 06 7500	Adi write-off Manchester Steam	
68	12/31/2012	(152,118.01)	NFM 06 7500	Adi write-off Pole Storage	
69	12/31/2012	9,572,808.08			
70					
71	2013				
72	01/31/2013	(2,739.95)	GLA 06 0253	Adi environmental Insurance proceeds	
73	01/31/2013	37,795.48	GLA 06 7500	Record stipulated rate of return	37.795.48
74	02/28/2013	38,001.50	GLA 06 7500	Record stipulated rate of return	38.001.50
75	03/31/2013	38,882.62	GLA 06 7500	Record stipulated rate of return	38.882.62
76	03/31/2013	812,000.00	NFM 06 7500	Adjust Environmental reserve Keene	
77	03/31/2013	10,496,747.73			
78					
79	04/30/2013	39,112.17	GLA 06 7500	Record stipulated rate of return	39.112.17
80	05/31/2013	39,331.63	GLA 06 7500	Record stipulated rate of return	39.331.63
81	06/30/2013	39,538.38	GLA 06 7500	Record stipulated rate of return	39.538.38
82	06/30/2013	10,614,729.91			
83					
84	07/31/2013	39,544.18	GLA 06 7500	Record stipulated rate of return	39.544.18
85	08/31/2013	39,739.25	GLA 06 7500	Record stipulated rate of return	39.739.25
86	08/31/2013	20,000.00	NFM 06 7500	Adjust Environmental reserve Keene	
87	09/30/2013	39,925.77	GLA 06 7500	Record stipulated rate of return	39.925.77
88	09/30/2013	164,000.00	NFM 06 7500	Adjust Environmental reserve Laconia	
89	09/30/2013	55,000.00	NFM 06 7500	Adjust Environmental reserve Keene	
90	09/30/2013	(49,143.89)	NFM 06 7500	Adjust Environmental reserve	
91	09/30/2013	10,923,795.22			
92					
93	10/31/2013	39,772.44	GLA 06 7500	Record stipulated rate of return	39.772.44
94	10/31/2013	(20,000.00)	NFM 06 7500	Adjust Environmental reserve Keene	
95	11/30/2013	40,303.71	GLA 06 7500	Record stipulated rate of return	40.303.71
96	12/31/2013	40,469.49	GLA 06 7500	Record stipulated rate of return	40.469.49
97		11,024,340.86			
98					
99	2014				
100	01/31/2014	39,858.63	GLA 06 7500	Record stipulated rate of return	39.858.63
101	02/28/2014	40,136.13	GLA 06 7500	Record stipulated rate of return	40.136.13
102	03/31/2014	(1,643.97)	GLA 06 0253	Adi environmental Insurance proceeds	
103	03/31/2014	50,000.00	NFM 06 7500	Adjust Environmental reserve Keene	
104	03/31/2014	(47,145.51)	NFM 06 7500	Adjust Environmental reserve Beedee	
105	03/31/2014	(5,739.05)	NFM 06 7500	Adjust Environmental reserve	
106	03/31/2014	40,227.42	GLA 06 7500	Record stipulated rate of return	40.227.42
107		11,140,034.51			
108					
109	04/30/2014	40,244.06	GLA 06 7500	Record stipulated rate of return	40.244.06
110	05/31/2014	40,450.11	GLA 06 7500	Record stipulated rate of return	40.450.11
111	05/31/2014	(1,017.29)	GLA 06 0253	Adi environmental Insurance proceeds	
112	06/30/2014	(2,500,000.00)	CAS 9304 0	Reciept of settlement Libertv Enerav	
113	06/30/2014	740,355.06	GLA 0253 80	Reclass settlement for Legal costs	
114	06/30/2014	37,151.71	GLA 06 7500	Record stipulated rate of return	37.151.71
115		9,497,218.16			
116					
117	07/31/2014	33,809.21	GLA 06 7500	Record stipulated rate of return	33.809.21
118	08/31/2014	33,992.46	GLA061270	Record stipulated rate of return	33.992.46
119	09/30/2014	34,156.97	GLA061270	Record stipulated rate of return	34.156.97
120		75,000.00	GLA068100	Adjust Environmental reserve	
121		9,674,176.80			
122					
123	10/31/2014	34,220.60	GLA061270	Record stipulated rate of return	34.220.60
124	11/30/2014	34,403.11	GLA061270	Record stipulated rate of return	34.403.11
125	12/31/2014	34,581.34	GLA061270	Record stipulated rate of return	34.581.34
126		9,777,381.85			
127					
128	2015				
129			Journal ID#		
130	201501	34,559.66	37422	Record stipulated rate of return	34.559.66
131	201502	34,714.19	142530	Record stipulated rate of return	34.714.19

132	201503	39,542.51	149113	Site 16 Franklin MGP increase	
133	201503	25,177.44	149113	Site 18 Coaklev LF NH increase	
134	201503	32,487.85	150572	Record stipulated rate of return	32,487.85
135	201503	(963,667.86)	149113	Site 17 Nashua MGP decrease	
136	201503	(201,818.26)	149113	Site 14 Dover MGP decrease	
137	201503	(102,052.98)	148958	Site 51 Bridgæ St. closure	
138	201503	(536,902.73)	149113	Site 11 Keene MGP decrease	
139		8,139,421.67			
140					
141	201504	30,109.86	155892	Record stipulated rate of return	30,109.86
142	201505	30,132.92	160112	Record stipulated rate of return	30,132.92
143	201506	50,000.00	160742	Site 26 Port Refinerv increase	
144	201506	(2,500,000.00)	161039	Reciept of settlement Libertv Enerav	
145	201506	53,000.00	160742	Site 10 Laconia increase	
146	201506	25,294.63	164112	Record stipulated rate of return	25,294.63
147		5,827,959.08			
148					
149	201507	27,334.79	168178	Reclass outside counsel amount	
150	201507	20,534.97	169026	Record stipulated rate of return	20,534.97
151	201508	20,724.78	173088	Record stipulated rate of return	20,724.78
152	201509	20,822.55	178337	Record stipulated rate of return	20,822.55
153		5,917,376.17			
154					
155	201510	20,924.54	183465	Record stipulated rate of return	20,924.54
156	201511	21,057.50	188200	Record stipulated rate of return	21,057.50
157	201512	21,182.43	193323	Record stipulated rate of return	21,182.43
158	201512	(1,698,063.71)	194226	Site 17 Nashua decrease	
159		4,282,476.93			
160					
161	2016				
162					
163	201601	565,000.00	196447	Site 10 Laconia MGP increase	
164	201601	1,430,000.00	196447	Site 11 Keene MGP increase	
165	201601	330,000.00	196447	Site 14 Dover MGP increase	
166	201601	519,000.00	196447	Site 16 Franklin MGP increase	
167	201601	11,137.03	197200	Record stipulated rate of return	11,137.03
168	201602	14,641.79	201754	Record stipulated rate of return	14,641.79
169	201603	14,727.46	206223	Record stipulated rate of return	14,727.46
170		7,166,983.21			
171					
172	201604	14,845.41	210691	Record stipulated rate of return	14,845.41
173	201604	(876.78)	211052	Reclass insurance proceeds	
174	201605	14,993.73	214518	Record stipulated rate of return	14,993.73
175	201606	10,000.00	217628	Site 10 Laconia MGP increase	
176	201606	15,098.15	218964	Record stipulated rate of return	15,098.15
177		7,221,043.72			
178					
179	201607	15,265.78	223243	Record stipulated rate of return	15,265.78
180	201608	15,388.81	227509	Record stipulated rate of return	15,388.81
181	201609	(109,503.93)	229995	Site 10 Laconia decrease	
182	201609	80,000.00	229995	Site 16 Franklin increase	
183	201609	15,457.27	231473	Record stipulated rate of return	15,457.27
184	201609	20,000.00	231880	Record stipulated rate of return	
185		7,257,651.65			
186					
187	201610	15,666.74	235420	Record stipulated rate of return	15,666.74
188	201611	15,721.22	239675	Record stipulated rate of return	15,721.22
189	201612	(33,858.00)	244158	Site 49 Hooksett decrease	
190	201612	1,400.00	244622	Site 49 Hooksett adjustment	
191	201612	1,100,000.00	244158	Site 14 Dover increase	
192	201612	15,836.69	244161	Record stipulated rate of return	15,836.69
193		8,372,418.30			
194					
195	2017				
196					
197	201701	15,933.45	248398	Record stipulated rate of return	15,933.45
198	201702	16,017.00	252187	Record stipulated rate of return	16,017.00
199	201703	16,091.99	256460	Record stipulated rate of return	16,091.99

200					8,420,460.74	
201						
202						
203	201704	(198,954.97)	258166	Reclass insurance settlement		
204	201704	15,839.47	260108	Record stipulated rate of return		15.839.47
205	201705	15,588.24	264109	Record stipulated rate of return		15.588.24
206	201706	934,954.79	266240	Site 10 Laconia increase		
207	201706	(210,664.18)	266240	Site 11 Keene decrease		
208	201706	(157,787.00)	266240	Site 17 Nashua decrease		
209	201706	15,423.99	268371	Record stipulated rate of return		15.423.99
210		8,834,861.08				
211						
212						
213	201707	15,275.56	272382	Record stipulated rate of return		15.275.56
214	201708	15,339.38	276043	Record stipulated rate of return		15.339.38
215	201709	4,867.50	277055	Site 11 Keene increase		
216	201709	16,009.00	277055	Site 16 Franklin increase		
217	201709	15,396.95	279355	Record stipulated rate of return		15.396.95
218		8,901,749.47				
219						
220	201710	15,414.82	282337	Record stipulated rate of return		15.414.82
221	201711	15,604.25	285375	Record stipulated rate of return		15.604.25
222	201712	5,300.00	288023	Site 14 Dover increase		
223	201712	50,000.00	288023	Site 18 Coakley Landfill increase		
224	201712	15,772.17	288505	Record stipulated rate of return		15.772.17
225		9,003,840.71				
226						
227	2018					
228	201801	15,549.97	291736	Record stipulated rate of return		15.549.97
229	201802	17,206.98	294607	Record stipulated rate of return		17.206.98
230	201803	17,257.51	297461	Record stipulated rate of return		17.257.51
231	201803	8,130.00	297463	Site 10 Laconia increase		
232	201803	37,671.00	297463	Site 11 Keene increase		
233	201803	(74,949.27)	297463	Site 57 Dover closure		
234		9,024,706.90				
235						
236	201804	17,244.27	300679	Record stipulated rate of return		17.244.27
237	201805	17,245.42	303565	Record stipulated rate of return		17.245.42
238	201806	17,390.39	306626	Record stipulated rate of return		17.390.39
239		9,076,586.98				
240						
241	201807	17,123.59	310142	Record stipulated rate of return		17.123.59
242	201808	(7,246.60)	313462	Reclass insurance proceeds		
243	201808	17,270.80	313116	Record stipulated rate of return		17.270.80
244	201809	17,379.13	316349	Record stipulated rate of return		17.379.13
245		9,121,113.90				
246						
247	201810	(7,326.27)	317828	Insurance proceeds		
248	201810	(1,346.26)	318685	Clear Hooksett reserve site		
249	201810	17,288.60	319374	Record stipulated rate of return		17.288.60
250	201811	17,428.87	322708	Record stipulated rate of return		17.428.87
251	201812	17,570.16	326183	Record stipulated rate of return		17.570.16
252		9,164,729.00				

2,588,691.52

Notes and Sources

Eversource response to Staff 5-017

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057
Schedule 3.14
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Public Service Company of New Hampshire d/b/a Eversource Energy
Adjustment 14
Enterprise IT Expense

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Enterprise IT Projects Expense	\$ 4,151,778	\$ (1,384,781)	\$ 2,766,997
2	NH Income Tax	7.70%		7.70%
3	Effect on NH income tax expense	<u>\$ (319,687)</u>	<u>\$ 106,628</u>	<u>\$ (213,059)</u>
4	Federal Taxable	\$ 3,832,091		\$ 2,553,938
5	Federal Income Tax Rate	21%		21%
6	Effect on Federal income tax expense	<u>\$ (804,739)</u>	<u>\$ 268,412</u>	<u>\$ (536,327)</u>
7	Total Taxes	<u>\$ (1,124,426)</u>	<u>\$ 375,040</u>	<u>\$ (749,386)</u>
8	Impact to Operating Income	<u>\$ (3,027,352)</u>	<u>\$ 1,009,741</u>	<u>\$ (2,017,611)</u>

Notes and Sources

Line 1: Attachment EHC/TMD-1, Schedule EHC/TMD-16 (Perm) November 4, 2019 Update
Column C: 3 year average from Eversource response to Staff 5-019, Attachment Staff 5-019A (see below)

	2015	2016	2017	2018
Total Enterprise IT Project Expense	<u>\$ 11,050,149</u>	<u>\$ 20,786,008</u>	<u>\$ 35,904,377</u>	<u>\$ 47,300,244</u>
Allocated to PSNH	1,350,612	2,212,896	3,660,498	4,291,690
Less: Capitalized Portion	<u>(147,622)</u>	<u>(260,679)</u>	<u>(772,365)</u>	<u>(831,049)</u>
Net Enterprise IT Project Expense	<u>\$ 1,202,990</u>	<u>\$ 1,952,217</u>	<u>\$ 2,888,133</u>	<u>\$ 3,460,641</u>
3-Year Average (2016–2018)				\$ 2,766,997

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

Adjustment 15

Healthcare

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Medical/Prescription	7,914,642	(308,891)	7,605,751
2	Dental	333,162	13,117	346,279
3	Vision	34,770	1,333	36,103
4	401K	2,536,647	133	2,536,780
5	Total Healthcare and 401K	10,819,221	(294,308)	10,524,913
6	Pension	2,715,195		2,715,195
7	Other Account Activity	1,983,481		1,983,481
8	Total Employee Benefits	\$ 15,517,897	\$ (294,308)	\$ 15,223,589
9	NH Income Tax	7.70%		7.70%
10	Effect on NH income tax expense	\$ (1,194,878)	\$ 22,662	\$ (1,172,216)
11	Federal Taxable	\$ 14,323,019		\$ 14,051,373
12	Federal Income Tax Rate	21%		21%
13	Effect on Federal income tax expense	\$ (3,007,834)	\$ 57,046	\$ (2,950,788)
14	Total Taxes	\$ (4,202,712)	\$ 79,708	\$ (4,123,004)
15	Impact to Operating Income	\$ (11,315,185)	\$ 214,600	\$ (11,100,585)

Notes and Sources

Column A, Lines 1-8: Attachment EHC/TMD-1, attachment EHC/TMD-12 (Perm) November 4, 2015 Update

Column B, Lines 1-5: Attachment EHC/TMD-1, attachment EHC/TMD-12 (Perm)

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Docket No. DE 19-057

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

Schedule 3.16

Adjustment 16

Page 1 of 1

Storm Costs

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Storm Reserve Accrual	\$ 8,000,000	\$ 4,000,000	\$ 12,000,000
2	Media Communications-Audit Denied Recovery	69,523	(69,523)	-
3		\$ 8,069,523	\$ 3,930,477	\$ 12,000,000
4	NH Income Tax	7.70%		7.70%
5	Effect on NH income tax expense	<u>\$ (621,353)</u>	<u>\$ (302,647)</u>	<u>\$ (924,000)</u>
6	Federal Taxable	\$ 7,448,170		\$ 11,076,000
7	Federal Income Tax Rate	21%		21%
8	Effect on Federal income tax expense	<u>\$ (1,564,116)</u>	<u>\$ (761,844)</u>	<u>\$ (2,325,960)</u>
9	Total Taxes	<u>\$ (2,185,469)</u>	<u>\$ (1,064,491)</u>	<u>\$ (3,249,960)</u>
10	Impact to Operating Income	<u>\$ (5,884,054)</u>	<u>\$ (2,865,986)</u>	<u>\$ (8,750,040)</u>

Notes and Sources

Line 1: Attachment EHC/TMD-1, Schedule EHC/TMD-25 (Perm) November 4, 2019
Line2: Attachment EHC/TMD-1, Schedule CHC/TMD-5 (Perm) November 4, 2019 Update
Line 2: Eversource response to Staff 5-20

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057
Schedule 3.17
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Public Service Company of New Hampshire d/b/a Eversource Energy

Adjustment 17

New Start Arrearage Forgiveness

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Regulatory Asset-New Start Set Up	\$ -	\$ 1,700,000	\$ 1,700,000
2	Total Impact to Rate Base		\$ 1,700,000	\$ 1,700,000
3	Regulatory Asset-New Start Set Up	\$ -	\$ 1,700,000	\$ 1,700,000
4	Recovery Period (Years)	-	5.00	5.00
5	Annual Amortization	\$ -	\$ 340,000	\$ 340,000
6	Expected Arrearage Forgiveness	\$ -	\$ 4,176,985	\$ 4,176,985
7	Recovery Period (Years)		4.50	4.50
8	Annual Recovery through Base Rates		928,219	928,219
9	Annual Avoided Costs		(86,222)	(86,222)
10	Total Forgiveness Recovery with Avoided Costs		\$ 841,997	\$ 841,997
11	Total Expense	\$ -	\$ 1,181,997	\$ 1,181,997
12	NH Income Tax	7.70%		7.70%
13	Effect on NH income tax expense	\$ -	\$ (91,014)	\$ (91,014)
14	Federal Taxable	\$ -		\$ 1,090,983
15	Federal Income Tax Rate	21%		21%
16	Effect on Federal income tax expense	\$ -	\$ (229,106)	\$ (229,106)
17	Total Taxes	\$ -	\$ (320,120)	\$ (320,120)
18	Impact to Operating Income	\$ -	\$ (861,877)	\$ (861,877)

Notes and Sources

See the testimony of Staff Witness Richard Chagnon

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 19-057

Schedule 3.18

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

Adjustment 18

Interest Synchronization

Line	Description	Company Proposed (A)	Adjustment (B)	Staff Adjusted (C)
1	Rate Base	\$ 1,215,689,670	(59,369,672)	1,156,319,999
2	Interest Component of Rate of Return	2.45%		2.45%
3	Interest Attributable to Rate Base	29,784,397		28,329,840
4	NH Income Tax	7.700%		7.700%
5	Effect on NH income tax expense	\$ (2,293,399)	\$ 112,001	\$ (2,181,398)
6	Federal Taxable	\$ 27,490,998		\$ 26,148,442
7	Federal Income Tax Rate	21%		21%
8	Effect on Federal income tax expense	\$ (5,773,110)	\$ 281,937	\$ (5,491,173)
9	Total Taxes	\$ (8,066,509)	\$ 393,938	\$ (7,672,571)
10	Impact to Operating Income	\$ 8,066,509	\$ (393,938)	\$ 7,672,571

Notes and Sources

Column A and C, Line 2: Schedule 2

Column B, Lines 1: Schedule 1.1

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 12/06/2019

Request No. TS 2-018

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: Penelope Conner

Request:

Reference Attachment EHC/TMD-1(perman) Schedule EHC/TMD-37 and 38 showing meters with plant in service of \$90,764,200 and depreciation reserve of \$17,296,815 (total net plant of \$73,467,385?) and Reference Staff 10-002(b) for AMR project showing a plant of \$42,228,517 and depreciation of \$4,535,009 for net plant of \$37,693,508 and revenue requirement of \$20,813,077.

- a. Please explain the discrepancies.
- b. Update attachment Staff 10-2-B to reflect the anticipated MACRS treatment for IT and non-IT projects.

Response:

In the course of preparing the response to this information request, the Company determined that the plant balance for Account 370 – Meters was misstated. To prepare this response, representatives from the Company's Plant Accounting and Meter Operations groups performed a detailed analysis of the count of meters in Account 370, per the Company's plant accounting source of record (PowerPlan), as compared to data from a separate system that is utilized by the Meter Operations group (PowerTrack), which maintains information related to meters installed in the field. As a result of this review, the Company determined that the meter count reflected in PowerPlan was overstated. Also, as part of this review, the Company validated the other meter-related assets recorded to Account 370, such as meter sockets, enclosures, fittings, connections, shelves, etc., by undertaking a line-by-line review of all other metering-related assets recorded to the account to confirm the balances reflected in account 370 were accurate.

The main finding that resulted from this intensive review was that the meter counts and associated plant balance were over-stated. In general, to retire an asset from the plant accounting system of record, a notification is sent by the Company's Operations group to the Plant Accounting group to indicate that an asset should be retired from the respective plant accounts. For most mass property plant accounts, this notification occurs automatically through the Company's work management system. For two mass property accounts, Account 368 (Transformers) and Account 370 (Meters), notifications of retirements do not occur automatically, but rather are performed manually. The review of Account 370 identified that the manual process required to retire meters was not occurring as intended. The Company has determined that additional metering assets in the amount of \$14,327,816 must be retired. Please refer to Attachment TS 2-018 A for supporting detail to the additional retirements associated with Account 370.

There are a total of 9 mass property accounts, including Poles, Towers and Fixtures (Account 364), Overhead Conductors and Devices (Account 365), Underground Conduit (Account 366), Underground

Conductors and Devices (Account 367), Line Transformers – Stations (Account 368), Services (Account 369), Meters (Account 370), Installation on Customer Premises (Account 371), and Street Lighting and Signal Systems (Account 373) which, in total account for approximately \$1.6 billion of the Company's total plant in service balance of \$2.2 billion as of 2018, or roughly 70 percent. As mentioned above, retirements for the majority of mass property accounts (seven of the nine accounts) are enabled by automated processes and systems that are designed to ensure the plant accounting system of record accurately reflects account activity. Of the total mass property account balances, the seven accounts whose activity is recorded via automated processes account for nearly 80 percent of the total mass property balances. The two accounts that are recorded based on a manual process are Account 368 (Transformers) and Account 370 (Meters) which account for the difference of approximately 20 percent of the mass property account balances. It is the Company's experience that manual processes can be subject to human error or processing delays that are not typical with automated solutions. Therefore, the Company also reviewed the activity in Account 368 (Transformers) because this account relies on a manual process. This review did not identify any gaps in information flow or inaccuracies in the account balance that required correction. Going forward, and as a result of this review, the Company is instituting procedures to ensure that its meter account activity is timely and accurately reflecting the activity in the field. The Company will also undertake a periodic review of the balances per PowerPlan to reconcile against PowerTrack to ensure the counts stay in alignment.

- a) The restated plant-in-service balance for Account 370, reduced by the retirements referenced above, is \$76,436,384. The difference between the restated Account 370 balance of \$76,436,384 and the total AMR project cost of \$42,228,517, as referenced in the response to STAFF 10-002 (b) is as follows:

(i) The AMR project cost of \$42,228,517 included all project costs, not just the amount in Account 370. Included in the total project cost was \$2,864,447 in IT costs that were recorded in Account 303, bringing the amount in Account 370 to \$39,364,070. The balance at 12/31/18 for the AMR meter group in Account 370 is now \$31,614,492. The difference from this total and the original project cost is due to normal account activity (additions and retirements) between the years 2013 and 2018.

(ii) All PSNH customer meters were not retired during the AMR implementation. There are still \$11,455,271 of non-AMR meters in service included in the Account 370. These non-AMR meters were not part of the \$39,364,070 AMR total project cost charged to Account 370.

(iii) Account 370 includes \$31,368,747 of metering-related equipment discussed above such as metering equipment, sockets, enclosures, metering outfits, etc. Please refer to Attachment TS 2-018 B for a listing of metering-related equipment. Account 370 also includes \$1,997,874 associated with other non-classified metering assets.

In summary, the balance in Account 370 is higher than the cost of the AMR project because Account 370 includes other non-AMR meters, plus other meter-related equipment that was not installed as part of the AMR project.

- b) Please refer to Attachment OCA TS 1-010.

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COMPANY	ASSET LOCATION	GL ACCOUNT	UTILITY ACCOUNT	VINTAGE	WO NUMBER	RETIREMENT UNIT	ACTIVITY QUANTITY	ACTIVITY COST
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1953	FATOCPRS	TEST DEVICE	(16.00)	(486.49)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1965	FATOCPRS	TEST DEVICE	(161.00)	(6,372.67)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1970	FATOCPRS	TEST DEVICE	(141.00)	(6,288.90)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1973	FATOCPRS	TOTALIZER	(1.00)	(836.40)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1974	FATOCPRS	TEST DEVICE	(1.00)	(21.00)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1975	FATOCPRS	TEST DEVICE	(64.00)	(2,693.31)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1975	FATOCPRS	TOTALIZER	(1.00)	(1,573.00)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1980	FATOCPRS	TEST DEVICE	(1.00)	(67.68)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1982	FATOCPRS	TOTALIZER	(1.00)	(2,200.00)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1983	FATOCPRS	TOTALIZER	(3.00)	(6,717.50)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	NHRMTR17	POWER SUPPLY	(1.00)	(467.57)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370470 Meters - Devices	1953	METERCOR	METER SOCKET, DOUBLE 1&3 PHASE	(8,726.00)	(80,548.60)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370470 Meters - Devices	1953	METERCOR	METER SOCKET, SINGLE 1&3 PHASE	(35,495.00)	(85,095.75)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370470 Meters - Devices	1953	METERCOR	METER SOCKET, TRIPLE 1&3 PHASE	(1,770.00)	(22,320.78)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1953	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(13.00)	(700.67)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1953	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(10,655.00)	(131,561.40)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1953	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(172.00)	(3,858.82)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1958	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(11.00)	(349.40)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1965	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(106.00)	(4,682.90)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1965	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(54,233.00)	(948,282.68)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1965	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(90.00)	(3,943.63)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1970	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(33,312.00)	(598,941.08)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1970	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(59.00)	(2,812.45)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1974	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(7,806.00)	(154,400.98)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1974	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(68.00)	(2,403.46)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1975	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(3.00)	(237.10)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1975	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(37,192.00)	(695,509.51)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1975	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(174.00)	(8,421.71)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1976	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(6,889.00)	(158,556.81)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1976	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(435.00)	(11,085.23)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1976	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(12.00)	(309.94)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1977	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(2.00)	(290.00)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1977	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(3.00)	(451.81)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1978	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(13.00)	(1,127.92)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1979	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(85.00)	(15,466.16)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1979	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(10.00)	(1,428.62)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1980	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(2.00)	(166.81)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1980	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(4.00)	(626.29)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1981	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(16.00)	(1,179.98)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1981	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(82.00)	(7,783.02)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1981	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(7.00)	(1,234.37)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1982	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(30.00)	(3,027.61)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1982	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(78.00)	(7,628.82)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1982	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(1.00)	(206.33)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1983	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(14.00)	(1,353.84)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1983	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(277.00)	(26,078.84)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1983	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(1.00)	(201.39)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1983	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(13.00)	(2,563.45)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1984	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(45.00)	(16,821.65)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1984	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(169.00)	(22,711.10)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1984	FATOCPRS	METER, GP6 1PH COMBO WATTHOUR/TIME	-	0.01
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1984	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(117.00)	(11,181.71)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1985	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(1,535.00)	(134,756.27)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1985	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(2,252.00)	(53,832.88)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1985	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(410.00)	(41,199.46)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1985	FATOCPRS	METER, GP6 1PH COMBO WATTHOUR/TIME	(3,499.00)	(82,951.92)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1985	FATOCPRS	METER, GROUP 2 POLYPHASE, 3-WIRE	(164.00)	(17,266.43)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1986	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(497.00)	(58,116.69)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1986	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(136.00)	(29,081.81)

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PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1986	FATOCPRS	METER, GP6 1PH COMBO WATTHOUR/TIME	(23.00)	(2,514.68)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1987	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(419.00)	(56,340.89)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1987	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(103.00)	(22,559.88)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1987	FATOCPRS	METER, GP6 1PH COMBO WATTHOUR/TIME	(5.00)	(548.35)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	CVECDIST	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(270.00)	(70,773.99)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	CVECDIST	METER, GP 11 TIME OF DAY, SINGLE PH	(1,262.00)	(83,571.69)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	CVECDIST	METER, GP10 SPECIAL RECORDING	(59.00)	(36,627.76)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	CVECDIST	METER, GP5 SPECIAL,KVA INDICATING	(54.00)	(40,129.90)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(1,234.00)	(156,556.49)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(139.00)	(26,359.25)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1988	FATOCPRS	METER, GP6 1PH COMBO WATTHOUR/TIME	(1.00)	(118.04)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1989	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(798.00)	(100,925.76)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1989	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(55.00)	(8,709.80)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1990	AT045740	METER, GP 12 SINGLE PH, WITH DEMAND	(182.00)	(23,035.18)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1990	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(291.00)	(35,458.29)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1990	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(49.00)	(7,232.65)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1991	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(418.00)	(43,741.02)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1991	FATOCPRS	METER, GP 14 NETWORK, WITH DEMAND	(47.00)	(6,172.11)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1992	92COR	METER, GP 11 TIME OF DAY, SINGLE PH	(12.00)	(2,022.13)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1992	FATOCPRS	METER, GP 11 TIME OF DAY, SINGLE PH	(93.00)	(35,970.47)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1992	FATOCPRS	METER, GP 12 SINGLE PH, WITH DEMAND	(605.00)	(61,339.55)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1993	7000193	METER, GP 11 TIME OF DAY, SINGLE PH	(73.00)	(16,071.68)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1993	7000193	METER, GP 12 SINGLE PH, WITH DEMAND	(648.00)	(83,132.65)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1994	ETSPROG	METER, GP 12 SINGLE PH, WITH DEMAND	(2,516.00)	(81,647.93)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1994	ETSPROG	METER, GP 14 NETWORK, WITH DEMAND	(351.00)	(14,285.42)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1994	GCMTRS94	METER, GP 12 SINGLE PH, WITH DEMAND	(800.00)	(93,159.39)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1995	DM705MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(559.00)	(55,564.85)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1996	DM706MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(523.00)	(58,937.50)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1997	DM707MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(660.00)	(56,685.89)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1998	DM708MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(567.00)	(69,905.57)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	1999	DM709MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(619.00)	(79,358.93)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2000	DM700MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(674.00)	(73,486.61)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2001	DM701MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(980.00)	(110,437.25)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2001	DM701MTR	METER, GROUP 2 POLYPHASE, 3-WIRE	(16.00)	(2,557.26)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2002	DM702MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(617.00)	(65,197.95)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2002	DM702MTR	METER, GP18 WATTHR,PDM70,MULTI	(68.00)	(25,722.02)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2003	DM703MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(1,492.00)	(150,463.91)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2003	DM703MTR	METER, GP18 WATTHR,PDM70,MULTI	(105.00)	(108,723.49)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2003	DM703MTR	METER, GROUP 2 POLYPHASE, 3-WIRE	(14.00)	(2,118.24)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2004	DM704MTR	METER, GP 12 SINGLE PH, WITH DEMAND	(961.00)	(104,108.34)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2004	DM704MTR	METER, GP18 WATTHR,PDM70,MULTI	(244.00)	(127,311.22)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2004	DM704MTR	METER, GROUP 2 POLYPHASE, 3-WIRE	(11.00)	(1,491.81)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2005	DM7005ME	METER, GP 12 SINGLE PH, WITH DEMAND	(456.00)	(47,255.24)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2005	DM7005ME	METER, GP18 WATTHR,PDM70,MULTI	(60.00)	(39,990.54)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2005	DM7005ME	METER, GROUP 2 POLYPHASE, 3-WIRE	(4.00)	(642.80)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2006	DM7006ME	METER, AMR-COMMUNICATION MODULE	-	(0.39)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2006	DM7006ME	METER, GP 12 SINGLE PH, WITH DEMAND	(526.00)	(55,779.74)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2006	DM7006ME	METER, GP18 WATTHR,PDM70,MULTI	(71.00)	(39,021.86)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2006	DM7006ME	METER, GROUP 2 POLYPHASE, 3-WIRE	(2.00)	(1,610.84)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2007	DM7007ME	METER, GP 12 SINGLE PH, WITH DEMAND	(472.00)	(49,554.72)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2007	DM7007ME	METER, GP18 WATTHR,PDM70,MULTI	(71.00)	(33,199.43)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2007	DM7007ME	METER, GROUP 2 POLYPHASE, 3-WIRE	(5.00)	(796.58)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2007	DM7007ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(769.00)	(108,544.03)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2008	DM7008ME	METER, GP 12 SINGLE PH, WITH DEMAND	(324.00)	(33,126.67)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2008	DM7008ME	METER, GP18 WATTHR,PDM70,MULTI	(206.00)	(136,678.78)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2008	DM7008ME	METER, GROUP 2 POLYPHASE, 3-WIRE	(11.00)	(1,852.02)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2008	DM7008ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(1,346.00)	(191,957.80)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2009	DM7009ME	METER, AMR-SINGLE PHASE DEMAND	(11.00)	(2,455.28)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2009	DM7009ME	METER, GP 12 SINGLE PH, WITH DEMAND	(363.00)	(35,833.48)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2009	DM7009ME	METER, GP18 WATTHR,PDM70,MULTI	(138.00)	(76,216.98)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2009	DM7009ME	METER, GROUP 2 POLYPHASE, 3-WIRE	(8.00)	(1,167.36)

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PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2009	DM7009ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(1,387.00)	(176,295.56)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2010	DM7010ME	METER, AMR-SINGLE PHASE DEMAND	(17.00)	(4,946.50)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2010	DM7010ME	METER, GP 12 SINGLE PH, WITH DEMAND	(1,075.00)	(102,166.07)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2010	DM7010ME	METER, GP18 WATTTHR,PDM70,MULTI	(187.00)	(103,153.41)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2010	DM7010ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(1,193.00)	(149,464.64)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2011	DM7011ME	METER, AMR-SINGLE PHASE DEMAND	(41.00)	(25,005.90)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2011	DM7011ME	METER, GP 12 SINGLE PH, WITH DEMAND	(622.00)	(60,396.78)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2011	DM7011ME	METER, GP18 WATTTHR,PDM70,MULTI	(63.00)	(36,457.10)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2011	DM7011ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(942.00)	(127,525.84)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2012	DM7012ME	METER, GP 12 SINGLE PH, WITH DEMAND	(609.00)	(58,707.53)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2012	DM7012ME	METER, GP18 WATTTHR,PDM70,MULTI	(120.00)	(63,010.08)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2012	DM7012ME	METER, GROUP 3 POLYPHASE, 4-WIRE	(904.00)	(113,265.94)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2013	DM7013ME	METER, GP 12 SINGLE PH, WITH DEMAND	(296.00)	(28,463.05)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2013	DM7013ME	METER, GP18 WATTTHR,PDM70,MULTI	(72.00)	(37,805.90)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2014	PSNHAMR2	METER, AMR-SINGLE PHASE DEMAND	(4,769.00)	(626,907.04)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2014	PSNHAMR2	METER, GP 17 SINGLE PHASE WITH AMR	(1,240.00)	(58,206.41)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2014	PSNHAMR2	METER, GROUP 2 POLYPHASE, 3-WIRE	(5.00)	(1,248.16)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2014	PSNHAMR2	METER, GROUP 19 NETWORK WITH AMR	(4,475.00)	(458,856.46)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2014	TFMPUR06	METER, GP18 WATTTHR,PDM70,MULTI	(48.00)	(19,987.47)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	DM7014ME	METER, GP 12 SINGLE PH, WITH DEMAND	(272.00)	(24,487.38)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	DM7014ME	METER, GP18 WATTTHR,PDM70,MULTI	(48.00)	(24,846.04)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	METPUR06	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(48.00)	3,328.79
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	METPUR06	METER, AMR-SINGLE PHASE DEMAND	(96.00)	3,328.79
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	METPUR06	METER, GP 17 SINGLE PHASE WITH AMR	(256.00)	6,657.58
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	PSNHAMR3	METER, AMR-SINGLE PHASE DEMAND	(7,497.00)	(806,611.61)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	PSNHAMR3	METER, GP 17 SINGLE PHASE WITH AMR	(1,905.00)	(71,335.72)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	PSNHAMR3	METER, GROUP 2 POLYPHASE, 3-WIRE	(3.00)	(3,473.81)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2015	TFMPUR06	METER, AMR-SINGLE PHASE DEMAND	(36.00)	(14,874.14)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17A	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(2,984.00)	(27,296.97)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17A	METER, AMR-POLYPH DEMAND 3PH 4 WIRE	(2,808.00)	(32,041.80)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17A	METER, GP 17 SINGLE PHASE WITH AMR	(26,150.00)	(215.31)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17A	METER, GP18 WATTTHR,PDM70,MULTI	(37.00)	(2.82)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17B	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(2,984.00)	(4.43)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17B	METER, AMR-POLYPH DEMAND 3PH 4 WIRE	(2,808.00)	(5.21)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	CFINH17B	METER, GP 17 SINGLE PHASE WITH AMR	(26,150.00)	(16.19)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	NHRMTR17	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(2,984.00)	(641.68)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	NHRMTR17	METER, AMR-POLYPH DEMAND 3PH 4 WIRE	(2,808.00)	(753.29)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2017	NHRMTR17	METER, GP 17 SINGLE PHASE WITH AMR	(26,150.00)	(259,545.05)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2018	METPUR06	METER, AMR-POLYPH DEMAND 3PH 3 WIRE	(3,664.00)	(34,350.70)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2018	METPUR06	METER, AMR-POLYPH DEMAND 3PH 4 WIRE	(2,808.00)	(35,811.76)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370450 Meters - Equipment	2018	METPUR06	METER, GP 17 SINGLE PHASE WITH AMR	(26,153.00)	(102,143.79)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2004	DM704MTR	INSTALLATION,METER GROUP A	(16,737.00)	(618,433.40)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2006	DM7005ME	INSTALLATION,METER GROUP A	(3,475.00)	(90,340.91)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2006	DM7006ME	INSTALLATION,METER GROUP A	(13,496.00)	(506,372.65)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2007	DM7007ME	INSTALLATION,METER GROUP A	(13,379.00)	(618,526.43)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2008	DM7008ME	INSTALLATION,METER GROUP A	(11,879.00)	(605,854.00)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2009	DM7009ME	INSTALLATION,METER GROUP A	(11,290.00)	(868,732.54)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2010	DM7010ME	INSTALLATION,METER GROUP A	(11,564.00)	(825,273.28)
PSNH	OEM06 : METERS : SPECIFIC TOWN N/A	101010 Utility Plant in Service	370460 Meters - Installations	2015	METPUR06	INSTALLATION,METER GROUP A	-	19,972.76

TOTAL

(469,068.00) (14,327,815.76)

Docket No. DE 19-057
Data Request TS 2-018
Dated 10/28/2019
Attachment TS 2-018 B
Page 1 of 1

PSNH Account 370 - Meter Related Equipment

Description

LOAD RESEARCH EQUIPMENT
METER ENCLOSURES/BOXES/CABINETS
METER SOCKET, DOUBLE 1&3 PHASE
METER SOCKET, SINGLE 1&3 PHASE
METER SOCKET, TRIPLE 1&3 PHASE
METER SOCKET,QUAD 1&3 PHASE
METER TRANS A OR S DEVICE 1&3 PHASE
METERING OUTFIT
METERING OUTFIT, GP1 /ALL <> 4-5
TRANSFORMER, INSTRUMENT
TRANSFORMER, INSTRUMENT 0- 38KV
XFMR/LOCATIONS, INDUSTRIAL CUSTOMER

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/25/2019

Date of Response: 07/15/2019

Date Supplement Request Received: 11/20/2019

Date of Supplement Response: 12/10/2019

Request No. STAFF 4-034-SP01

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: John Spanos

Request:

Reference Testimony of John J. Spanos, page 5 of 19, line 11 (Bates 1406). Your testimony recommends the use of the remaining life technique for purposes of calculating depreciation accrual rates. By comparison, the New Hampshire Commission uses the whole life technique. a. Please recalculate your depreciation accrual rates by plant account, as of December 31, 2018, based on the Commission's whole life technique. b. Based on the whole life technique, do you believe a depreciation reserve excess or deficiency is reasonably certain; and, if so, please include an adjustment to your depreciation accrual rates, by plant account, and the period over which you believe the adjustment should be amortized. c. Please include in your response an explanation and schedule, by plant account, showing exactly how you arrived at your estimated average service lives (ASL) and estimated net salvage percentages by plant account, along with supporting analyses, schedules and work papers for each plant account. d. Please provide schedules in excel format.

Response:

ORIGINAL RESPONSE:

- (a) As stated in Mr. Spanos' testimony, his practice is to use the remaining life method rather than the whole life method. In Mr. Spanos' experience, there are two primary benefits to the remaining life method: (1) the method is better designed to align the recovery of actual asset costs with the amount paid by customers; and (2) the resulting depreciation accrual rates are more stable over time, showing less variation between rate cases, due to the fact that the method inherently corrects for the reserve variance. To be responsive, Mr. Spanos generated Attachment Staff 4-034 A showing the depreciation accrual rates by plant account as of December 31, 2018 utilizing the whole life method. However, if utilizing the whole life method, it is necessary to include the reserve variance to the total expense for accurate representation of depreciation expense levels.
- (b) When utilizing the whole life method, there is *always* a reserve excess or deficiency. There is no separate reserve excess or deficiency when using the remaining life method. Attachment Staff 4-034 B shows a \$67.3 million reserve deficiency. Therefore, if the whole-life method is used, Mr. Spanos would recommend a 5 or 10 year reserve adjustment period. If a 5-year period is utilized, then the total depreciation expense would be \$79.4 million (\$65.9 and \$13.5). If a 10-year period is utilized, then the total depreciation expense would be \$72.6 million (\$65.9 and \$6.7). Each amount is higher than the remaining life option because the remaining life depreciation rate systematically and rationally corrects the reserve variance over the remaining life of the account.

- (c) Part III and Part IV of the Depreciation Study explains how the survivor curve and net salvage percent by account were determined. Each section discusses the combination of statistical analyses and informed judgment to arrive at the most appropriate life characteristic and net salvage percent. Also, each section lists for which accounts statistical analysis was a major contributor. The supporting analyses are also included in the study in Part VII and Part VIII.
- (d) The life analyses, Attachment Staff 4-034 C and Attachment Staff 4-034 D, and the net salvage analyses, Attachment Staff 4-034 E, are not available in Microsoft Excel format but are provided here as PDF files.

SUPPLEMENTAL RESPONSE:

As described in the Company's response to TS-2-018, the Company has determined that the plant balance for account 370 - Meters is misstated and an additional retirement is required in the amount of \$14.3 million. In accordance with standard utility accounting practice, this retirement will be reflected by crediting account 370 – Meters, with the corresponding debit being recorded to account 108 – Accumulated Depreciation. After reflecting this adjustment, the gross plant in service balance in account 370 as of December 31, 2018 will be approximately \$76 million with a corresponding accumulated reserve balance of approximately \$3 million.

The overall effect of this additional retirement amount does not change net plant in service, since gross plant goes down by the same amount as accumulated depreciation. Therefore, the resulting change in the revenue deficiency caused by this retirement is a result of three factors, described below:

- The recommended depreciation rate will change as a result of reflecting the additional retirement activity. As described in this response, the depreciation rate recommended under either the remaining life method and the whole life method is increased.
- The balance against which the depreciation rate is applied has gone down, which if not for the increase in the depreciation rate, would result in a small decrease in the revenue deficiency proposed in this case.
- The balance of ADIT as of December 31, 2018 would increase by approximately \$843,000, reflecting this additional retirement activity. This increase in ADIT is explained below.

The overall increase on the revenue deficiency resulting from these three factors would cause an increase in the revenue deficiency of \$3.9 million, from \$69.3 million to \$73.2 million under the Company's proposed remaining life method for calculating depreciation rates. The Company, however, realizes that this error has been identified late in the proceeding and understands the complexities caused by this development. As a result of the timing of this finding in this case, the Company is not proposing to update the revenue requirement at this time to incorporate the requested increase in depreciation rates suggested by the depreciation study. In the January update, the Company will update the revenue requirement to reflect the latest balance in account 370 – Meters, as well as the associated accumulated depreciation reserve and the below-described impact on ADIT. As it relates to depreciation rates, we are supplementing previously filed responses with updated data and explanation so that PUC Staff, the OCA, and other parties to this case have a complete and accurate information had this retirement been processed prior to the end of the test year. The Company anticipates working with

the PUC Staff, OCA, and other parties in the course of settlement discussions to resolve a number of issues in this case, including if and how to incorporate updates to depreciation rates explained in this response.

The depreciation rate and expense for account 370 - Meters, has been affected by a multitude of issues. The key factors to consider in deciding the appropriate rate of depreciation are; (i) what is the most appropriate average service life, (ii) the level of historical retirements including the two 'catch' up retirements that were processed in 2018 and 2019, (iii) the proper method or technique to recover the depreciation expense (remaining life versus whole life), and (iv) the impact going forward for this account due to the current level of accumulated depreciation (the book reserve).

The current average service life was established as of a 2002 depreciation study. The average life agreed upon in that proceeding was 35 years, however, based on the analysis of the Company's depreciation expert hired in this proceeding, the statistical analysis during that time period are better supported by an average service life of 30 to 32 years. Therefore, at least for the last 17 years, the meters account has been under recovering the assets. In addition to the longer life for standard meters, the account has increased in plant value due to the additions of new technology meters which have a considerably shorter life than the electro-mechanical meters that were installed previously. Consequently, the current mix of assets produce an even shorter average service life than 35 years. The life analysis in the depreciation study produced a 24 year average service life which includes the \$23.8 million of retirements booked in 2018 which relate to retirements of prior years. After reflecting the additional \$14.3 million retirement described above the revised life estimate for the new asset mix in the meter account is best represented by an 18 year average service life. Please see the Attachment STAFF 4-034-SP01 F which provides the updated remaining life depreciation calculation for account 370, including all appropriate retirements, as of the end of 2018.

In addition to the utilization of the long average service life, the depreciation method utilized in the past has been the whole-life method. In Mr. Spanos' experience, there are two primary benefits to the remaining life method: (1) the method is better designed to align the recovery of actual asset costs with the amount paid by customers; and (2) the resulting depreciation accrual rates are more stable over time, showing less variation between rate cases, due to the fact that the method inherently corrects for the reserve variance. This is primarily due to the fact that the whole life method develops a depreciation rate with no regard to the level of the book reserve (accumulated depreciation) to the age of the assets and past recovery. In other words, the whole life method is constant with the life characteristic regardless of the relationship of the plant in service and the age of that plant to the book reserve. Proper regulatory accounting for retirements reduces plant in service and accumulated depreciation equally. Thus, when plant is retired by \$1,000 then the accumulated depreciation is reduced by \$1,000 as well regardless of age. This is critical to understand when using the whole life method because if the average age of retirements is less than the average service life utilized then accumulated depreciation will not be at a level consistent with recovery. The remaining life method takes into consideration this activity by properly developing depreciation accrual rates to compensate for this recovery issue.

Therefore, after the removal of the \$38.1 million of retirements, the plant investment totals \$76 million but the accumulated depreciation reserve is just under \$3 million. The whole life method by nature does not monitor the level of the book reserve, thus, proper depreciation expense (annual accruals) were not calculated so the book reserve is well below the proper level for the remaining meters in service. Consequently, once reflecting all retirement activity, the resulting level of annual depreciation is increased for multiple reasons. 1) the new average service life is best represented by the 18-L1 type survivor curve, 2) the current level of depreciation expense is based on a rate that has been too low (as

described above), 3) the relationship of the book reserve to the plant in service is too low, and 4) the whole life method does not have any mechanism to correct under or over recovered investment in an equitable fashion.

Mr. Spanos has recalculated the depreciation expense and rate using both the remaining life method as well as under the whole life method using the updated analysis for account 370 - Meters, which reflects the \$38.1 million in retirements. Attachment STAFF 4-034-SP01 G sets forth the detailed depreciation calculation by vintage for PSNH total company which produces a new annual total expense of \$73.2 million under the remaining life method, an increase of \$4.0 million from the results produced under the original depreciation study. The entire \$4 million increase is attributable to account 370, which produces a new expense total of \$8.9 million and resultant depreciation rate of 11.65 percent under the remaining life method. This depreciation rate is designed to correct any under-recovered elements from the past over the remaining life of the existing assets.

Attachment STAFF 4-034-SP01 A sets forth the detailed depreciation calculation under the whole life method for PSNH total company which produces an annual expense level of \$63.6 million. However, when utilizing the whole life method, there is always a reserve excess or deficiency which must be subtracted or added to the annual depreciation expense. Therefore, if the whole-life method is used, Mr. Spanos would recommend a 5 or 10 year reserve adjustment period. As shown in Attachment STAFF 4-034-SP01 B, there is a \$89.7 million deficiency in the actual reserve to the book reserve which needs to be recovered over a period of time. At 10 years, the annual recovery is \$8.9 million to be added to the \$63.6 million. At 5 years, the annual recovery is \$17.9 million to be added to the \$63.6 million. Specific to Account 370, Meters, the detailed depreciation calculation under the whole life method produces an annual expense level of \$4.2 million. Again, any reserve excess or deficiency which must be subtracted or added to the annual depreciation expense. Therefore, if the whole-life method is used, Account 370 reflects a \$22.8 million deficiency in the actual reserve to the book reserve which needs to be recovered over a period of time. At 10 years, the annual recovery is \$2.28 million to be added to the \$4.2 million. At 5 years, the annual recovery is \$4.56 million to be added to the \$4.2 million.

Therefore, under the whole life method this amortization would 'fall off' after 5 or 10 years once the reserve deficiency is recovered. This is not the case under the remaining life method, which is designed to gradually change over time. In this way, the whole life method creates swings in depreciation expense, causing generational equity issues in recovery for customers that are smoothed under the remaining life method.

Finally, the Company will incorporate the effect of this additional retirement on ADIT in the updated revenue requirement to be filed in January. The Company estimates that ADIT has increased \$843,000 as compared to the Company's currently filed balance, as filed in Schedule EHC/TMD-39 (Perm) on November 4, 2019 in this proceeding, from \$370,640,053 to \$371,483,053. When an asset is retired, typical utility accounting allows for the deduction of the remaining tax basis associated with the retired asset. The Company's tax accounting software, PowerPlan, determines the total deductions associated with assets retired in a given year, such that the Company's tax return in a given year reflects the total activity, including retirements, in that year. The \$843,000 estimate is the result if the \$14.3 million of retirements had been processed prior to the test year ending December 31, 2018, and reflected on the Company's books at that time. The Company has had to estimate certain parameters in order to calculate this adjustment, such as the year of each addition for each meter retired so that it could determine the level of bonus depreciation in effect in the year of addition, if any, as well as the remaining tax life of the asset.

In reference to item (d) in the original response, since the additional 'catch-up retirements' only affected account 370 - Meters, only the relevant pages that changed from the original attachments are being provided. Please refer to Attachment STAFF 4-034-SP01 D for the revised life analysis for account 370 (pages 17-23 of the original attachment) and Attachment STAFF 4-034-SP01 E for the revised net salvage analysis for account 370 (pages 15-16 of the original attachment). The original Attachment STAFF 4-034 C, which provided life analyses pages for plant accounts 360 through 365, was not changed. The revised pages for attachments D and E are not available in Microsoft Excel format but are provided here as PDF files.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST AND
AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	CALCULATED ANNUAL ACCRUAL		CALCULATED ACCRUED DEPRECIATION	
				AMOUNT	RATE		
(1)	(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	
ELECTRIC PLANT							
INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	21,143,267.53	1,904,139	9.01	17,261,238
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	486,807	1.53	28,607,554
TOTAL INTANGIBLE PLANT				52,915,064.86	2,390,946	4.52	45,868,792
DISTRIBUTION PLANT							
360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	54,836	1.33	2,204,822
361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	438,700	1.66	6,187,652
362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	6,895,353	2.28	65,238,205
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	126,238	4.00	1,015,444
364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	10,901,646	3.59	110,737,706
365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	14,302,089	2.46	154,119,837
366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	906,154	2.34	9,625,266
367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	3,463,913	2.59	42,368,714
368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	6,693,270	2.55	73,140,846
369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	4,173,922	5.11	47,501,588
369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	3,138,040	4.10	32,482,673
370.00	METERS	24-L1	0	90,764,199.51	3,784,664	4.17	27,396,860
371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	578,892	8.82	3,082,834
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	208,813	4.07	2,083,777
TOTAL DISTRIBUTION PLANT				1,918,234,459.56	55,666,530	2.90	577,186,224
GENERAL PLANT							
389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	415	1.54	13,692
390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	1,854,713	2.20	20,052,815
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	2,543	5.00	19,095
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,769,978.62	488,499	5.00	4,695,707
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	5-SQ	0	1,672,250.89	243,506	14.56	960,508
TRANSPORTATION EQUIPMENT							
392.00	OTHER	15-S4	15	30,225.00	1,714	5.67	14,507
392.10	CARS	6-L3	15	97,593.41	13,828	14.17	13,479
392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	664,878	7.73	2,687,250
392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	167,791	6.07	767,426
392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	1,496,262	5.67	8,212,511
392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	86,396	6.54	235,242
392.60	TRAILERS	13-L3	15	4,958,571.11	324,117	6.54	1,661,871
392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	790	10.00	5,244

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST AND
AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

ACCOUNT (1)		SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2018 (4)	CALCULATED ANNUAL ACCRUAL		CALCULATED ACCRUED DEPRECIATION (7)
					AMOUNT (5)	RATE (6)=(5)/(4)	
<i>TOTAL TRANSPORTATION EQUIPMENT</i>				44,177,361.02	2,755,776	6.24	13,597,530
393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	162,895	5.00	1,109,379
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	567,787	4.00	4,037,342
395.00	LABORATORY EQUIPMENT	20-SQ	0	2,072,746.95	96,433	4.65	1,339,656
396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	10,633	6.67	71,720
<i>COMMUNICATION EQUIPMENT</i>							
397.10	MICROWAVE	15-SQ	0	5,646,707.11	240,089	4.25	3,854,488
397.20	OTHER	15-SQ	0	22,098,802.35	1,279,811	5.79	10,667,691
397.30	GPS	5-SQ	0	443,487.30	54,399	12.27	366,151
<i>TOTAL COMMUNICATION EQUIPMENT</i>				28,188,996.76	1,574,299	5.58	14,888,330
398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	63,958	5.00	658,566
TOTAL GENERAL PLANT				189,213,812.95	7,821,457	4.13	61,444,340
TOTAL DEPRECIABLE PLANT				2,160,363,337.37	65,878,933	3.05	684,499,356
NONDEPRECIABLE PLANT							
301.00	ORGANIZATION			45,057.29			
360.10	LAND			5,830,013.57			
389.10	LAND			4,806,992.04			
TOTAL NONDEPRECIABLE PLANT				10,682,062.90			
TOTAL ELECTRIC PLANT				2,171,045,400.27	65,878,933		684,499,356

* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST AND
AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2018 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	RATE (6)=(5)/(4)	CALCULATED ACCURED DEPRECIATION (7)
ELECTRIC PLANT						
INTANGIBLE PLANT						
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	21,143,267.53	1,904,139	9.01
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	486,807	1.53
TOTAL INTANGIBLE PLANT			52,915,064.86	2,390,946	4.52	45,868,792
DISTRIBUTION PLANT						
360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	54,836	1.33
361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	438,700	1.66
362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	6,895,353	2.28
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	126,238	4.00
364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	10,901,646	3.59
365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	14,302,089	2.46
366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	906,154	2.34
367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	3,463,913	2.59
368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	6,693,270	2.55
369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	4,173,922	5.11
369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	3,138,040	4.10
370.00	METERS	18-L1	0	76,436,383.75	4,237,182	5.54
371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	578,892	8.82
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	208,813	4.07
TOTAL DISTRIBUTION PLANT			1,903,906,643.80	56,119,048	2.95	575,569,725
GENERAL PLANT						
389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	415	1.54
390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	1,854,713	2.20
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	2,543	5.00
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,769,978.62	488,499	5.00
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	5-SQ	0	1,672,250.89	243,506	14.56
TRANSPORTATION EQUIPMENT						
392.00	OTHER	15-S4	15	30,225.00	1,714	5.67
392.10	CARS	6-L3	15	97,593.41	13,828	14.17
392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	664,878	7.73
392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	167,791	6.07
392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	1,496,262	5.67
392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	86,396	6.54
392.60	TRAILERS	13-L3	15	4,958,571.11	324,117	6.54
392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	790	10.00
TOTAL TRANSPORTATION EQUIPMENT			44,177,361.02	2,755,776	6.24	13,597,530
393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	162,895	5.00
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	567,787	4.00
395.00	LABORATORY EQUIPMENT	20-SQ	0	2,072,746.95	96,433	4.65
396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	10,633	6.67
COMMUNICATION EQUIPMENT						
397.10	MICROWAVE	15-SQ	0	5,646,707.11	240,089	4.25
397.20	OTHER	15-SQ	0	22,098,802.35	1,279,811	5.79
397.30	GPS	5-SQ	0	443,487.30	54,399	12.27
TOTAL COMMUNICATION EQUIPMENT			28,188,996.76	1,574,299	5.58	14,888,330
398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	63,958	5.00
TOTAL GENERAL PLANT			189,213,812.95	7,821,457	4.13	61,444,340
TOTAL DEPRECIABLE PLANT			2,146,035,521.61	66,331,451	3.09	682,882,857
NONDEPRECIABLE PLANT						
301.00	ORGANIZATION		45,057.29			
360.10	LAND		5,830,013.57			
389.10	LAND		4,806,992.04			
TOTAL NONDEPRECIABLE PLANT			10,682,062.90			
TOTAL ELECTRIC PLANT			2,156,717,584.51	66,331,451		682,882,857
* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						
Less Transportation Equipment				(2,755,776)		
TOTAL ELECTRIC PLANT				63,575,675		

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Data Request STAFF 4-034
Dated 6/25/2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 2. BOOK RESERVE AND WHOLE LIFE CALCULATED ACCRUED DEPRECIATION COMPARISON AS OF DECEMBER 31, 2018

	ACCOUNT (1)	BOOK RESERVE (2)	CALCULATED ACCRUED DEPRECIATION (3)	DIFFERENCE (4)=(3)-(2)
	ELECTRIC PLANT			
	INTANGIBLE PLANT			
303.00	MISCELLANEOUS INTANGIBLE PLANT	16,840,109	17,261,238	421,129
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	29,424,023	28,607,554	(816,469)
	TOTAL INTANGIBLE PLANT	46,264,132	45,868,792	(395,340)
	DISTRIBUTION PLANT			
360.20	LAND AND LAND RIGHTS	0	2,204,822	2,204,822
361.00	STRUCTURES AND IMPROVEMENTS	6,382,082	6,187,652	(194,430)
362.00	STATION EQUIPMENT	61,788,374	65,238,205	3,449,831
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	961,746	1,015,444	53,698
364.00	POLES, TOWERS AND FIXTURES	144,088,112	110,737,706	(33,350,406)
365.00	OVERHEAD CONDUCTORS AND DEVICES	120,942,294	154,119,837	33,177,543
366.00	UNDERGROUND CONDUIT	5,592,977	9,625,266	4,032,289
367.00	UNDERGROUND CONDUCTORS AND DEVICES	41,987,653	42,368,714	381,061
368.00	LINE TRANSFORMERS	78,706,999	73,140,846	(5,566,153)
369.10	OVERHEAD SERVICES	20,935,511	47,501,588	26,566,077
369.20	UNDERGROUND SERVICES	14,316,181	32,482,673	18,166,492
370.00	METERS	17,296,815	27,396,860	10,100,045
371.00	INSTALLATION ON CUSTOMERS' PREMISES	1,207,155	3,082,834	1,875,679
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	3,820,709	2,083,777	(1,736,932)
	TOTAL DISTRIBUTION PLANT	518,026,608	577,186,224	59,159,616
	GENERAL PLANT			
389.20	LAND AND LAND RIGHTS	0	13,692	13,692
390.00	STRUCTURES AND IMPROVEMENTS	15,474,877	20,052,815	4,577,938
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	14,736	19,095	4,359
391.10	OFFICE FURNITURE AND EQUIPMENT	334,594	4,695,707	4,361,113
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	976,391	960,508	(15,883)
	<i>TRANSPORTATION EQUIPMENT</i>			
392.00	OTHER	0	14,507	14,507
392.10	CARS	10,019	13,479	3,460
392.20	LIGHT TRUCKS	5,261,525	2,687,250	(2,574,275)
392.30	MEDIUM TRUCKS	1,298,310	767,426	(530,884)
392.40	HEAVY TRUCKS	14,773,133	8,212,511	(6,560,622)
392.50	ROLLING EQUIPMENT	263,582	235,242	(28,340)
392.60	TRAILERS	1,656,566	1,661,871	5,305
392.70	ELECTRIC VEHICLE CHARGING STATION	7,852	5,244	(2,608)
	TOTAL TRANSPORTATION EQUIPMENT	23,270,988	13,597,530	(9,673,458)
393.00	STORES EQUIPMENT	723,285	1,109,379	386,094
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	3,214,074	4,037,342	823,268
395.00	LABORATORY EQUIPMENT	328,850	1,339,656	1,010,806
396.00	POWER OPERATED EQUIPMENT	103,592	71,720	(31,872)
	<i>COMMUNICATION EQUIPMENT</i>			
397.10	MICROWAVE	1,542,088	3,854,488	2,312,400
397.20	OTHER	6,148,294	10,667,691	4,519,397
397.30	GPS	301,408	366,151	64,743
	TOTAL COMMUNICATION EQUIPMENT	7,991,790	14,888,330	6,896,540
398.00	MISCELLANEOUS EQUIPMENT	494,103	658,566	164,463
	TOTAL GENERAL PLANT	52,927,279	61,444,340	8,517,061
	TOTAL DEPRECIABLE PLANT	617,218,019	684,499,356	67,281,337

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 2. BOOK RESERVE AND WHOLE LIFE CALCULATED ACCRUED DEPRECIATION COMPARISON AS OF DECEMBER 31,2018

	ACCOUNT (1)	BOOK RESERVE (2)	CALCULATED ACCRUED DEPRECIATION (3)	DIFFERENCE (4)=(3)-(2)
	ELECTRIC PLANT			
	INTANGIBLE PLANT			
303.00	MISCELLANEOUS INTANGIBLE PLANT	16,840,109	17,261,238	421,129
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	29,424,023	28,607,554	(816,469)
	TOTAL INTANGIBLE PLANT	46,264,132	45,868,792	(395,340)
	DISTRIBUTION PLANT			
360.20	LAND AND LAND RIGHTS	0	2,204,822	2,204,822
361.00	STRUCTURES AND IMPROVEMENTS	6,382,082	6,187,652	(194,430)
362.00	STATION EQUIPMENT	61,788,374	65,238,205	3,449,831
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	961,746	1,015,444	53,698
364.00	POLES, TOWERS AND FIXTURES	144,088,112	110,737,706	(33,350,406)
365.00	OVERHEAD CONDUCTORS AND DEVICES	120,942,294	154,119,837	33,177,543
366.00	UNDERGROUND CONDUIT	5,592,977	9,625,266	4,032,289
367.00	UNDERGROUND CONDUCTORS AND DEVICES	41,987,653	42,368,714	381,061
368.00	LINE TRANSFORMERS	78,706,999	73,140,846	(5,566,153)
369.10	OVERHEAD SERVICES	20,935,511	47,501,588	26,566,077
369.20	UNDERGROUND SERVICES	14,316,181	32,482,673	18,166,492
370.00	METERS	2,968,999	25,780,361	22,811,362
371.00	INSTALLATION ON CUSTOMERS' PREMISES	1,207,155	3,082,834	1,875,679
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	3,820,709	2,083,777	(1,736,932)
	TOTAL DISTRIBUTION PLANT	503,698,792	575,569,725	71,870,933
	GENERAL PLANT			
389.20	LAND AND LAND RIGHTS	0	13,692	13,692
390.00	STRUCTURES AND IMPROVEMENTS	15,474,877	20,052,815	4,577,938
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	14,736	19,095	4,359
391.10	OFFICE FURNITURE AND EQUIPMENT	334,594	4,695,707	4,361,113
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	976,391	960,508	(15,883)
	<i>TRANSPORTATION EQUIPMENT</i>			
392.00	OTHER	0	14,507	14,507
392.10	CARS	10,019	13,479	3,460
392.20	LIGHT TRUCKS	5,261,525	2,687,250	(2,574,275)
392.30	MEDIUM TRUCKS	1,298,310	767,426	(530,884)
392.40	HEAVY TRUCKS	14,773,133	8,212,511	(6,560,622)
392.50	ROLLING EQUIPMENT	263,582	235,242	(28,340)
392.60	TRAILERS	1,656,566	1,661,871	5,305
392.70	ELECTRIC VEHICLE CHARGING STATION	7,852	5,244	(2,608)
	<i>TOTAL TRANSPORTATION EQUIPMENT</i>	<i>23,270,988</i>	<i>13,597,530</i>	<i>(9,673,458)</i>
393.00	STORES EQUIPMENT	723,285	1,109,379	386,094
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	3,214,074	4,037,342	823,268
395.00	LABORATORY EQUIPMENT	328,850	1,339,656	1,010,806
396.00	POWER OPERATED EQUIPMENT	103,592	71,720	(31,872)
	<i>COMMUNICATION EQUIPMENT</i>			
397.10	MICROWAVE	1,542,088	3,854,488	2,312,400
397.20	OTHER	6,148,294	10,667,691	4,519,397
397.30	GPS	301,408	366,151	64,743
	<i>TOTAL COMMUNICATION EQUIPMENT</i>	<i>7,991,790</i>	<i>14,888,330</i>	<i>6,896,540</i>
398.00	MISCELLANEOUS EQUIPMENT	494,103	658,566	164,463
	TOTAL GENERAL PLANT	52,927,279	61,444,340	8,517,061
	TOTAL DEPRECIABLE PLANT	602,890,203	682,882,857	79,992,654
	Less Transportation Equipment			9,673,458
	TOTAL DEPRECIABLE PLANT			89,666,112

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

		SURVIVOR	NET	ORIGINAL COST	BOOK	CALCULATED ANNUAL		COMPOSITE	
ACCOUNT		CURVE	SALVAGE	AS OF	DEPRECIATION	FUTURE	ACCRUAL	REMAINING	
(1)		(2)	PERCENT	DECEMBER 31, 2018	RESERVE	ACCRUALS	AMOUNT	LIFE	
			(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	
								(9)=(6)/(7)	
ELECTRIC PLANT									
INTANGIBLE PLANT									
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	21,143,267.53	16,840,109	4,303,159	2,102,237	9.94	2.0
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	29,424,023	2,347,774	361,196	1.14	6.5
TOTAL INTANGIBLE PLANT				52,915,064.86	46,264,132	6,650,933	2,463,433	4.66	2.7
DISTRIBUTION PLANT									
360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	0	4,123,040	196,939	4.78	20.9
361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	6,382,082	26,602,888	434,700	1.65	61.2
362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	61,788,374	317,077,175	6,998,092	2.31	45.3
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	961,746	2,194,192	130,100	4.12	16.9
364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	144,088,112	432,728,764	9,911,815	3.26	43.7
365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	120,942,294	664,886,799	15,417,665	2.65	43.1
366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	5,592,977	48,667,759	1,032,816	2.66	47.1
367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	41,987,653	145,250,898	3,478,966	2.60	41.8
368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	78,706,999	189,023,782	6,424,281	2.45	29.4
369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	20,935,511	162,937,717	5,367,058	6.57	30.4
369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	14,316,181	158,103,595	3,620,266	4.72	43.7
370.00	METERS	18-L1	0	76,436,383.75	2,968,999	73,467,385	8,902,554	11.65	8.3
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	1,207,155	8,638,518	837,862	12.76	10.3
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	3,820,709	1,822,882	92,566	1.80	19.7
TOTAL DISTRIBUTION PLANT				1,903,906,643.80	503,698,792	2,235,525,394	62,845,680	3.30	35.6
GENERAL PLANT									
389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	0	26,977	981	3.64	27.5
390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	15,474,877	77,324,940	1,988,860	2.36	38.9
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	14,736	36,124	3,795	7.46	9.5
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,769,978.62	4,687,500	5,082,479	488,388	5.00	10.4
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT FULLY ACCRUED AMORTIZED	5-SQ	0	454,719.71 1,217,531.18	454,720 488,350	0 729,181	0 243,538	- 20.00	- 3.0
TOTAL ACCOUNT 391.20				1,672,250.89	943,070	729,181	243,538	14.56	
TRANSPORTATION EQUIPMENT									
392.00	OTHER	15-S4	15	30,225.00	0	25,691	3,934	13.02	6.5
392.10	CARS	6-L3	15	97,593.41	10,019	72,935	14,812	15.18	4.9
392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	5,261,525	2,052,867	216,589	2.52	9.5
392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	1,298,310	1,051,697	98,770	3.57	10.6
392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	14,773,133	7,659,585	619,519	2.35	12.4
392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	263,582	859,908	83,154	6.29	10.3
392.60	TRAILERS	13-L3	15	4,958,571.11	1,656,566	2,558,220	325,073	6.56	7.9
392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	7,852	50	9	0.11	5.6
TOTAL TRANSPORTATION EQUIPMENT				44,177,361.02	23,270,988	14,280,953	1,361,860	3.08	10.5
393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	1,109,379	2,148,526	162,896	5.00	13.2
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	4,037,342	10,157,336	567,788	4.00	17.9

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2018 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
							ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)	
395.00	LABORATORY EQUIPMENT FULLY ACCRUED AMORTIZED	20-SQ	0	144,092.53 <u>1,928,654.42</u>	144,093 <u>1,190,890</u>	0 <u>737,764</u>	0 <u>96,409</u>	- 5.00	- 7.7
	TOTAL ACCOUNT 395.00			2,072,746.95	1,334,983	737,764	96,409	4.65	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

		SURVIVIOR	NET	ORIGINAL COST	BOOK	CALCULATED ANNUAL		COMPOSITE	
ACCOUNT		CURVE	SALVAGE	AS OF	DEPRECIATION	FUTURE	ACCRUAL	REMAINING	
(1)		(2)	PERCENT	DECEMBER 31, 2018	RESERVE	ACCRUALS	AMOUNT	LIFE	
		(3)		(4)	(5)	(6)	(7)	(9)=(6)/(7)	
396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	103,592	55,830	5,895	3.70	9.5
	COMMUNICATION EQUIPMENT								
397.10	MICROWAVE FULLY ACCRUED AMORTIZED	15-SQ	0	2,047,169.96 3,599,537.15	2,047,170 1,779,210	0 1,820,327	0 240,027	- 6.67	- 7.6
	TOTAL ACCOUNT 397.10			5,646,707.11	3,826,380	1,820,327	240,027	4.25	
397.20	OTHER FULLY ACCRUED AMORTIZED	15-SQ	0	2,911,233.53 19,187,568.82	2,911,234 7,643,580	0 11,543,989	0 1,279,664	- 6.67	- 9.0
	TOTAL ACCOUNT 397.20			22,098,802.35	10,554,814	11,543,989	1,279,664	5.79	
397.30	GPS FULLY ACCRUED AMORTIZED	5-SQ	0	171,490.06 271,997.24	171,490 186,120	0 85,877	0 54,388	- 20.00	- 1.6
	TOTAL ACCOUNT 397.30			443,487.30	357,610	85,877	54,388	12.26	
	TOTAL COMMUNICATION EQUIPMENT			28,188,996.76	14,738,804	13,450,193	1,574,079	5.58	8.5
398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	653,850	625,319	63,972	5.00	9.8
	TOTAL GENERAL PLANT			189,213,812.95	66,369,121	124,655,622	6,558,461	3.47	19.0
UNRECOVERED RESERVE TO BE AMORTIZED									
391.10	OFFICE FURNITURE AND EQUIPMENT				(4,352,906)		870,581	**	
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT				33,321		(6,664)	**	
393.00	STORES EQUIPMENT				(386,094)		77,219	**	
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT				(823,268)		164,654	**	
395.00	LABORATORY EQUIPMENT				(1,006,133)		201,227	**	
397.10	COMMUNICATION EQUIPMENT - MICROWAVE				(2,284,292)		456,858	**	
397.20	COMMUNICATION EQUIPMENT - OTHER				(4,406,520)		881,304	**	
397.30	COMMUNICATION EQUIPMENT - GPS				(56,202)		11,240	**	
398.00	MISCELLANEOUS EQUIPMENT				(159,747)		31,949	**	
	TOTAL UNRECOVERED RESERVE TO BE AMORTIZED				(13,441,841)		2,688,368		
	TOTAL DEPRECIABLE PLANT			2,146,035,521.61	602,890,204	2,366,831,949	74,555,942	3.47	31.7
NONDEPRECIABLE PLANT									
301.00	ORGANIZATION			45,057.29					
360.10	LAND			5,830,013.57					
389.10	LAND			4,806,992.04					
	TOTAL NONDEPRECIABLE PLANT			10,682,062.90					
	TOTAL ELECTRIC PLANT			2,156,717,584.51	602,890,204	2,366,831,949	74,555,942		

* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE

** 5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO UTILIZATION OF AMORTIZATION ACCOUNTING

Less Depreciation on Transportation Equipment (1,361,860)
Revised Remaining Life Depreciation Expense 73,194,082

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 05/20/2019

Date of Response: 05/31/2019

Date Supplement Request Received: 11/20/2019

Date of Supplement Response: 12/10/2019

Request No. STAFF 2-004-SP01

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon

Request:

Reference Bates page 94 on depreciable plant detail. a) Please provide the work papers and detail for the figures in column C in live Excel format. b) Please explain the adjustment on this schedule, and where these items can be identified in the requested work papers.

Response:

ORIGINAL RESPONSE:

A) Please refer to Attachment Staff 2-004(a) for an Excel version of a 2018 distribution plant roll forward that supports the depreciable plant balances listed in column C on Bates page 94. These balances reflect the actual distribution plant in service per our FERC Form 1, pages 204 - 207 as of 12/31/18. In addition, please refer to Attachment Staff 2-004(b) for a reconciliation of depreciable plant, column C on Bates page 94 and the FERC Form 1 plant pages 204 - 207 (Bates pages 275 - 281).

For support of historical plant additions to distribution plant, please refer to Attachment ELM-2 (Perm), which is part of the testimony of Company Witness Erica Menard in the Company's May 28, 2019 permanent rate application.

B) The only adjustment made to the test year plant in service is reflected on Bates page 94, line 44 where the Company removed (\$837,463), or the balance of Account 374 (Asset Retirement Costs for Distribution Plant), more commonly referred to as ARO's. Because ARO's are a non-cash component of plant in service not supported by the Company's capital structure, the Company has excluded this account balance from rate base and from Attachment Staff 2-004 above.

SUPPLEMENTAL RESPONSE:

As a result of additional 'catch-up retirements' identified in the response to TS 2-018, this required an update to the distribution plant roll forward for 2018, specifically account 370.

A) Please refer to Attachment Staff 2-004-SP01 A for an Excel version of a 2018 distribution plant roll forward that supports the depreciable plant balances updated per additional retirements identified for account 370 as described in TS-2-018.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2018 Distribution Plant Roll Forward

Functional Class	Plant Accounts	Beginning Balance	Additions	Retirements	Transfers	Adjustments	12/31/18 Ending Balance
Intangible Plant	301 - Organization	\$ 45,057.29	\$ -	\$ -	\$ -	\$ -	\$ 45,057.29
	302 - Franchises and consents	-	-	-	-	-	-
	303 - Misc intangible plant	52,915,064.86	-	-	-	-	52,915,064.86
Intangible Plant - Total		52,960,122.15	-	-	-	-	52,960,122.15
Distribution Plant	360 - Land and land rights	9,182,553.08	770,500.14	-	-	-	9,953,053.22
	361 - Structures and improvements	24,644,353.06	1,775,037.14	(22,026.55)	(9,388.39)	-	26,387,975.26
	362 - Station equipment	275,114,125.91	35,533,813.63	(988,806.67)	(3,410,755.51)	-	306,248,377.36
	364 - Poles, towers and fixtures	287,457,279.55	20,071,942.52	(4,201,138.58)	259,746.08	(0.20)	303,587,829.37
	365 - Overhead conductors, devices	540,750,135.88	56,096,158.77	(14,526,276.04)	(259,746.08)	35,351.24	582,095,623.77
	366 - Underground conduit	35,103,670.35	3,795,942.55	(141,944.41)	-	-	38,757,668.49
	367 - Undergrnd conductors, devices	130,783,463.79	3,990,356.94	(1,031,998.68)	-	-	133,741,822.05
	368 - Line transformers	254,772,805.35	12,067,455.68	(4,378,009.48)	20,106.18	(1,200.00)	262,481,157.73
	369 - Services	151,809,560.73	7,561,066.97	(1,359,049.55)	-	340,868.30	158,352,446.45
	370 - Meters	111,982,776.71	2,672,766.97	(23,891,344.17)	-	-	90,764,199.51
	371 - Installs customer premise	6,640,917.69	282,727.65	(274,903.46)	(84,960.00)	-	6,563,781.88
	373 - Street lighting,signal system	6,049,396.32	33,568.33	(1,037,387.19)	84,960.00	-	5,130,537.46
Distribution Plant - Total		1,834,291,038.42	144,651,337.29	(51,852,884.78)	(3,400,037.72)	375,019.34	1,924,064,472.55
General Plant	389 - Land and land rights	4,922,348.24	(87,927.94)	-	(451.71)	-	4,833,968.59
	390 - Structures and improvements	82,568,096.21	1,854,129.68	(5,458.53)	(2,437.80)	-	84,414,329.56
	391 - Office furniture, equipment	10,697,432.74	1,013,234.32	(268,437.55)	-	-	11,442,229.51
	392 - Transportation equipment	42,110,988.42	3,944,412.36	(1,878,039.76)	-	-	44,177,361.02
	393 - Stores equipment	3,191,135.71	66,769.18	-	-	-	3,257,904.89
	394 - Tools, shop, garage equipment	13,566,713.71	627,964.05	-	-	-	14,194,677.76
	395 - Laboratory equipment	2,048,778.24	23,968.71	-	-	-	2,072,746.95
	396 - Power operated equipment	135,528.14	23,892.95	-	-	-	159,421.09
	397 - Communication equipment	28,086,421.41	788,151.58	(522,569.92)	(163,006.31)	-	28,188,996.76
	398 - Miscellaneous equipment	1,246,258.02	42,778.20	(9,867.36)	-	-	1,279,168.86
General Plant - Total		188,573,700.84	8,297,373.09	(2,684,373.12)	(165,895.82)	-	194,020,804.99
Distribution Plant - Grand Total		\$ 2,075,824,861.41	\$ 152,948,710.38	\$ (54,537,257.90)	\$ (3,565,933.54)	\$ 375,019.34	\$ 2,171,045,399.69

Docket No. DE 19-057

Data Request STAFF 02-004

Dated 5/20/2019

Attachment STAFF 2-004-SP01 A

Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2018 Distribution Plant Roll Forward

Functional Class	Plant Accounts	Beginning Balance	Additions	Retirements	Transfers	Adjustments	12/31/2018 Ending Balance
Intangible Plant	301 - Organization	\$ 45,057.29	\$ -	\$ -	\$ -	\$ -	\$ 45,057.29
	302 - Franchises and consents	-	-	-	-	-	-
	303 - Misc intangible plant	52,915,064.86	-	-	-	-	52,915,064.86
Intangible Plant - Total		52,960,122.15	-	-	-	-	52,960,122.15
Distribution Plant	360 - Land and land rights	9,182,553.08	770,500.14	-	-	-	9,953,053.22
	361 - Structures and improvements	24,644,353.06	1,775,037.14	(22,026.55)	(9,388.39)	-	26,387,975.26
	362 - Station equipment	275,114,125.91	35,533,813.63	(988,806.67)	(3,410,755.51)	-	306,248,377.36
	364 - Poles, towers and fixtures	287,457,279.55	20,071,942.52	(4,201,138.58)	259,746.08	(0.20)	303,587,829.37
	365 - Overhead conductors, devices	540,750,135.88	56,096,158.77	(14,526,276.04)	(259,746.08)	35,351.24	582,095,623.77
	366 - Underground conduit	35,103,670.35	3,795,942.55	(141,944.41)	-	-	38,757,668.49
	367 - Undergrnd conductors, devices	130,783,463.79	3,990,356.94	(1,031,998.68)	-	-	133,741,822.05
	368 - Line transformers	254,772,805.35	12,067,455.68	(4,378,009.48)	20,106.18	(1,200.00)	262,481,157.73
	369 - Services	151,809,560.73	7,561,066.97	(1,359,049.55)	-	340,868.30	158,352,446.45
	370 - Meters	111,982,776.71	2,672,766.97	(38,219,159.93)	-	-	76,436,383.75
	371 - Installs customer premise	6,640,917.69	282,727.65	(274,903.46)	(84,960.00)	-	6,563,781.88
	373 - Street lighting,signal system	6,049,396.32	33,568.33	(1,037,387.19)	84,960.00	-	5,130,537.46
Distribution Plant - Total		1,834,291,038.42	144,651,337.29	(66,180,700.54)	(3,400,037.72)	375,019.34	1,909,736,656.79
General Plant	389 - Land and land rights	4,922,348.24	(87,927.94)	-	(451.71)	-	4,833,968.59
	390 - Structures and improvements	82,568,096.21	1,854,129.68	(5,458.53)	(2,437.80)	-	84,414,329.56
	391 - Office furniture, equipment	10,697,432.74	1,013,234.32	(268,437.55)	-	-	11,442,229.51
	392 - Transportation equipment	42,110,988.42	3,944,412.36	(1,878,039.76)	-	-	44,177,361.02
	393 - Stores equipment	3,191,135.71	66,769.18	-	-	-	3,257,904.89
	394 - Tools, shop, garage equipment	13,566,713.71	627,964.05	-	-	-	14,194,677.76
	395 - Laboratory equipment	2,048,778.24	23,968.71	-	-	-	2,072,746.95
	396 - Power operated equipment	135,528.14	23,892.95	-	-	-	159,421.09
	397 - Communication equipment	28,086,421.41	788,151.58	(522,569.92)	(163,006.31)	-	28,188,996.76
	398 - Miscellaneous equipment	1,246,258.02	42,778.20	(9,867.36)	-	-	1,279,168.86
General Plant - Total		188,573,700.84	8,297,373.09	(2,684,373.12)	(165,895.82)	-	194,020,804.99
Distribution Plant - Grand Total		\$ 2,075,824,861.41	\$ 152,948,710.38	\$ (68,865,073.66)	\$ (3,565,933.54)	\$ 375,019.34	\$ 2,156,717,583.93

Docket No. DE 19-057
Data Request STAFF 02-004
Dated 5/20/2019
Attachment STAFF 2-004(b)
Page 1 of 1

Public Service of New Hampshire
Distribution Plant in Service
12/31/2018

Account Description	Bates pages 275 - 281 Plant in Service per FF1 p. 204 - 207	Less: Transmission per FF1 footnotes	Bates page 94 (Col. C) Total Distribution Plant in Service
<u>INTANGIBLE PLANT</u>			
301 Organization	45,057	-	45,057
302 Franchises and Consents	-	-	-
303 Miscellaneous Intangible Plant	60,408,853	(7,493,788)	52,915,065
Total Intangible Plant	60,453,910	(7,493,788)	52,960,122
<u>TRANSMISSION PLANT</u>			
350 Land and Land Rights	-	-	-
352 Structures and Improvements	27,671,096	(27,671,096)	-
353 Station Equipment	60,168,393	(60,168,393)	-
354 Towers and Fixtures	566,995,541	(566,995,541)	-
355 Poles and Fixtures	13,759,333	(13,759,333)	-
356 Overhead Conductors and Devices	451,879,654	(451,879,654)	-
357 Underground Conduit	110,447,599	(110,447,599)	-
358 Underground Conductors and Devices	-	-	-
359 Roads and Trails	1,970,007	(1,970,007)	-
359 Asset Retirement Costs for Transmission Plant	-	-	-
Total Transmission Plant	1,232,891,623	(1,232,891,623)	-
<u>DISTRIBUTION PLANT</u>			
360 Land and Land Rights	9,953,053	-	9,953,053
361 Structures and Improvements	26,387,975	-	26,387,975
362 Station Equipment	306,248,377	-	306,248,377
363 Storage Battery Equipment	-	-	-
364 Poles, Towers, and Fixtures	303,587,829	-	303,587,829
365 Overhead Conductors and Devices	582,095,624	-	582,095,624
366 Underground Conduit	38,757,668	-	38,757,668
367 Underground Conductors and Devices	133,741,822	-	133,741,822
368 Line Transformers	262,481,158	-	262,481,158
369 Services	158,352,446	-	158,352,446
370 Meters	90,764,200	-	90,764,200
371 Installations on Customer Premises	6,563,784	-	6,563,784
372 Leased Property on Customer Premises	-	-	-
373 Street Lighting and Signal Systems	5,130,537	-	5,130,537
374 Asset Retirement Costs for Distribution Plant	837,463	-	837,463
Total Distribution Plant	1,924,901,936	-	1,924,901,936
<u>GENERAL PLANT</u>			
389 Land and Land Rights	4,833,968	-	4,833,968
390 Structures and Improvements	104,714,865	(20,300,535)	84,414,330
391 Office Furniture and Equipment	16,735,546	(5,293,316)	11,442,230
392 Transportation Equipment	47,640,857	(3,463,496)	44,177,361
393 Stores Equipment	4,033,622	(775,717)	3,257,905
394 Tools, Shop and Garage Equipment	21,024,779	(6,830,102)	14,194,677
395 Laboratory Equipment	2,457,978	(385,231)	2,072,747
396 Power Operated Equipment	159,421	(53,489,203)	(53,329,782)
397 Communication Equipment	81,678,200	(177,324)	81,500,876
398 Miscellaneous Equipment	1,456,493	-	1,456,493
Total General Plant	284,735,729	(90,714,924)	194,020,805
TOTAL PLANT IN SERVICE	\$ 3,502,983,198	\$ (1,331,100,335)	\$ 2,171,882,863

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 05/20/2019

Date of Response: 05/31/2019

Date Supplement Request Received: 11/20/2019

Date of Supplement Response: 12/10/2019

Request No. STAFF 2-003-SP01

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon

Request:

Reference Bates page 96 on depreciation reserve. a) Please provide the work papers and detail for the figures in column C in live Excel format. b) Please explain each of the adjustments on this schedule, and where these items can be identified in the requested work papers.

Response:

ORIGINAL RESPONSE:

A) Please see Attachment Staff 2-003(a) for an Excel version of a 2018 distribution depreciation reserve roll forward that supports the depreciation reserve balances listed in column C on Bates page 96. This reconciles to our FERC Form 1, pages 200, 219 and 336 as of 12/31/18. In addition, please refer to Attachment Staff 2-003(b) for a reconciliation of the depreciation reserve balances in column C on Bates page 96 and the FERC Form 1 depreciation reserve pages (Bates pages 270 and 285).

B) Explanations for each of the depreciation reserve adjustments listed on Bates page 96 are as follows:

- In column D, line 22, \$355,578 related to General Plant account 390 was incorrectly posted to Intangible Plant account 303. Therefore, \$355,578 has been subtracted from account 303 on line 22 and added to line 47 - account 390 – Structures and Improvements.
- In column D, lines 35 and 36, adjustments to account 368 – Line Transformers and account 369 - Services in the amounts of \$11 and \$510, respectively, are corrections to an allocation that was booked to Distribution.
- In column E, line 40, the amount of \$208,712 in account 374 – Asset Retirement Costs for Distribution Plant (more commonly referred to as ARO's) has been removed because ARO's are a non-cash component of plant not supported by the Company's capital structure and not included in rate base.

SUPPLEMENTAL RESPONSE:

As a result of additional 'catch-up retirements' identified in the response to TS 2-018, this required an update to the depreciation reserve roll forward, specifically account 370.

A) Please see Attachment STAFF-2-003-SP01 A for a 2018 distribution depreciation reserve roll forward updated for additional retirements made to account 370. Detail regarding these additional retirements can be found in the response to TS-2-018.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2018 Distribution Depreciation Reserve Roll Forward

Depr. Group	Beginning Reserve 12/31/17	YTD Provision 2018	Retirements 2018	COR 2018	Salvage 2018	Transfers 2018	YTD RWIP Reclass for Y/E Reporting	Ending Reserve 12/31/18
PSNH 303 10 YR Life 6D	22,454,121.22	2,143,203.72	-	-	-	(22,077,032.87)		2,520,292.07
PSNH 303 5 YR Life 6D	10,309,589.15	3,665,313.36	-	-	-	(8,757,364.43)		5,217,538.08
PSNH 303 FD 10 6D	4,826,698.33	-	-	-	-	22,077,032.87		26,903,731.20
PSNH 303 FD 5 6D	2,760,450.88	-	-	-	-	8,757,364.43		11,517,815.31
PSNH 361 Dist Structures	5,981,079.31	449,323.62	(22,026.55)	(25,103.62)	-	(1,191.24)		6,382,081.52
PSNH 362 Dist Station Equip	58,641,939.94	5,826,267.97	(988,806.67)	(479,582.11)	-	(249,698.64)		62,750,120.49
PSNH 364 Dist Poles & Fixtures	140,474,794.73	9,467,805.75	(4,201,138.58)	(1,733,307.95)	66,349.69	13,607.98	(7,343,273.67)	136,744,837.95
PSNH 365 Dist OH Conductors	120,582,331.73	17,889,613.22	(14,526,276.04)	(2,547,568.94)	28,699.24	(484,505.11)	(7,343,273.67)	113,599,020.43
PSNH 366 Dist UG Conduit	5,397,806.83	582,525.45	(141,944.41)	(245,410.78)	-	-		5,592,977.09
PSNH 367 DIST UG Conductors	39,677,463.17	3,695,093.99	(1,031,998.68)	(353,165.24)	259.74	-		41,987,652.98
PSNH 368 Dist Line Transformers	76,762,774.24	6,406,385.25	(4,378,009.48)	(84,990.72)	11.46	816.54		78,706,987.29
PSNH 369 Dist Services OH or UG	33,757,072.16	4,336,502.15	(1,359,049.55)	(1,484,748.35)	1,916.02	(509.72)		35,251,182.71
PSNH 370 Dist Meters	38,511,798.09	2,676,277.43	(23,891,344.17)	83.52	-	-		17,296,814.87
PSNH 371 Cust. Instal-Area Lighting	1,192,490.31	441,031.75	(274,903.46)	(139,146.11)	-	(12,317.82)		1,207,154.67
PSNH 373 Dist Street Lighting	4,529,517.54	338,547.77	(1,037,387.19)	(22,286.69)	-	12,317.82		3,820,709.25
PSNH 390 Structures General	13,960,781.02	1,356,838.73	(5,458.53)	(14,218.55)	-	(163,907.66)		15,134,035.01
PSNH 390 Structures General - Derry	278,741.11	76,838.22	-	(1.37)	-	-		355,577.96
PSNH 391 Office Furn & Equip 6C	1,549,903.27	119,791.44	-	-	-	-		1,669,694.71
PSNH 391 Office Furniture & Equip	(1,669,234.35)	345,909.94	(11,775.92)	-	-	-		(1,335,100.33)
PSNH 391 Personal Computers & Equip	934,612.03	298,440.55	(256,661.63)	-	-	-		976,390.95
PSNH 392 Class 1 Car 6D	5,659.64	4,973.03	-	-	-	-		10,632.67
PSNH 392 Class 2 Light Trucks 6D	4,973,735.21	1,071,999.92	(785,789.96)	(15.04)	55,672.77	-		5,315,602.90
PSNH 392 Class 3 Medium Trucks 6D	1,239,796.22	307,968.97	(253,046.71)	(5.66)	20,972.21	-		1,315,685.03
PSNH 392 Class 4 Heavy Trucks 6D	12,813,054.56	2,619,543.80	(707,842.25)	(57.85)	214,289.52	-		14,938,987.78
PSNH 392 Class 5 Rolling Equip 6D	184,739.00	101,066.40	(17,541.47)	(0.98)	3,625.71	-		271,888.66
PSNH 392 Class 6 Trailers 6D	1,460,105.04	320,566.88	(113,819.37)	(5.64)	20,880.62	-		1,687,727.53
PSNH 392 Elec Vehicle Chrg Stat 6D	7,902.10	-	-	-	-	-		7,902.10
PSNH 392 Transportation Equip	(281,665.18)	4,226.88	-	-	-	-		(277,438.30)
PSNH 393 Stores Equipment	584,678.64	127,091.55	-	-	-	-		711,770.19
PSNH 393 Stores Equipment 6C	10,843.68	670.92	-	-	-	-		11,514.60
PSNH 394 Tools Shop & Garage 6C	613.13	453.18	-	-	-	-		1,066.31
PSNH 394 Tools Shop & Garage Equip	2,703,284.82	509,722.73	-	-	-	-		3,213,007.55
PSNH 395 Laboratory Equip 6C	128,298.98	10,411.68	-	-	-	-		138,710.66
PSNH 395 Laboratory Equipment	127,187.53	62,951.52	-	-	-	-		190,139.05
PSNH 396 Power Operated Equipment	90,689.23	12,902.28	-	-	-	-		103,591.51
PSNH 397 Communic Equip 5 YR Life	212,804.54	88,603.28	-	-	-	-		301,407.82
PSNH 397 Communic. Eq. Microwave	1,278,509.94	298,828.63	(31,994.05)	(1,721.63)	-	(1,534.99)		1,542,087.90
PSNH 397 Communications Equip 6C	1,474,970.39	144,542.25	(78,828.28)	-	-	(31,123.79)		1,509,560.57
PSNH 397 Communications Equipment	4,012,366.05	1,105,994.61	(411,747.59)	(49,477.85)	-	(18,401.62)		4,638,733.60
PSNH 398 Misc. General Equip 6C	(3,633.58)	1,253.16	-	-	-	-		(2,380.42)
PSNH 398 Misc. General Equipment	443,048.98	61,117.93	(9,867.36)	(290.45)	-	2,474.23		496,483.33
Total Company 12/31/18	\$ 612,381,719.63	\$ 66,970,599.91	\$ (54,537,257.90)	\$ (7,181,022.01)	\$ 412,676.98	\$ (933,974.02)	\$ (14,686,547.34)	\$ 602,426,195.25

Docket No. DE 19-057
 Data Request STAFF 02-003
 Dated 5/20/2019
 Attachment STAFF 2-003-SP01 A
 Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2018 Distribution Depreciation Reserve Roll Forward

Depr. Group	Beginning Reserve 12/31/2017	YTD Provision 2018	Retirements 2018	COR 2018	Salvage 2018	Transfers 2018	YTD RWIP Reclass for Y/E Reporting	Ending Reserve 12/31/2018
PSNH 303 10 YR Life 6D	22,454,121.22	2,143,203.72	-	-	-	(22,077,032.87)		2,520,292.07
PSNH 303 5 YR Life 6D	10,309,589.15	3,665,313.36	-	-	-	(8,757,364.43)		5,217,538.08
PSNH 303 FD 10 6D	4,826,698.33	-	-	-	-	22,077,032.87		26,903,731.20
PSNH 303 FD 5 6D	2,760,450.88	-	-	-	-	8,757,364.43		11,517,815.31
PSNH 361 Dist Structures	5,981,079.31	449,323.62	(22,026.55)	(25,103.62)	-	(1,191.24)		6,382,081.52
PSNH 362 Dist Station Equip	58,641,939.94	5,826,267.97	(988,806.67)	(479,582.11)	-	(249,698.64)		62,750,120.49
PSNH 364 Dist Poles & Fixtures	140,474,794.73	9,467,805.75	(4,201,138.58)	(1,733,307.95)	66,349.69	13,607.98	(7,343,273.67)	136,744,837.95
PSNH 365 Dist OH Conductors	120,582,331.73	17,889,613.22	(14,526,276.04)	(2,547,568.94)	28,699.24	(484,505.11)	(7,343,273.67)	113,599,020.43
PSNH 366 Dist UG Conduit	5,397,806.83	582,525.45	(141,944.41)	(245,410.78)	-	-		5,592,977.09
PSNH 367 DIST UG Conductors	39,677,463.17	3,695,093.99	(1,031,998.68)	(353,165.24)	259.74	-		41,987,652.98
PSNH 368 Dist Line Transformers	76,762,774.24	6,406,385.25	(4,378,009.48)	(84,990.72)	11.46	816.54		78,706,987.29
PSNH 369 Dist Services OH or UG	33,757,072.16	4,336,502.15	(1,359,049.55)	(1,484,748.35)	1,916.02	(509.72)		35,251,182.71
PSNH 370 Dist Meters	38,511,798.09	2,676,277.43	(38,219,159.93)	83.52	-	-		2,968,999.11
PSNH 371 Cust. Instal-Area Lighting	1,192,490.31	441,031.75	(274,903.46)	(139,146.11)	-	(12,317.82)		1,207,154.67
PSNH 373 Dist Street Lighting	4,529,517.54	338,547.77	(1,037,387.19)	(22,286.69)	-	12,317.82		3,820,709.25
PSNH 390 Structures General	13,960,781.02	1,356,838.73	(5,458.53)	(14,218.55)	-	(163,907.66)		15,134,035.01
PSNH 390 Structures General - Derry	278,741.11	76,838.22	-	(1.37)	-	-		355,577.96
PSNH 391 Office Furn & Equip 6C	1,549,903.27	119,791.44	-	-	-	-		1,669,694.71
PSNH 391 Office Furniture & Equip	(1,669,234.35)	345,909.94	(11,775.92)	-	-	-		(1,335,100.33)
PSNH 391 Personal Computers & Equip	934,612.03	298,440.55	(256,661.63)	-	-	-		976,390.95
PSNH 392 Class 1 Car 6D	5,659.64	4,973.03	-	-	-	-		10,632.67
PSNH 392 Class 2 Light Trucks 6D	4,973,735.21	1,071,999.92	(785,789.96)	(15.04)	55,672.77	-		5,315,602.90
PSNH 392 Class 3 Medium Trucks 6D	1,239,796.22	307,968.97	(253,046.71)	(5.66)	20,972.21	-		1,315,685.03
PSNH 392 Class 4 Heavy Trucks 6D	12,813,054.56	2,619,543.80	(707,842.25)	(57.85)	214,289.52	-		14,938,987.78
PSNH 392 Class 5 Rolling Equip 6D	184,739.00	101,066.40	(17,541.47)	(0.98)	3,625.71	-		271,888.66
PSNH 392 Class 6 Trailers 6D	1,460,105.04	320,566.88	(113,819.37)	(5.64)	20,880.62	-		1,687,727.53
PSNH 392 Elec Vehicle Chrg Stat 6D	7,902.10	-	-	-	-	-		7,902.10
PSNH 392 Transportation Equip	(281,665.18)	4,226.88	-	-	-	-		(277,438.30)
PSNH 393 Stores Equipment	584,678.64	127,091.55	-	-	-	-		711,770.19
PSNH 393 Stores Equipment 6C	10,843.68	670.92	-	-	-	-		11,514.60
PSNH 394 Tools Shop & Garage 6C	613.13	453.18	-	-	-	-		1,066.31
PSNH 394 Tools Shop & Garage Equip	2,703,284.82	509,722.73	-	-	-	-		3,213,007.55
PSNH 395 Laboratory Equip 6C	128,298.98	10,411.68	-	-	-	-		138,710.66
PSNH 395 Laboratory Equipment	127,187.53	62,951.52	-	-	-	-		190,139.05
PSNH 396 Power Operated Equipment	90,689.23	12,902.28	-	-	-	-		103,591.51
PSNH 397 Communic Equip 5 YR Life	212,804.54	88,603.28	-	-	-	-		301,407.82
PSNH 397 Communic. Eq. Microwave	1,278,509.94	298,828.63	(31,994.05)	(1,721.63)	-	(1,534.99)		1,542,087.90
PSNH 397 Communications Equip 6C	1,474,970.39	144,542.25	(78,828.28)	-	-	(31,123.79)		1,509,560.57
PSNH 397 Communications Equipment	4,012,366.05	1,105,994.61	(411,747.59)	(49,477.85)	-	(18,401.62)		4,638,733.60
PSNH 398 Misc. General Equip 6C	(3,633.58)	1,253.16	-	-	-	-		(2,380.42)
PSNH 398 Misc. General Equipment	443,048.98	61,117.93	(9,867.36)	(290.45)	-	2,474.23		496,483.33
Total Company 12/31/18	\$ 612,381,719.63	\$ 66,970,599.91	\$ (68,865,073.66)	\$ (7,181,022.01)	\$ 412,676.98	\$ (933,974.02)	\$ (14,686,547.34)	\$ 588,098,379.49

Docket No. DE 19-057
Data Request STAFF 02-003
Dated 5/20/2019
Attachment STAFF 2-003(b)
Page 1 of 1

Public Service of New Hampshire
Depreciation Reserve
12/31/2018

Account Description	Bates pages 270, 285 Depreciation Reserve per FF1 p. 200, 219	Less: Transmission per FF1 footnotes	Bates page 96 (Col. C) Total Distribution Plant in Service
<u>INTANGIBLE PLANT</u>			
301 Organization	-	-	-
302 Franchises and Consents	-	-	-
303 Miscellaneous Intangible Plant	53,463,141	6,948,187	46,514,955
Total Intangible Plant	53,463,141	6,948,187	46,514,955
<u>TRANSMISSION PLANT</u>			
350 Land and Land Rights	-	-	-
352 Structures and Improvements	7,986,717	7,986,717	-
353 Station Equipment	54,409,544	54,409,544	-
354 Towers and Fixtures	1,620,614	1,620,614	-
355 Poles and Fixtures	53,621,764	53,621,764	-
356 Overhead Conductors and Devices	36,029,303	36,029,303	-
357 Underground Conduit	-	-	-
358 Underground Conductors and Devices	-	-	-
359 Roads and Trails	494,245	494,245	-
359 Asset Retirement Costs for Transmission Plant	-	-	-
Total Transmission Plant	154,162,187	154,162,187	-
<u>DISTRIBUTION PLANT</u>			
360 Land and Land Rights	-	-	-
361 Structures and Improvements	6,382,082	-	6,382,082
362 Station Equipment	62,750,120	-	62,750,120
363 Storage Battery Equipment	-	-	-
364 Poles, Towers, and Fixtures	136,744,838	-	136,744,838
365 Overhead Conductors and Devices	113,599,020	-	113,599,020
366 Underground Conduit	5,592,977	-	5,592,977
367 Underground Conductors and Devices	41,987,653	-	41,987,653
368 Line Transformers	78,706,999	-	78,706,999
369 Services	35,251,692	-	35,251,692
370 Meters	17,296,815	-	17,296,815
371 Installations on Customer Premises	1,207,155	-	1,207,155
372 Leased Property on Customer Premises	-	-	-
373 Street Lighting and Signal Systems	3,820,709	-	3,820,709
374 Asset Retirement Costs for Distribution Plant	208,712	-	208,712
Total Distribution Plant	503,548,772	-	503,548,772
<u>GENERAL PLANT</u>			
389 Land and Land Rights	-	-	-
390 Structures and Improvements	15,822,994	688,959	15,134,035
391 Office Furniture and Equipment	3,890,615	2,579,630	1,310,985
392 Transportation Equipment	24,654,237	1,383,249	23,270,988
393 Stores Equipment	1,007,113	283,828	723,285
394 Tools, Shop and Garage Equipment	4,294,004	1,079,930	3,214,074
395 Laboratory Equipment	468,747	139,897	328,850
396 Power Operated Equipment	103,592	-	103,592
397 Communication Equipment	31,683,778	23,691,988	7,991,790
398 Miscellaneous Equipment	658,889	164,786	494,103
Subtotal	82,583,969	30,012,267	52,571,701
399 Other Tangible Property	59,415	59,415	-
399 Asset Retirement Costs for General Plant	-	-	-
Total General Plant	82,643,384	30,071,682	52,571,701
TOTAL DEPRECIATION RESERVE (Note 1)	\$ 793,817,483	\$ 191,182,056	\$ 602,635,428

Note 1: Total excludes (\$389) related to Steam Production

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/05/2019

Request No. OCA 1-024

Request from: Office of Consumer Advocate

Date of Response: 06/14/2019

Page 1 of 1

Witness: Eric H. Chung, Troy Dixon, Sasha Lazor

Request:

Payroll. For each of the respective rate years provide the number of positions included in the request that are not currently filled, a listing of the positions and the associated payroll expense for those vacant positions.

Response:

The Rate Year payroll was developed using the actual payroll for the test year January 1, 2018 through December 31, 2018 and adjusted for known and measurable changes that included a portion of 14 cybersecurity FTEs and 5 troubleshooter FTEs. Attachment OCA 1-024 shows the payroll adjustment made for each of these FTEs. Of these 19 open FTEs, 4 of the 14 cybersecurity FTEs and 2 of the 5 troubleshooter FTEs have been hired through April 2019.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
VACANT PAYROLL POSITIONS
AS OF 12/31/18

Program	Qty	Description	Labor O&M
Cyber Security	1	Operations Security Consultant	7,419 *
	1	Operations Security Consultant	7,419 *
	1	Operations Security Consultant	7,419 *
	1	Operations Security Consultant	7,419 *
	1	Operations Security Consultant	7,419 *
	1	Operations Security Consultant	7,419 *
	1	Security Architect	7,419 *
	1	Security Architect	7,419 *
	1	Level 2 Security Analyst	7,096 *
	1	Server Administrator	6,451 *
	1	Server Administrator	6,451 *
	1	Database Administrator	7,419 *
	1	Operations Application Security Consultant	6,451 *
	1	Operations Application Security Consultant	6,451 *
	14		99,671 (A)
Expanded Troubleshooters	1	Troubleshooter Manager	106,142
	1	Troubleshooter	104,920
	1	Troubleshooter	105,723
	1	Troubleshooter	105,723
	1	Troubleshooter	105,723
	5		528,231 (B)

* Cyber Security employees are Eversource Service Company employees. This amount is 8% of the Labor O&M that is allocated to PSNH.

(A) Included on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-1 (Perm), Page 2 of 2, Line 36.

(B) Included on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-1 (Perm), Page 2 of 2, Line 37.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 11/15/2019

Request No. TS 2-010

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon

Request:

Regarding Staff 5-037, The Company plans to add 14 net IT FTEs for cybersecurity with 8 percent of the total or \$99,671 allocated to PSNH.

- a. Of the 14, how many have been hired?
- b. For those not yet hired, please provide the status of the hiring process for each.
- c. Provide the total payroll expense and how the total was allocated.
- d. Has the incremental costs allocated to PSNH been allocated between Distribution and Transmission? Please provide the workpapers.
- e. Please provide any business case supporting the incremental FTEs for cybersecurity.

Response:

- a) Out of the 14 cybersecurity FTE's included in the filing, Eversource planned to hire 9 FTE's during 2019 and the remaining 5 in Q1 of 2020. Up to this point, 6 FTE's have been hired.
- b) Of the remaining 3 FTE's planned for 2019, 2 candidates have been identified, offers have been presented, and Eversource is awaiting notification of acceptance. The remaining position is currently in the interview phase. Postings for the Q1, 2020 FTE's are planned to be released in December so that interviews can begin in January 2020.
- c) Please see Attachment TS 2-010.
- d) The cybersecurity positions belong to Eversource Energy Service Company. An 8% allocation factor was applied to the payroll expense to calculate the portion for PSNH Distribution only. A separate percentage was allocated to PSNH Transmission. Please see Attachment TS 2-010.
- e) Cyber threats to the Critical Infrastructure, and which target data and operational SCADA networks continue to evolve. Accordingly, the IT Security organization needs to expand resources to support operational initiatives and to improve security monitoring of corporate and operational networks. Resources will also be increased to support the ability to respond to cyber security events. In addition, operational networks are migrating to more Internet Protocol (IP) based technologies. As these projects complete, an increase of resources will be required to support these changes on a go forward basis. Examples include connecting substations to collect more operational monitoring data.

Not expanding the resources to properly support the changing threat environment and new operational technologies would result in a reduced ability to detect and respond to cyber incidents and impact the IT organizations ability to properly support operational systems. This often results in a focus on system availability and not maintaining a secured system.

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Docket No. DE 19-057
Data Request TS 2-010
Dated 10/28/2019
Attachment TS 2-010
Page 1 of 1

	FTEs	Annual Salary	Total Salary
12 Operations Security Consultants	6	115,000	690,000
13 Security Architects	2	115,000	230,000
14 Level 2 Security Analyst	1	110,000	110,000
15 Server Administrator	2	100,000	200,000
16 DBA	1	115,000	115,000
17 Operations Application Security Consultants	2	100,000	200,000
18 Cyber Security Total FTE Salary	14		1,545,000
19 Allocation for PSNH Distribution			8%
20 Cyber Security PSNH FTE Salary			123,600
21 O&M Percentage			80.64%
22 Cyber Security PSNH FTE Labor O&M (Schedule EHC/TMD-14, Page 2, Line 36)			99,671

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 11/14/2019

Request No. TS 2-011

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon

Request:

Payroll Expense, Incremental FTEs: Follow up to Staff 5-37: The Company planned to hire 5 new FTEs for Expanded Troubleshooters Program for an increase of \$528,231.

- a. Of the 5 included within the Company's rate request, how many have been hired?
- b. For those not yet hired, please provide the status of the hiring process for each.
- c. Please provide the split or breakdown between transmission and distribution for the costs of the troubleshooters, including the incremental troubleshooters.
- d. Please provide any business case supporting the incremental FTEs for troubleshooters.

Response:

- a) To date, the Company hired two FTEs in 2019. Please see Attachment TS 2-011 A.
- b) As of the writing of this response, the three open Troubleshooter positions identified have all been posted internally and externally and the Company is actively recruiting qualified, skilled employees to fill these positions. In the interim, the Company is filling the open shifts with off-schedule Troubleshooters. The Company anticipates filling these open Troubleshooter positions in 2019.
- c) Please see Attachment TS 2-011 A.
- d) Please see Attachment TS 2-011 B, which contains the Company's response to Staff 1-004 part (e) in Docket No. 18-177 along with outage statistics used to help support the decision to expand the Troubleshooter program.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
INCREMENTAL EXPANDED TROUBLESHOOTER FTEs
2019 HIRING STATUS

13									Allocation Breakdown						
14									Labor				Overtime		
15	<u>FTEs</u>	<u>Start Date</u>	<u>Annual salary</u>	<u>Labor \$</u> <u>O&M - D</u>	<u>Overtime \$</u> <u>O&M - D</u>	<u>Labor plus</u> <u>OT - O&M D</u>	<u>NonLabor</u> <u>O&M - D</u>	<u>O&M - D</u>	<u>O&M - T</u>	<u>Capital</u>	<u>Total</u>	<u>O&M - D</u>	<u>Capital</u>	<u>Total</u>	
16	<u>Positions Filled in 2019:</u>														
17	Manager - Troubleshooter	1	01/27/2019	140,400	106,142	-	106,142	-	75.6%	15.0%	9.4%	100.0%	--	--	--
18	Troubleshooter	1	02/24/2019	99,798	74,050	30,870	104,920	4,989	74.2%	21.3%	4.5%	100.0%	94.2%	5.8%	100.0%
19															
20	<u>Positions To-Be-Filled:</u>														
21	Troubleshooter	3		302,640	224,559	92,611	<u>317,170</u>	14,966	74.2%	21.3%	4.5%	100.0%	94.2%	5.8%	100.0%
22															
23	Incremental FTEs per Schedule EHC/TMD-14, Page 2, Line 37							<u>528,232</u>							

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 09/20/2019

Date of Response: 10/07/2019

Request No. STAFF 12-001

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

(TS) Severance: Reference response to Staff 5-12. Severance paid for two positions was due to workforce reduction.

- a) Was the Manager, Employee Relations position eliminated?
- b) Was the Manager, Telecommunications Strategy position eliminated?
- c) If the answer is yes, were the salaries and benefits for these two positions included within the Test Year? d) Where have the salaries and benefits for these eliminated positions been removed from the revenue requirements?

Response:

- a) Yes, the Manager, Employee Relations position was eliminated as part of a reorganization.
- b) Yes, the Manager, Telecommunications Strategy position was also eliminated as part of a reorganization.
- c) The salaries and benefits of both eliminated positions were included in the Test Year revenue requirement.
- d) The amount of payroll expense included within the Test Year for the position of Manager, Employee Relations was \$7,077.90. The amount of payroll expense included within the Test Year for the position of Manager, Telecommunications Strategy was \$1,398.18. These amounts were not removed from the revenue requirement as part of the Company's payroll schedule.

To complete the Company's Employee Benefits schedule, an updated headcount at 12/31/18 was used as a starting point to which updated 2019 working rates were applied. As a result, no benefits associated with the two eliminated positions were included in the Rate Year revenue requirement.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/05/2019

Request No. OCA 1-030

Request from: Office of Consumer Advocate

Date of Response: 06/14/2019

Page 1 of 1

Witness: Eric H. Chung, Troy Dixon, Marisa B. Paruta

Request:

Incentive Compensation. For each plan, for each of the years 2014 through 2018, and 2019 year-to-date, provide the total Company amount of incentive compensation capitalized and the amount expensed. Also, provide the amount of incentive compensation capitalized and the amount expensed for the Company's distribution. Provide the comparable amount included in O&M for each of the respective rate years.

Response:

Please refer to Attachment OCA 1-030 for a detailed breakdown of the Company's incentive compensation that was expensed and capitalized for the years 2014 through 2018 and 2019 year-to-date through April. These amounts reflect the Company's distribution portion only.

In addition, please refer to column (h) of the attachment for the corresponding amounts of incentive compensation that the Company has included in the Rate Year.

Docket No DE 19-057
Data Request OCA 1-030
Dated 6/5/2019
Attachment OCA 1-030
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
VARIABLE COMPENSATION

Description	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	April 2019 YTD	Rate Year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Employee Incentive	\$ 4,462,357	\$ 5,966,102	\$ 4,477,618	\$ 4,345,992	\$ 5,024,541	\$ 1,475,210	\$ 3,962,425
Executive Incentive	1,270,608	976,299	1,494,198	1,609,265	1,302,264	310,463	1,409,087
Executive Stock Incentive	1,454,495	1,651,453	1,745,060	1,574,992	1,650,373	585,643	1,902,217
Director RSUs	242,803	232,903	250,590	370,184	369,197	101,915	340,097
Total Variable Compensation Expensed	<u>\$ 7,430,263</u>	<u>\$ 8,826,757</u>	<u>\$ 7,967,466</u>	<u>\$ 7,900,432</u>	<u>\$ 8,346,375</u>	<u>\$ 2,473,231</u>	<u>\$ 7,613,826</u>
Total Variable Compensation Capitalized	<u>\$ 737,324</u>	<u>\$ 570,006</u>	<u>\$ 540,448</u>	<u>\$ 1,734,691</u>	<u>\$ 2,330,825</u>	<u>\$ 925,674</u>	<u>\$ -</u>

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/06/2019

Request No. STAFF 5-033

Page 1 of 3

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon, Sasha Lazor

Request:

Incentive Plans: Reference Filing Requirements, Bates SFR-003901. Incentive plans:

- Employee Incentive Program
 - Eversource Energy Incentive Plan
- a) Provide the amounts awarded for 2016, 2017, 2018, and 2019 YTD under each of the listed plans.
- b) Provide the amount included within the test year for each plan and the account in which the amount is reflected.
- c) Provide all incentive and bonus program expenses for each plan charged or allocated to the Company from affiliates and shared services in 2016, 2017, 2018, and 2019 YTD.
- d) For each plan, provide the performance objectives and their weighting for each business category that must be met prior to award of any incentive compensation for 2016, 2017, 2018, and 2019 YTD. If not clearly delineated, please indicate the goals for senior management, non-union, and union employees.

Response:

- a. Please refer to Attachment Staff 5-033 A for a listing of the amounts paid under each of the plans for 2016, 2017 and 2018. As noted in the attachment, amounts for 2019 will be determined and paid by March 2020.
- b. Please refer to Attachment EHC/TMD-1(Perm), Schedule EHC/TMD-15(Perm), page 2, column D, lines 44-47 (Bates page 000230) for the Adjusted Test Year amounts for each plan.

The adjusted Test Year total of \$8,504,863 is reflected in the cost of service as follows:

- \$8,474,791 is recorded in FERC account 920
- \$30,072 is recorded in FERC account 930

Please note that the \$8,504,863 adjusted Test Year total was subsequently reduced by (\$1,475,394) to \$7,029,469 as part of the development of the variable compensation Test Year Pro Forma (or Rate Year) total.

- c. Please refer to Attachment Staff 5-033 B for a listing of the variable compensation program expenses for each plan charged or allocated to the Company from affiliates and shared services in 2016, 2017, 2018, and 2019 YTD.

- d. Performance objectives and weighting are included in the annual proxy statements. This information was provided in response to OCA-029. Please see Attachment OCA 1-029 A, Attachment OCA 1-029 B, and Attachment OCA 1-029 C for excerpts from the 2016, 2017, and 2018 annual proxy statements, respectively, containing detailed discussions within the "Compensation Discussion and Analysis" sections of each statement. The proxy statement for 2019 is not yet available

The Eversource Energy Board of Trustees approves the annual incentive program and sets the overall corporate performance goals that determine whether incentive compensation will be funded in a given performance year. The Board grants its approval of the annual plan and corporate performance goals for funding at the beginning of the performance year (for example, February 2018 for the 2018 Annual Incentive Program).

In the first quarter of the year following the performance year, the Board assesses overall corporate performance and determines the level of achievement as compared to the target financial and operational goals set the prior year. Once the level of annual achievement for the overall corporate organization is approved by the Board, the Chief Financial Officer ("CFO") makes a determination as to the total funding pool. This determination rests on the Board's determination as to achievement of overall corporate goals (financial and operational) against target, and the CFO's judgment as to the appropriate funding amount given the financial operations of the overall organization.

Once the funding pool is established, incentive compensation is paid to individuals below the CEO and Named Executive Officers, on the basis of the individual's performance on performance goals that are specifically established for each individual and that relate directly to work activities within the responsibility and control of each individual in his or her work capacity.

The variable compensation payment for individuals below the CEO and Named Executive Officers can be more or less than 100% of target, with the range established as 0% to 200%. However, in the aggregate, the incentive compensation paid out to employees will not exceed the funding budget established by the CFO.

The employee compensation program at Eversource Energy is carefully designed to use variable pay in a manner that gives employees a stake in the Company's success in achieving its objectives and provides a tangible reward to employees for performing their jobs at the highest possible level. The variable pay component of the compensation structure is designed to provide a direct and specific variable compensation to employees to achieve or exceed specified financial, safety, and other operating performance goals. Individual goals relate to safety, reliability, cost control and customer satisfaction targets and vary depending on the part of the business in which an employee works. Individual objectives also typically include the successful completion of specific projects or improvement initiatives. Using this approach, an employee's pay is aligned with both the financial performance and health of the Company and the achievement of established performance standards that directly benefit customers.

The performance goals for each individual employee differ. The performance goals for all individuals below the CEO and Named Executive Officers cascade from a set of overall corporate performance goals, adapted for each individual to tie into the individual's specific job position. The actual performance goals for each individual typically revolve around the successful completion of specified projects and successful execution of responsibilities within the scope of

the individual's job position. The individual goals are designed to promote the achievement of results that are consistent with, and that further, the overall corporate performance goals. Overall corporate goals relate to the areas of Employee, Customer, Operational Excellence, and Financial performance.

Docket No. DE 19-057
Data Request STAFF 5-033
Dated 7/22/2019
Attachment STAFF 5-033 A
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
EMPLOYEE INCENTIVE PLAN AWARDS

	2016	2017	2018	2019 YTD
	Award Total	Award Total	Award Total	Award Total
Employee Incentive Program	\$29,316,627	\$31,017,811	\$32,606,346	TBD
Eversource Energy Incentive Plan	\$12,017,270	\$13,730,700	\$13,605,000	TBD

*Award totals show amounts earned in respective program year and paid March of the following year

*2019 award totals will not be available until completion of the program in March 2020

Docket No. DE 19-057
Data Request STAFF 5-033
Dated 7/22/2019
Attachment STAFF 5-033 B
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
VARIABLE COMPENSATION - ALLOCATED FROM AFFILIATES

	Description	Calendar 2016	Calendar 2017	Calendar 2018	May 2019 YTD
	(a)	(b)	(c)	(d)	(e)
Employee Incentive		\$ 1,341,303	\$ 1,658,199	\$ 1,648,673	\$ 595,050
Executive Incentive		855,219	985,617	1,235,952	274,512
Executive Stock Incentive		1,406,058	1,169,955	1,240,021	609,565
Director RSUs		166,959	188,231	299,767	126,342
Total Allocated Variable Compensation		<u>\$ 3,769,539</u>	<u>\$ 4,002,002</u>	<u>\$ 4,424,413</u>	<u>\$ 1,605,469</u>

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/11/2019

Request No. OCA 8-040

Request from: Office of Consumer Advocate

Date of Response: 10/24/2019

Page 1 of 1

Witness: Troy Dixon, Douglas P. Horton

Request:

Variable Compensation. Refer to Attachments A-C to the response to OCA 1-029.

- a) Is it true that the attachments provide information regarding variable compensation for executives as opposed to all of the company's employees?
- b) If so, please provide the same information requested in OCA 1-029 for all of the Company's employees.

Response:

- a) Attachments A-C to the response to OCA 1-029 provide information about variable compensation for both executives and all employees. All Eversource employees (executive and non-executive) share in the attainment of the stated goals.
- b) n/a

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/05/2019

Request No. OCA 1-029

Request from: Office of Consumer Advocate

Date of Response: 06/18/2019

Page 1 of 1

Witness: Sasha Lazor

Request:

Incentive compensation. Provide for 2016 through 2018, the various goals on which incentive payments were to be determined and the actual achievement attained (i.e. the response should show actual metrics and not a simple reference that the goal was at target, not at target, at maximum, etc.) Also, provide the incentive compensation goals for each plan in the rate years.

Response:

Please see Attachment OCA 1-029 A, Attachment OCA 1-029 B, and Attachment OCA 1-029 C for excerpts from the 2016, 2017, and 2018 annual Proxy Statement, respectively, containing a detailed discussion of the Eversource Energy Annual Incentive Program within the "Compensation Discussion and Analysis" section of each annual Proxy Statement.



2019 ANNUAL MEETING OF SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Board of Trustees and employees of Eversource Energy, it is my pleasure to invite you to attend the May 1, 2019 Annual Meeting of Shareholders of Eversource Energy.

In 2018, we continued to achieve very positive financial and operating performance and also expanded our development of clean energy. We implemented several constructive multi-year rate plans among our utilities, integrated Aquarion Water into our family of companies, and continued to provide a total shareholder return better than both our utility peers and the broader market.

We reported earnings per share of \$3.25, compared to \$3.11 in 2017, grew our common dividend by 6.3 percent to an annualized rate of \$2.02 per share, and realized total shareholder return of 6.4 percent. In February 2019, we announced a common dividend increase of another 6 percent to an annualized rate of \$2.14 per share. We expanded our partnership with Ørsted, the world's leading offshore wind provider, and we continue to support our states' clean energy policies, with a nearly \$500 million investment in energy efficiency, the expansion of utility-scale solar capacity, and initiation of work on grid-scale energy storage in Massachusetts. We are also accelerating our deployment of electric vehicle charging infrastructure in Massachusetts, a project that could ultimately support thousands of individual electric vehicle charging ports.

Workplace and boardroom Diversity & Inclusion (D&I) are a part of our core values. I have signed onto the CEO Action for D&I letter — a nationwide effort to drive inclusiveness. Our D&I programs support initiatives to integrate inclusive practices and drive accountability in all areas of our business, for which we received industry group awards for employee diversity leadership, and recognition in 2018 of our Board of Trustees by the National Association of Corporate Directors (NACD) as one of only eight large-cap finalists for NACD's first Board Diversity Award. I am also very proud of our long history of partnering with local and regional community organizations. We provided nearly \$18 million in grants to non-profit organizations and worthwhile regional activities across our tri-state service area in 2018 and devoted 30,000 employee hours to volunteerism.

As a Company, we are more focused than ever on shareholder value, excellent customer service, compliance, environmental stewardship and being a strong partner in the communities we serve. This is all made possible through the dedication of our employees, whom we provide with the competitive wages and benefits that their high performance merits.

Before closing, I want to recognize Dennis R. Wraase, who will retire from the Board of Trustees effective on the date of our Annual Meeting. We are grateful for his exceptional service to the Board and the Company.

On behalf of your Board of Trustees, I thank you for your continued support of Eversource Energy.

Very truly yours,

A handwritten signature in black ink that reads "Jim Judge".

James J. Judge
Chairman, President and Chief Executive Officer

March 22, 2019

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) provides information about the principles behind our compensation objectives, plans, policies and actions for our Named Executive Officers. The discussion describes the specific components of our compensation programs, how Eversource Energy measures performance, and how our compensation principles were applied to compensation awards and decisions that were made by the Compensation Committee for our Named Executive Officers, as presented in the tables and narratives that

follow. While this discussion focuses primarily on 2018 information, it also addresses decisions that were made in prior periods to the extent that these decisions are relevant to the full understanding of our compensation programs and the specific awards that were made for performance through 2018. The CD&A also contains an assessment of performance measured against the established 2018 goals, the compensation awards made by the Compensation Committee, and other information relating to our compensation programs, including:

- Summary of 2018 Accomplishments
- Pay for Performance Philosophy
- Executive Compensation Governance
- Named Executive Officers
- Overview of our Compensation Program
- Market Analysis
- Elements of 2018 Compensation
- 2018 Annual Incentive Program
- 2018 Assessment of Financial and Operational Goals
- Performance Goal Assessment Matrix
- Description of our Long-Term Incentive Program, Grants and Performance Plan Results
- Disclosure of our:
 - Clawbacks and No Hedging and No Pledging Policies
 - Share Ownership Guidelines
 - Other Benefits
- Contractual Agreements
- Tax and Accounting Considerations
- Equity Grant Practices

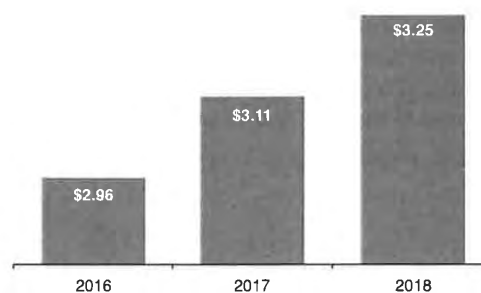
Summary of 2018 Accomplishments

In 2018, we achieved very positive overall financial, operational and related results. The following is a summary of some of our most important accomplishments in 2018:

2018 Financial Accomplishments

- We expanded our 50-50 partnership with Ørsted, the world's leading offshore wind developer, by purchasing, along with Ørsted, the Northeast assets of Deepwater Wind, which include the Revolution Wind and South Fork Wind Farm projects, as well as a 257 square mile lease tract off the New England coast. The two existing projects will deliver 830 MW of contracted clean power to Rhode Island, Connecticut and Long Island, and the newly acquired tract, combined with the existing lease area previously purchased by the partnership's Bay State Wind project, could eventually host approximately 4,000 MW of offshore wind power. The completion of this acquisition, which the partnership began negotiating in 2018 and which was finalized in February 2019, is a significant step in fulfilling our vision of being a key catalyst for clean energy in our region.
- Through effective management of our corporate operating plan, our 2018 earnings exceeded the established goal. 2018 earnings were \$3.25 per share.

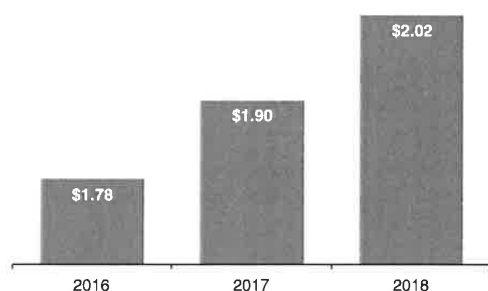
Earnings per Share



- The Board of Trustees increased the annual dividend rate by 6.3% for 2018 to \$2.02 per share, which exceeds the EEI index companies' median dividend growth rate of 5.1%. The dividend growth rate for the period 2016 - 2018 has averaged 6.5%, well ahead of the utility industry.

COMPENSATION DISCUSSION AND ANALYSIS

Dividends Paid



- Our Total Shareholder Return in 2018 was 6.4%, compared to the 3.7% growth of the EEI Index companies and a 4.4% decline for the S&P 500. We have outperformed the EEI Index companies and the S&P 500 over one-, three-, five- and 10-year periods. An investment of \$1,000 in our common shares for the five-year period beginning January 1, 2014 was worth \$1,804 on December 31, 2018. The following chart represents the comparative one- and five-year total shareholder returns for the periods ending December 31, 2018, respectively:

Total Shareholder Return	2018	5-Year
Eversource	6.4%	80.4%
EEI Index	3.7%	68.5%
S&P 500	-4.4%	50.3%

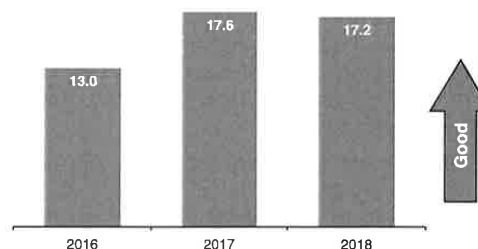
- Our S&P Credit Rating remained at A+, the highest utility holding company S&P credit rating in the industry, two notches higher than any other company.

2018 Operational Accomplishments

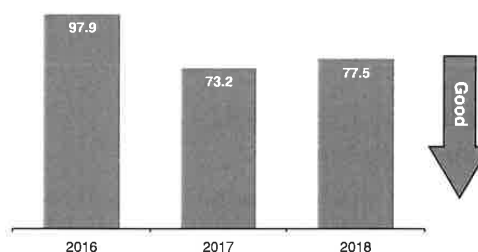
- Electric System Reliability, measured by months between interruptions and average outage minutes per customer, was in the first quartile of our industry. Our overall electric system reliability performance in 2018 continued to outpace the industry; on average, customer power interruptions were 17.2 months apart,

and average system outage duration per customer was 77.5 minutes.

Reliability Performance
Months Between Interruptions

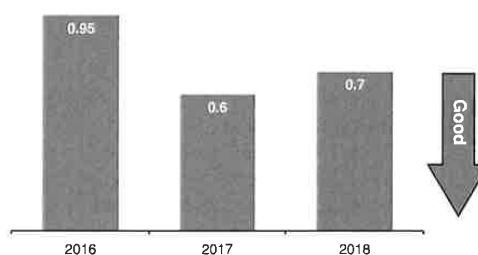


Restoration Performance
Average Time of Resolution - In Minutes



- Safety performance, measured by days away, restricted or transferred ("DART") per 100 workers, has improved significantly since 2016 and continued to outperform the industry.

Safety Performance
DART



- Our Massachusetts electric and gas distribution companies each met or exceeded Service Quality Index performance targets established by regulators in Massachusetts, which is the only state in our service territory that has such targets, and we exceeded our response time for gas service calls goal.

COMPENSATION DISCUSSION AND ANALYSIS

- We exceeded the goal of having 37% of new hires and promotions within the supervisor and above management group be women or persons of color by achieving 42% of these positions.
- We achieved very constructive regulatory outcomes, including rate reviews of Yankee Gas Services Company, The Connecticut Light and Power Company and Aquarion Water Company of Massachusetts; completed the sale of our remaining PSNH generation assets; and implemented a constructive rate order for NSTAR Electric Company.
- We led the response to a series of catastrophic natural gas explosions that occurred in another company's service territory at the request of the Massachusetts Governor and successfully completed initial phase of the incident response.
- Our program of transforming the customer experience achieved significant milestones, including the introduction of a new customer outage map, further increases in timely estimates for service restoration, and increased online customer engagement.

2018 Clean Energy/ESG Accomplishments

- We continue to be recognized as the leading energy efficiency program provider in the nation and were recognized by the American Council for an Energy-Efficient Economy with two awards in January of 2019, and by the U. S. Environmental Protection Agency in April of 2018 with the Partner of the Year Sustained Excellence Award.
- As previously noted, we completed, with our offshore wind partner Ørsted, the acquisition of offshore wind

assets that are currently contracted to deliver 830 MW of clean energy, along with offshore lease tracts that in the future may host some 4,000 MW of clean, low cost energy.

- NSTAR Electric is investing \$55 million in battery storage initiatives and \$45 million in electric vehicle infrastructure.
- We completed construction of 62 MW of solar generation across 19 sites, bringing our total solar ownership to 70 MW.
- Independent sustainability rating agencies consistently rank Eversource in the top quartile or top decile of our industry.
- Our commitment to Diversity and Inclusion and our programs and practices were recognized as exemplary by the Associated Industries of Massachusetts and the Bloomberg Gender Equality Index.
- We continued to make a significant impact in our communities through our corporate philanthropy programs and extensive employee community volunteer programs, with 30,000 employee hours devoted to volunteerism in 2018.

Achievement of the 2018 performance goals, additional accomplishments and the Compensation Committee's assessment of Company and executive performance are more fully described in the section below titled "2018 Annual Incentive Program." Specific decisions regarding executive compensation based upon the Committee's assessment of Company and executive performance and market data are also described below.

Pay for Performance Philosophy

The Committee links the compensation of our executive officers, including the Named Executive Officers, to performance that will ultimately benefit our customers and shareholders. Our compensation program is intended to attract and retain the best executive talent in the industry, motivate our executives to meet or exceed specific stretch financial and operational goals each year,

and compensate our executives in a manner that aligns compensation directly with performance. We strive to provide executives with base salary, performance-based annual incentive compensation, and performance-based long-term incentive compensation opportunities that are competitive with market practices and that reward excellent performance.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Governance

What we DO:

- ✓ Pay for Performance
- ✓ Share ownership and holding guidelines
- ✓ Broad clawback policy relating to incentive compensation
- ✓ Double-trigger change in control vesting provisions
- ✓ 100% of long-term incentive compensation paid in stock
- ✓ Independent compensation consultant
- ✓ Annual Say-on-Pay vote
- ✓ Payout limitations on incentive awards
- ✓ Limited executive trading window

What we DON'T do:

- ✗ No tax gross-ups in any new or materially amended executive compensation agreements
 - ✗ No hedging, pledging or similar transactions by executives and Trustees
 - ✗ No liberal share recycling
 - ✗ No dividends on equity awards before vesting
 - ✗ No discounts or repricing of options or SARs
- The executive share ownership and holding guidelines noted in this CD&A emphasize the importance of aligning management with shareholders. Under the share ownership guidelines, which require our Chief Executive Officer to hold shares equal to six times base salary, we require our executives to hold 100% of the shares awarded under the Company's stock compensation program until the share ownership guidelines have been met.
 - Our 2018 Incentive Plan includes a clawback provision that requires our executives and other participants to reimburse the Company for incentive compensation

received, not only if earnings are subsequently required to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct, but also for a material violation of our Code of Business Conduct or material breach of a covenant in an employment agreement. The Plan also imposes limits on awards and on Trustee compensation, and prohibits repricing of awards and liberal share recycling.

- The Company prohibits gross-ups in all new or materially amended executive compensation agreements.
- The Company has a “no hedging and no pledging” policy that prohibits all Trustees and executives from purchasing financial instruments or otherwise entering into any transactions that are designed to have the effect of hedging or offsetting any decrease in the market value of our common shares. This policy also prohibits all pledges, derivative transactions or short sales involving our common shares or the holding of any Company common shares in a margin account by Trustees and executives. This policy is under review and will be supplemented as appropriate to comply with the SEC's new rules governing disclosure of hedging policies affecting all employees.
- Our employment agreements and incentive plan provide for “double-trigger” change in control acceleration of compensation.
- The Compensation Committee annually assesses the independence of its compensation consultant, Pay Governance LLC (Pay Governance), which is retained directly by the Committee. Pay Governance performs no other consulting nor provides services for the Company and has no relationship with the Company that could result in a conflict of interest. At its February 6, 2019 meeting, the Committee concluded that Pay Governance is independent and that no conflict of interest exists between Pay Governance and the Company.

Named Executive Officers

The executive officers listed in the Summary Compensation Table and whose compensation is discussed in this CD&A are referred to as the “Named Executive Officers” under SEC regulations. For 2018, the Named Executive Officers were:

- **James J. Judge**, Chairman, President and Chief Executive Officer
- **Philip J. Lembo**, Executive Vice President and Chief Financial Officer

- **Leon J. Olivier**, Executive Vice President, Enterprise Energy Strategy and Business Development
- **Werner J. Schweiger**, Executive Vice President and Chief Operating Officer
- **Gregory B. Butler**, Executive Vice President and General Counsel

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Our Compensation Program

The Role of the Compensation Committee. The Board of Trustees has delegated to the Compensation Committee overall responsibility for establishing the compensation program for those senior executive officers, whom we refer to in this CD&A as “executives” and whom are deemed to be “officers” under the SEC’s regulations that determine the persons whose compensation is subject to disclosure. In this role, the Committee sets compensation policy and compensation levels, reviews and approves performance goals and evaluates executive performance. Although this discussion and analysis refers principally to compensation for the Named Executive Officers, the same compensation principles and practices apply to all executives. The compensation of the Chief Executive Officer is subject to the further review and approval of all of the independent Trustees.

Elements of Compensation. Total direct compensation consists of three elements: base salary, annual cash incentive awards and long-term equity-based incentive awards. Indirect compensation is provided through certain retirement, perquisite, severance, and health and welfare benefit programs.

Our Compensation Objectives. The objectives of our compensation program are to attract and retain superior executive talent, motivate our executives to achieve annual and long-term performance goals set each year, and provide total compensation opportunities that are competitive with market practices. With respect to incentive compensation, the Committee believes it is important to balance short-term goals, such as producing earnings, with longer-term goals, such as long-term value creation for shareholders and maintaining a strong balance sheet. The Committee also places great emphasis on system reliability and customer service. Our compensation program utilizes performance-based incentive compensation to reward individual and corporate performance and to align the interests of executives with Eversource Energy’s customers and shareholders. The Committee continually increases expectations to motivate our executives and employees to achieve continuous improvement in carrying out their responsibilities to our customers to deliver energy reliably, safely, with respect for the environment and our employees, and at a reasonable cost, while providing an above-average total return to our shareholders.

Setting Compensation Levels. To ensure that the Company achieves its goal of providing market-based compensation levels to attract and retain top quality management, the Committee provides our executives with target compensation opportunities approximately equal to median compensation levels for executive

officers of companies in the utility industry comparable to us in size. To achieve that goal, the Committee and its independent compensation consultant work together to determine the market values of executive direct compensation elements (base salaries, annual incentives and long-term incentives), as well as total compensation, by using competitive market compensation data. The Committee reviews competitive compensation data obtained from utility and general industry surveys and a specific group of peer utility companies. Levels may be lower than median for those executives who are new to their roles, while long-tenured, high performing executives may be compensated above median. The review by Pay Governance performed in late 2018 indicated that the Company’s aggregate executive compensation levels were aligned with median market rates.

Role of the Compensation Consultant. The Committee has retained Pay Governance as its independent compensation consultant. Pay Governance reports directly to the Committee and does not provide any other services to the Company. With the consent of the Committee, Pay Governance works cooperatively with the Company’s management to develop analyses and proposals for presentation to the Committee. The Committee generally relies on Pay Governance for peer group market data and information as to market practices and trends to assess the competitiveness of the compensation we pay to our executives and to review the Committee’s proposed compensation decisions.

Pay Governance Independence. In February 2019, the Committee assessed the independence of Pay Governance pursuant to SEC and NYSE rules, and concluded that it is independent and that no conflict of interest exists that would prevent Pay Governance from independently advising the Committee. In making this assessment, the Committee considered the independence factors enumerated in Rule 10C-1(b) under the Securities Exchange Act of 1934, as well as the written representations of Pay Governance that Pay Governance does not provide any other services to the Company, the level of fees received from the Company as a percentage of Pay Governance’s total revenues, the policies and procedures employed by Pay Governance to prevent conflicts of interest, and whether the individual Pay Governance advisers with whom the Committee consulted own any Eversource Energy common shares or have any business or personal relationships with members of the Committee or our executives.

Role of Management. Management’s roles, and specifically the roles of the Chief Executive Officer and

COMPENSATION DISCUSSION AND ANALYSIS

the Executive Vice President of Human Resources and Information Technology, are to provide current compensation information to the compensation consultant and analyses and recommendations on executive compensation to the Committee based on the market value of the position, individual performance,

experience and internal pay equity. The Chief Executive Officer also provides recommendations on the compensation for the other Named Executive Officers. None of the executives makes recommendations that affect his or her individual compensation.

Market Analysis

The Compensation Committee seeks to provide our executives with target compensation opportunities using a range that is approximately equal to the median compensation levels for executive officers of utility companies comparable to the Company. Set forth below is a description of the sources of the compensation data used by the Committee when reviewing 2018 compensation:

• **Competitive Compensation Survey Data.** The Committee reviews compensation information obtained from surveys of diverse groups of utility and general industry companies that represent our market for executive officer talent. Utility industry data serve as the primary reference point for benchmarking officer compensation and are based on a defined peer set, as discussed below, while general industry data is derived from compensation consultant surveys and serves as a secondary reference point. General industry data are used for staff positions and are size-adjusted to ensure

a close correlation between the market data and the Company's scope of operations. The Committee references this information, which it obtains from Pay Governance, to evaluate and determine base salaries and incentive opportunities.

• **Peer Group Data.** In support of our executive pay decisions during 2018 and early 2019, the Committee consulted with Pay Governance, which provided the Committee with a competitive assessment analysis of the Company's executive compensation levels as compared to the 20 peer group companies listed in the table below. This peer group was chosen because these companies are and continue to be similar to Eversource Energy in terms of size, business model and long-term strategies. The group was reduced in January 2019 upon the merger of SCANA and Dominion Energy, and will be reviewed by the Committee again in 2019.

Alliant Energy Corporation	DTE Energy Company	PPL Corporation
Ameren Corporation	Edison International	Public Service Enterprise Group, Inc.
American Electric Power Co., Inc.	Entergy Corporation	SCANA (2018)
CenterPoint Energy, Inc.	FirstEnergy Corp.	Sempra Energy
CMS Energy Corp.	NiSource Inc.	WEC Energy Group, Inc.
Consolidated Edison, Inc.	PG&E Corporation	Xcel Energy Inc.
Dominion Energy, Inc.	Pinnacle West Capital Corporation	

The Committee reviews the appropriateness of the peer group periodically and adjusts the target percentages of annual and long-term incentives based on the survey data and recommendations from the CEO, after discussion with the compensation consultant, to ensure that they are approximately equal to competitive median levels.

The Committee also determines perquisites to the extent they serve business purposes and sets supplemental benefits at levels that provide appropriate compensation opportunities to the executives. The Committee periodically reviews the general market for supplemental benefits and perquisites using utility and general industry survey data, including data obtained from companies in the peer group.

COMPENSATION DISCUSSION AND ANALYSIS

Mix of Compensation Elements

We target the mix of compensation for our Chief Executive Officer and the other Named Executive Officers so that the percentages of each compensation element are approximately equal to the competitive median market mix. The mix is heavily weighted toward incentive compensation, and incentive compensation is heavily weighted toward long-term compensation. Since our most senior positions have the greatest responsibility for implementing our long-term business plans and strategies, a greater proportion of total compensation is based on performance with a long-term focus.

The Committee determines the compensation for each executive based on the relative authority, duties and responsibilities of the executive. Our Chief Executive Officer's responsibilities for the strategic direction and daily operations and management of Eversource are greater than the duties and responsibilities of our other executives. As a result, our Chief Executive Officer's compensation is higher than the compensation of our other executives. Assisted by the compensation consultant, the Committee regularly reviews market compensation data for executive officer positions similar to those held by our executives, including our Chief Executive Officer.

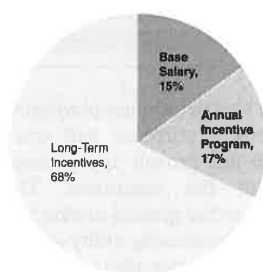
The following table sets forth the contribution to 2018 Total Direct Compensation (TDC) of each element of compensation at target, reflected as a percentage of TDC, for the Named Executive Officers. The percentages shown in this table are at target and therefore do not correspond to the amounts appearing in the Summary Compensation Table.

Named Executive Officer (NEO)	Percentage of TDC at Target				TDC
	Base Salary	Annual Incentive ⁽¹⁾	Long-Term Incentives		
			Performance Shares ⁽¹⁾	RSUs ⁽²⁾	
James J. Judge	15%	17%	34%	34%	100%
Philip J. Lembo	26%	20%	27%	27%	100%
Leon J. Olivier	26%	20%	27%	27%	100%
Werner J. Schweiger	26%	20%	27%	27%	100%
Gregory B. Butler	30%	20%	25%	25%	100%
NEO average, excluding CEO	27%	20%	26.5%	26.5%	100%

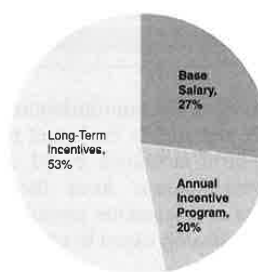
(1) The annual incentive compensation element and performance shares under the long-term incentive compensation element are performance-based.

(2) Restricted Share Units (RSUs) vest over three years contingent upon continued employment.

Total Direct Compensation - CEO



Total Direct Compensation - All other NEO's



Risk Analysis of Executive Compensation Program

The overall compensation program includes a mix of compensation elements ranging from a fixed base salary that is not at risk to annual and long-term incentive compensation programs intended to motivate executives

and eligible employees to achieve individual and corporate performance goals that reflect an appropriate level of risk. The fundamental objective of the compensation program is to foster the continued growth

COMPENSATION DISCUSSION AND ANALYSIS

and success of our business. The design and implementation of the overall compensation program provides the Committee with opportunities throughout the year to assess risks within the compensation program that may have a material effect on the Company and our shareholders.

The Compensation Committee assesses the risks associated with the executive compensation program on an on-going basis by reviewing the various elements of incentive compensation. The annual incentive program was designed to ensure an appropriate balance between individual and corporate goals, which were deemed appropriate and supportive of the Company's annual business plan. Similarly, the long-term incentive program was designed to ensure that the performance metrics were properly weighted and supportive of the Company's strategy. The Committee reviewed the overall compensation program in the context of risks identified in the annual operating plan. The annual and long-term incentive programs were designed to include mechanisms to mitigate risk. These mechanisms include realistic goal setting and discretion with respect to actual payments, in addition to:

- A mix of annual and long-term performance awards to provide an appropriate balance of short- and long-term risk and reward horizon;

- A variety of performance metrics, including financial, operational, customer service, diversity and safety goals and other strategic initiatives for annual performance awards to avoid excessive focus on a single measure of performance;

- Metrics in the Company's long-term incentive compensation program that use earnings per share growth and relative total shareholder return, which are both robust measures of shareholder value and which reduce the risk that employees might be encouraged to pursue other objectives that increase risk or reduce financial performance;

- The provisions of our annual and long-term incentive programs, which cap awards at 200% of target;

- Our expansive clawback provisions on incentive compensation, including clawback for material violations of our Code of Conduct; and

- Stock ownership requirements for all executives, including our Named Executive Officers, and prohibitions on hedging, pledging and other derivative transactions related to our shares.

Based on these factors, the Compensation Committee and the Board of Trustees believe the overall compensation program risks are mitigated to reduce overall compensation risk.

Results of Our 2018 Say-on-Pay Vote

We are requesting that shareholders cast the annual advisory vote on executive compensation (a Say-on-Pay proposal). At the Company's Annual Meeting of Shareholders held on May 2, 2018, 90% of the votes cast on the Say-on-Pay proposal were voted to approve the 2017 compensation of the Named Executive Officers, as described in our 2018 proxy statement. Say-on-Pay results of the Company, along with utility and general

industry peers, are reviewed by the Committee annually to help assess whether our shareholders continue to deem our executives' compensation to be appropriate. The Committee has and will continue to consider the outcome of the Company's Say-on-Pay votes when making future compensation decisions for the Named Executive Officers. Please see Item 2 in this proxy statement.

Elements of 2018 Compensation

Base Salary

Base salary is designed to attract and retain key executives by providing an element of total compensation at levels competitive with those of other executives employed by companies of similar size and complexity in the utility and general industries. In establishing base salary, the Compensation Committee relies on compensation data obtained from independent third-party surveys of companies and from an industry peer group to ensure that the compensation opportunities we offer are capable of attracting and

retaining executives with the experience and talent required to achieve our strategic objectives. Adjustments to base salaries are made on an annual basis except in instances of promotions.

When setting or adjusting base salaries, the Committee considers annual executive performance appraisals; market pay movement across industries (determined through market analysis); targeted market pay positioning for each executive; individual experience; strategic importance of a position; recommendations of the Chief Executive Officer; and internal pay equity.

COMPENSATION DISCUSSION AND ANALYSIS

Incentive Compensation

Annual incentive and long-term incentive compensation are provided under the Company's 2018 Incentive Plan. The annual incentive program provides cash compensation intended to reward performance under our annual operating plan. The long-term stock-based incentive program is designed to reward demonstrated performance and leadership, motivate future performance, align the interests of the executives with those of our shareholders, and retain the executives

during the term of grants. The annual and long-term programs are designed to strike a balance between the Company's short- and long-term objectives so that the programs work in tandem.

In addition to the specific performance goals, the Committee assesses other factors, as well as the executives' roles and individual performance and then makes annual incentive program awards at the levels and amounts disclosed in this proxy statement.

2018 Annual Incentive Program

In February 2018, the Committee established the terms of the 2018 Annual Incentive Program. As part of the overall program, and after consulting with Pay Governance, the Committee set target award levels for each of the Named Executive Officers that ranged from 65% to 120% of base salary.

At the February 2018 meeting, the Committee determined that for 2018 it would continue to base 70% of the annual incentive performance goals on the Company's overall financial performance and 30% of the annual performance goals on the Company's overall operational performance. The Committee also determined the specific goals that would be used to

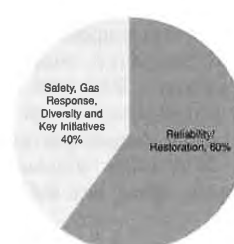
assess performance, with potential ratings on each goal ranging from 0% to 200% of target. The Committee assigned weightings to each of these specific goals. For the financial component, the following goals were used: earnings per share, weighted at 60%, dividend growth, weighted at 10%, and advancement of strategic growth initiatives, weighted at 30%. For the operational component, the Committee used the following goals: combined service reliability and restoration goals, weighted at 60%, and combined safety ratings, gas service response, diversity promotions and hires of leadership employee positions goals and key initiatives, weighted at 40%.

2018 Performance Goals

Financial (70%)



Operational (30%)



At the December 2018 meeting of the Committee, management provided an initial review of the Company's 2018 performance, followed in February 2019 by a full assessment of the performance goals, the additional accomplishments noted below under the caption "Additional Factors" and the overall performance of the Company and the executives. In addition to these meetings, the Committee and the Board were continuously provided updates during 2018 on corporate performance. At the February 6, 2019 meeting, the Committee determined, based on its assessment of the financial and operational performance goals, to set the level of achievement of combined

financial and operational performance goals results at 157% of target, reflecting the overall strong performance of the Company and the executive team. In arriving at this determination, the Committee determined that the financial performance goals result was 151% of target and the operational performance goals result was 171% of target. In particular, the Committee discussed its assessment of the Strategic Growth Initiative goal, and in determining the assessment of 150% of a possible 200%, it considered the success of the Company in establishing itself as a leader in clean energy through the greatly expanded Ørsted offshore wind partnership; its best in industry ranking in energy efficiency; the

COMPENSATION DISCUSSION AND ANALYSIS

completed construction of 62 MW in utility scale solar; and the advancement of the Company's battery storage and electric vehicle infrastructure initiatives. The Chief Executive Officer recommended to the Committee awards for the executives (other than himself) based on his assessment of each executive's individual performance towards achievement of the performance goals and the additional accomplishments of the Company, together with each executive's contributions to the overall performance of the Company. The actual awards determined by the Committee were also based on the same criteria.

Financial Performance Goals Assessment

- Our earnings per share in 2018 increased by 4.5% over 2017 and exceeded the established goal of 3.5%; 2018 earnings equaled \$3.25 per share. We accomplished this by effectively managing our Operating Plan, overcoming several challenges. The Committee determined the earnings per share goal to have attained a 150% performance result.
- We increased our dividend to \$2.02 per share, a 6.3% increase from the prior year, significantly above the utility industry's median dividend growth of 5.1%. The Committee determined this goal to have attained a 155% performance.
- We significantly advanced our clean energy leadership through the expansion of our offshore wind energy partnership with Ørsted. Completing a project in February 2019 that commenced in 2018, the partnership purchased two projects that have contract commitments of 830 MW, along with a 257 square mile lease tract off the New England coast. We also completed the construction of 62 MW of large scale solar in Massachusetts, and achieved solid progress on our grid modernization projects, including battery storage and electric vehicle infrastructure. In addition, the Committee also recognized advancements made to continue to expand solar and electric vehicle infrastructure in other jurisdictions. Our appeal of the denial of the single final permit for the Northern Pass hydro power transmission project was accepted by the New Hampshire Supreme Court. The totality of these strategic accomplishments was considered by the Committee to have significantly advanced the Company's long-term strategy of being a clean energy leader. The Committee determined this goal to have attained a 150% performance.

Operational Performance Goals Assessment

- The Company's total electric system reliability performance exceeded that of its peers significantly. Average months between interruptions equaled 17.2 months, near the highest end of the performance zone established by the Committee of 15.5 to 18.5 months and in the first quartile of industry peers. System average restoration duration time equaled 77.5 minutes, within the performance zone established by the Committee of 80 to 67 minutes and also exceeding peers. The Committee determined these goals to have each attained a 175% performance result.
- We achieved the safety performance goal of between 0.5 - 0.9 DART per 1,000 employees; DART equaled 0.7 in 2018, within the established performance zone and better than peers. The Committee determined this goal to have attained a 130% performance result.
- On-time response to gas customer emergency calls was 99.5%, which was at the high end of the performance zone of 99.2% - 99.6%. The Committee determined this goal to have attained a 150% performance result.
- In 2018, 42% of new hires and promotions into leadership roles were women or people of color, substantially exceeding the goal of 37%. The Committee determined this goal to have attained a 200% performance result.
- The Company successfully completed important efforts to improve the customer experience, including enhanced web/digital capabilities with a new web-based outage map and improved outage communications. Key customer metrics finished above target. Estimated Time to Restoration calls were well-managed 89% of the time, exceeding the goal of 85%, and digital customer engagement finished above target at 83.2%. In addition, we maintained our best in industry ranking in energy efficiency program effectiveness. The Committee determined this goal to have attained a 150% performance result.
- The Company achieved several constructive regulatory outcomes. These included the settlement agreement approved by the Connecticut Public Utilities Regulatory Authority (PURA) for The Connecticut Light and Power Company, a settlement agreement also approved by the PURA on Yankee Gas Services Company's rate review, a positive rate outcome for Aquarion Water Company of Massachusetts, and a settlement with FERC in an important docket on transparency, along with progress on the critical docket relating to return on equity for transmission assets. The Committee determined this goal to have attained a 200% performance result.

COMPENSATION DISCUSSION AND ANALYSIS

2018 Annual Incentive Program Performance Assessments

Financial Performance Goals

Category	2018 Goal	Company Performance	Assessment
Earnings Per Share	Increase earnings by 3.5%	Exceeded: \$3.25 per share, a 4.5% increase over 2017 and exceeding goal	150%
Dividend Growth	Increase dividend beyond industry average	Exceeded: Increased to \$2.02 per share, a \$0.12 increase and 6.3% growth, exceeding the industry median of 5.1%	155%
Strategic Growth Initiatives	Advancement of Key Strategic Projects	Achieved: Significantly advanced the Company's status as a clean energy leader through the major expansion of our offshore wind partnership with Ørsted; our Northern Pass project appeal was accepted by New Hampshire Supreme Court; and we completed construction of 62MW of solar in Massachusetts and advanced battery storage and electric vehicle infrastructure initiatives	150%

Weightings = Earnings Per Share – 60%; Dividend Growth – 10%; Strategic Growth Initiatives – 30%

Operational Performance Goals

Category	2018 Goal	Company Performance	Assessment
Reliability – Average Months Between Interruptions (MBI)	Achieve MBI of within 15.5 to 18.5 months	Exceeded: MBI = 17.2 months. At upper level of targeted performance zone, exceeding industry peers	175%
Average Restoration Duration (SAIDI)	Achieve SAIDI of 80 to 67 minutes	Exceeded: SAIDI = 77.5 minutes. Within targeted performance and significantly exceeding industry peers	175%
Safety Rate	0.5 - 0.9 days away/restricted	Achieved: 0.7 DART – Within targeted performance and exceeding industry peers	130%
Gas Service Response	99.2% - 99.6%	Achieved: 99.5%; Upper level of performance range and ahead of industry average. Exceeded all internal and regulatory pipeline safety requirements	150%
Diverse Leadership	37% hires or promotions of leadership level to be women or people of color	Exceeded: 42% – Performed well above target, with 83 of 200 leadership positions filled with diverse candidates. Recognized by industry organizations for diversity leadership	200%
Transform the Customer Experience	Successfully complete new customer outage map, increase accuracy of estimate time to restoration of 85% and achieve digital customer engagement participation at 83%	Achieved: Enhanced web/digital capabilities with new outage map and improved outage communications. Key customer metrics finished above target. Estimated Times for Restoration given to customers were well managed 89% of the time and digital customer engagement finished above target at 83.2%	150%
Positive Regulatory Outcomes	Obtain constructive rate case outcomes	Exceeded: Successfully completed constructive settlements on CL&P and Yankee Gas with PURA. Constructive rate outcome in MA for Aquarion. Reached settlement on FERC Transparency docket with 30 intervenors, and progress made on 4 open FERC ROE complaints, including dismissal of one	200%

Weightings = Reliability and Restoration – 60%; Safety, Gas Response, Diversity and Key Initiatives – 40%

Performance Goals Assessment

Financial Performance at 151% (weighted 70%)	106%
Operational Performance at 171% (weighted 30%)	51%
Overall Performance	157%

COMPENSATION DISCUSSION AND ANALYSIS

Additional Factors

The following key financial, strategic, environmental and customer-focused results were also considered significant by the Committee in making an assessment of overall financial and operational performance, but were not given specific weightings or assigned a specific performance assessment score:

- At the request of the Massachusetts Governor, we led the emergency response effort to a major natural gas incident that occurred in another company's franchise territory and received widespread recognition for leadership in the major restoration efforts that followed.
- We responded extremely well to major weather events affecting our natural gas, electric and water systems, including three back-to-back major March blizzards, May tornadoes and July heatwaves, and were awarded two industry awards for very effective storm response and recovery from EEL.
- We received awards from industry groups for performance in ERM, Sustainability, Diversity, Energy Efficiency, and Investor Relations. Our ESG ratings for sustainability are top quartile by several major sustainability ratings providers.
- We maintained our standing of having the best credit rating in the industry of "A+", completing \$2 billion of long-term debt issuances at very competitive rates.
- We completed the sale of our remaining New Hampshire generation assets.
- Our employee engagement initiatives delivered positive results in many areas; the results of our Company-wide employee engagement survey showed significantly higher overall favorability; our training programs and online employee community have helped us to deliver better customer service; we advanced Diversity & Inclusion through leadership commitment and active D&I councils and business resource groups; and we continued to foster positive union management relationships, including reaching early contract agreements with two of our largest unions in Massachusetts and Connecticut.

Individual Executives' Performance Factors Considered by the Committee

It is the Committee's philosophy to provide incentives for Company executives to work together as a highly

effective, integrated team to achieve or exceed the financial, operational, safety, customer, strategic and diversity goals and objectives. The Committee also reviews and assesses individual executive performance. The Committee based the annual incentive payments on team performance and also on the Committee's assessment of each executive's individual performance in supporting the performance goals, additional achievements and overall Company performance. With respect to the Chief Executive Officer, the Committee and all other independent Trustees assessed the performance of our Chief Executive Officer and, based on the recommendations of the Chief Executive Officer as to executives other than himself, the Committee assessed the performance of the Named Executive Officers to determine the individual incentive payments as disclosed in the Summary Compensation Table. Based on the Committee's review, which included its assessment of the performance goals, the significant other accomplishments of the Company and the Named Executive Officers, and the overall performance of the Company and each of the Named Executive Officers, considered in its totality by the Committee to have been excellent, the Committee approved annual incentive program payments for the Named Executive Officers at levels that ranged from 151% to 163% of target. These payments reflected the individual and team contributions of the Named Executive Officers in achieving the goals and the additional accomplishments and the overall performance of the Company.

In determining Mr. Judge's annual incentive payment of \$2,430,000, which was 157% of target and which reflects his and the Company's continued strong performance, the Committee and the Board considered the totality of the Company's success in accomplishing the goals set by the Committee, the additional accomplishments of the Company, and the superior leadership of Mr. Judge in every part of the business.

2018 Annual Incentive Program Awards

Named Executive Officer	Award
James J. Judge	\$2,430,000
Philip J. Lembo	765,000
Leon J. Olivier	800,000
Werner J. Schweiger	815,000
Gregory B. Butler	645,000

COMPENSATION DISCUSSION AND ANALYSIS

Long-Term Incentive Program

General

Our long-term incentive program is intended to focus on the Company's longer-term strategic goals and to help retain our executives. A new three-year program commences every year. For the three programs described below, each executive's target long-term incentive opportunity consisted of 50% Performance Shares and 50% RSUs. Performance Shares are designed to reward long-term achievements as measured against pre-established performance measures. RSUs are designed to provide executives with an incentive to increase the value of Company common shares in alignment with shareholder interests, while also serving as a retention component for executive talent. We believe these compensation elements create a focus on continued Company and share price growth to further align the interests of our executives with the interests of our shareholders.

Performance Share Grants

General

Performance Shares are designed to reward future financial performance, measured by long-term earnings growth and shareholder returns over a three-year performance period, therefore aligning management compensation with performance. Performance Shares are granted as a target number of Eversource common shares. The number of Performance Shares is determined by dividing the target grant value in dollars by the average daily closing prices of Eversource common shares on the New York Stock Exchange for the ten business days preceding the grant date and rounding to the nearest whole share. Until the end of the performance period, the value of dividends that would have been paid with respect to the Performance Shares had the Performance Shares been actual common shares will be deemed to be invested in additional Performance Shares, which remain at risk and do not vest until actual performance for the period is determined.

Performance Shares under the 2017 – 2019 and 2018 – 2020 Programs

For the 2018 - 2020 Program, the Committee determined it would continue to measure performance using: (i) average diluted earnings per share growth (EPSG); and (ii) relative total shareholder return (TSR) measured against the performance of companies that

comprise the EEI Index. As in 2017 and 2016, the Committee selected EPSG and TSR as performance measures because the Committee continues to believe that they are generally recognized as the best indicators of overall corporate performance. Further, the Committee considers it a best practice to use a combination of relative and absolute metrics, with EPS growth serving as a key input to shareholder value and TSR serving as the output.

The number of Performance Shares awarded at the end of the three-year period ranges from 0% to 200% of target, depending on EPSG and relative TSR performance as set forth in the performance matrix below. Performance Share grants are based on a percentage of annualized base salary at the time of the grant and measured in dollars. The target number of shares under the 2018 - 2020 Program ranged from 35% to 233% of base salary. For the 2018 - 2020 Program, EPSG ranges from 0% to 9%, while TSR ranges from below the 10th percentile to above the 90th percentile. The award target is 100%, which the Committee determined is challenging but achievable. As a result, vesting at 100% of target occurs at various combinations of EPSG and TSR performance. In addition, the value of any performance shares that actually vest may increase or decrease over the vesting period based on the Company's share price performance. The number of performance shares granted at target were approved as set forth in the table below. The Committee and the independent Members of the Board determined the Performance Share grants for the Chief Executive Officer. Based on input from the Chief Executive Officer, the Committee determined the Performance Share grants for each of the other executive officers, including the other Named Executive Officers.

For the 2017 - 2019 Program, the Committee used the same performance measures of EPSG and TSR and the same criteria used in the 2018 - 2020 Program described above.

The performance matrix set forth below describes how the Performance Share payout will be determined under the 2017 - 2019 and 2018 - 2020 Long-Term Incentive Programs and how the Performance Share payout was determined under the 2016 - 2018 Program. Three-year average EPSG is cross-referenced with the actual three-year TSR percentile to determine actual performance share payout as a percentage of target.

COMPENSATION DISCUSSION AND ANALYSIS

2016 – 2018, 2017 – 2019 and 2018 – 2020 Long-Term Incentive Programs Performance Share Potential Payout

Three-Year Average EPS Growth	Three-Year Relative Total Shareholder Return Percentiles									
	Below 10th	20th	30th	40th	50th	60th	70th	80th	90th	Above 90th
9%	110%	120%	130%	140%	150%	160%	170%	180%	190%	200%
8%	100%	110%	120%	130%	140%	150%	160%	170%	180%	190%
7%	90%	100%	110%	120%	130%	140%	150%	160%	170%	180%
6%	80%	90%	100%	110%	120%	130%	140%	150%	160%	170%
5%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
4%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%
3%	40%	50%	70%	80%	90%	100%	110%	120%	130%	140%
2%	20%	40%	60%	70%	80%	90%	100%	110%	120%	130%
1%	—	10%	40%	60%	70%	80%	90%	100%	110%	120%
0%	—	—	20%	30%	50%	70%	80%	90%	100%	110%
Below 0%	—	—	—	—	10%	20%	30%	40%	50%	60%

**Long-Term Incentive Program Performance
Share Grants at Target**

Named Executive Officer	2017 – 2019 Performance Share Grant	2018 – 2020 Performance Share Grant
James J. Judge	48,259	48,912
Philip J. Lembo	11,520	10,682
Leon J. Olivier	12,526	11,498
Werner J. Schweiger	11,703	10,845
Gregory B. Butler	9,052	8,410

Results of the 2016 – 2018 Performance Share Program

The 2016 - 2018 Program, which used the same criteria used in the 2018 - 2020 Program described above, was completed on December 31, 2018. The actual performance level achieved under the Program was a three-year average adjusted EPS growth of 5.0% and a three-year total shareholder return at the 34th percentile, which when interpolated in accordance with the criteria established by the Committee in 2016 resulted in vesting performance share units at 94% of target. At its February 6, 2019 meeting, the Committee confirmed that the actual results achieved were calculated in accordance with established performance criteria. The

number of Performance Shares awarded to the Named Executive Officers were approved as set forth in the table below.

2016 – 2018 Long-Term Incentive Program Performance Share Awards	
Named Executive Officer	Performance Share Award
James J. Judge	13,206
Philip J. Lembo*	2,029
Leon J. Olivier	13,869
Werner J. Schweiger	12,987
Gregory B. Butler	8,571

* Reflects award in 2016 to Mr. Lembo made prior to his election as Chief Financial Officer.

COMPENSATION DISCUSSION AND ANALYSIS**Restricted Share Units (RSUs)****General**

Each RSU granted under the long-term incentive program entitles the holder to receive one Company common share at the time of vesting. All RSUs granted under the long-term incentive program vest in equal annual installments over three years. RSU holders are eligible to receive reinvested dividend units on outstanding RSUs held by them to the same extent that dividends are declared and paid on our common shares. Reinvested dividend equivalents are accounted for as additional RSUs that accrue and are distributed with the common shares issued upon vesting of the underlying RSUs. Common shares, including any additional common shares in respect of reinvested dividend equivalents, are not issued for any RSUs that do not vest.

The Committee determined RSU grants for each executive officer participating in the long-term incentive program. RSU grants are based on a percentage of

annualized base salary at the time of the grant and measured in dollars. In 2018, the percentage used for each executive officer was based on the executive officer's position in the Company and ranged from 35% to 233% of base salary. The Committee reserves the right to increase or decrease the RSU grant from target for each officer under special circumstances. The Committee and all other independent members of the Board determined the RSU grants for the Chief Executive Officer. Based on input from our Chief Executive Officer, the Committee determined the RSU grants for each of the other executive officers, including the other Named Executive Officers.

All RSUs are granted on the date of the Committee meeting at which they are approved. RSU grants are subsequently converted from dollars into common share equivalents by dividing the value of each grant by the average closing price for our common shares over the ten trading days prior to the date of the grant. RSU grants at 100% of target were approved as set forth in the table below.

Named Executive Officer	RSUs Granted		
	2016	2017	2018
James J. Judge	12,004	48,259	48,912
Philip J. Lembo	1,844*	11,520	10,682
Leon J. Olivier	12,607	12,526	11,498
Werner J. Schweiger	11,805	11,703	10,845
Gregory B. Butler	7,791	9,052	8,410

* Reflects grant to Mr. Lembo made prior to his election as Chief Financial Officer.

Clawbacks

If our earnings were to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct, or if a plan participant engages in a willful material violation of our Code of Business Conduct or material corporate policy, or the breach of a material covenant in an employment agreement, as

determined by the Board of Trustees, the participant will be required by our 2018 Incentive Plan to reimburse us for incentive compensation awards received by them just for that year.

No Hedging and No Pledging Policy

We have adopted a policy prohibiting the purchase of financial instruments or otherwise entering into transactions designed to have the effect of hedging or offsetting any decrease in the value of our common shares by our Trustees and executives. This policy also prohibits all pledging, forward sale contracts, zero cost

collars, short sales, the holding of any Company common shares in a margin account, or otherwise pledging the Company's common shares. This policy will be reviewed and amended as appropriate to comply with the SEC's new rules governing disclosure of hedging policies affecting all employees.

COMPENSATION DISCUSSION AND ANALYSIS

Share Ownership Guidelines and Retention Requirements

The Committee has approved share ownership guidelines to further emphasize the importance of share ownership by our officers. As indicated in the table below, the guidelines call for the Chief Executive Officer to own common shares equal to six times base salary, executive vice presidents to own a number of common shares equal to three times base salary, senior vice presidents to own common shares equal to two times base salary, and all other officers to own a number of common shares equal to one to one and one half times base salary. Officers and Trustees may only transact in Eversource Energy common shares during approved trading windows and subject to continuing compliance with our share ownership guidelines.

Executive Officer	Base Salary Multiple
Chief Executive Officer	6
Executive Vice Presidents	3
Operating Company Presidents/Senior Vice Presidents	2
Vice Presidents	1-1.5

We require that our officers attain these ownership levels within five years. All of our officers, including the Named Executive Officers, have satisfied the share ownership guidelines or are expected to satisfy them within the applicable timeframe. Common shares, whether held of record, in street name, or in individual 401(k) accounts, and RSUs satisfy the guideline requirements to hold 100% of the net shares. Unvested performance shares do not count toward the ownership guidelines. In addition to the share ownership guidelines noted above, all officers must hold all the shares awarded under the Company's incentive compensation plan until the share ownership guidelines have been met.

Other Benefits

Retirement Benefits

The Company provides a qualified defined benefit pension program for certain officers, which is a final average pay program subject to tax code limits. Because of such limits, we also maintain a supplemental non-qualified pension program. Benefits are based on base salary and certain incentive payments, which is consistent with the goal of providing a retirement benefit that replaces a percentage of pre-retirement income. The supplemental program compensates for benefits barred by tax code limits, and generally provides (together with the qualified pension program) benefits equal to approximately 60% of pre-retirement compensation (subject to certain reductions) for Messrs. Judge, Lembo and Schweiger, and approximately 50% of such compensation for Mr. Butler. The supplemental program has been discontinued for newly-elected officers.

As set forth on page 49 in footnote (2) of the Summary Compensation Table, Mr. Judge and Mr. Lembo were elected to the positions of President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively, in 2016, such that 2017 was the first year that each served in his new position. Each had a resulting substantial increase in the actuarial,

formula-based present values of their pension benefit due to the increase in their base pay and annual bonus. These increases are disclosed in the Change in Pension Value and Non-Qualified Deferred Earnings column of the Summary Compensation Table. These accounting-based increases for Mr. Judge and Mr. Lembo, while representing a substantial portion of their 2017 and 2018 total compensation disclosed in the SEC Total column of the Summary Compensation Table, resulted in no actual 2017 or 2018 W-2 earnings for either of them.

For certain participants, the benefits payable under the Supplemental Non-Qualified Pension Program differ from those described above. Mr. Olivier's employment agreement provides retirement benefits similar to those of a previous employer instead of the supplemental program benefits described above. Under this agreement, he will receive a pension based on a prescribed formula if he meets certain eligibility requirements. The program benefit payable to Mr. Schweiger is fully vested and is further reduced by benefits he is entitled to receive under previous employers' retirement plans.

Also see the narrative accompanying the "Pension Benefits" table and accompanying notes for more detail on the above program.

COMPENSATION DISCUSSION AND ANALYSIS

401(k) Benefits

The Company offers a qualified 401(k) program for all employees, including executives, subject to tax code limits. After applying these limits, the program provides a match of 50% of the first 8% of eligible base salary, up to a maximum of \$11,000 per year for Messrs. Judge, Lembo and Schweiger. For Messrs. Olivier and Butler, we provide a match of 100% of the first 3% of eligible base salary, up to a maximum of \$8,250 per year.

Deferred Compensation

The Company offers a non-qualified deferred compensation program for our executives. In 2018, the program allowed deferral of up to 100% of base salary,

annual incentives and long-term incentive awards. The program allows participants to select investment measures for deferrals based on an array of deemed investment options (including certain mutual funds and publicly traded securities).

See the Non-Qualified Deferred Compensation Table and accompanying notes for additional details on the above program.

Perquisites

The Company provides executives with limited financial planning benefits, vehicle leasing and access to tickets to sporting events. The current level of perquisites does not factor into decisions on total compensation.

Contractual Agreements

We maintain contractual agreements with all of our Named Executive Officers that provide for potential compensation in the event of certain terminations, including termination following a Change in Control. We believe these agreements are necessary to attract and retain high quality executives and to ensure executive focus on Company business during the period leading up to a potential Change in Control. The agreements are “double-trigger” agreements that provide executives with compensation in the event of a Change in Control followed by termination of employment due to one or

more of the events set forth in the agreements, while still providing an incentive to remain employed with the Company for the transition period that follows.

Under the agreements, certain compensation is generally payable if, during the applicable change in control period, the executive is involuntarily terminated (other than for cause) or terminates employment for “good reason.” These agreements are described more fully in the Tables following this CD&A under “Payments Upon Termination.”

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code precludes a public corporation from taking an income tax deduction in any one year for compensation in excess of \$1 million payable to its named executive officers who are employed on the last day of the fiscal year, unless certain specific performance goals are satisfied. Until January 1, 2018, there was an exception to the \$1 million limitation for performance-based compensation meeting certain requirements. This exception was repealed, effective for taxable years beginning after December 31, 2017 and the limitation on deductibility generally was expanded to include all Named Executive Officers. As a result, compensation paid to the Named Executive Officers in excess of \$1 million per officer will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of and not modified after November 2, 2017.

The Committee believes that the availability of a tax deduction for forms of compensation should be one of many factors taken into consideration of providing market-based compensation to attract and retain highly qualified executives. The Committee believes it is in the Company’s best interests to retain discretion to make compensation awards, whether or not deductible.

The Company has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation – Stock Compensation*. In general, the Company and the Committee do not consider accounting considerations in structuring compensation arrangements.

COMPENSATION DISCUSSION AND ANALYSIS

Equity Grant Practices

Equity awards noted in the compensation tables are made annually at the February meeting of the Compensation Committee (subject to further approval by all of the independent members of the Board of Trustees of the Chief Executive Officer's award) when the Committee also determines base salary, annual and

long-term incentive compensation targets and annual incentive awards. The date of this meeting is chosen at least a year in advance, and therefore awards are not coordinated with the release of material non-public information.

Compensation Committee Report

The Compensation Committee of the Board of Trustees has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on this review and discussion, the Compensation Committee has recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in

the 2019 proxy statement and our 2018 Annual Report on Form 10-K.

The Compensation Committee

William C. Van Faasen, Chair
Sanford Cloud, Jr.
James S. DiStasio
John Y. Kim
Dennis R. Wraase

February 20, 2019

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/05/2019

Request No. STAFF 5-012

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

Severance: Reference response to OCA 1-68. Please provide a list, showing employee, his/her position, and reason for termination for each severance paid during the test year.

Response:

Please refer to Attachment STAFF 5-012 for a breakdown of Test Year severance expense, including employee position and reason for termination.

Docket No. DE 19-057
Data Request STAFF 5-012
Dated 7/22/2019
Attachment STAFF 5-012
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
SEVERANCE EXPENSE

Employee	Employee Position	Reason for Termination	Severance Allocated to PSNH
(a)	(b)	(c)	(d)
1	Manager, Financial Reporting	Involuntary- Mutual Agreement	\$ 2,234.38
2	Manager, Employee Relations	Involuntary- Workforce Reduction	20,062.78
3	Customer Service Center Representative IV	Involuntary- Mutual Agreement	4,091.31
4	Community Relations Specialist	Involuntary- Mutual Agreement	20,000.00
5	Consultant	Involuntary- Mutual Agreement	2,009.04
6	Manager, Telecommunications Strategy	Involuntary- Workforce Reduction	5,899.24
Total Severance Recorded in Test Year			<u>\$ 54,296.75</u>

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/05/2019

Request No. OCA 1-068

Request from: Office of Consumer Advocate

Date of Response: 06/27/2019

Page 1 of 1

Witness: Eric H. Chung, Troy Dixon

Request:

Severance Costs. Please provide the amount of severance costs included in the test year and each of the rate years.

Response:

The amount of severance costs included in the Test Year and Rate Year were \$54,297 and \$57,136, respectively.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 06/25/2019

Date of Response: 07/10/2019

Request No. STAFF 4-032

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

Reference 2018 FERC Form-1 (p. 323, line 187) and Filing, Attachments of Eric H. Chung and Troy M. Dixon Testimony, Schedule EHC/TMD-1 (Perm), Schedule EHC/TMD-12 (Perm). For Account 926, for 2018 test year (\$4,911,202) and 2019 rate year (\$16,022,044), please provide a breakdown of the individual components and costs, including the following: a. Net Periodic Expense (detailed as follows)

- Service Costs
- Interest Costs
- Expected Return on Plan Assets
- Amortization of Net Actuarial Gain
- Amortization of Prior Service Credits
- Sub-Total Net Periodic Expense

b. Medical Costs (employer cost)

c. 401-K Costs (employer cost)

d. Other (please specify)

e. Sub-Total Before Capital Credits

f. Less: Capital Credits

g. Other (please specify)

h. Total Account 916, Employee Pensions and Benefits Please provide the above components and costs broken out separately for Pensions, PBOPs and SERPs.

Response:

Please refer to Attachment STAFF 4-032 A for a breakdown of account 926 by individual costs for both the test year (\$4,911,202) and the rate year (\$16,022,044).

Please refer to Attachment STAFF 4-032 B for a breakdown of the individual components of the test year Pension, PBOP, and MedVantage expenses.

Please refer to Attachment STAFF 4-032 C for a breakdown of the individual components of the test year SERP, Non-Qualified Pension, and Non-SERP expenses.

Please refer to Attachment STAFF 4-032 D for a breakdown of the individual components of the rate year Pension, PBOP, and MedVantage expenses.

Note that the 2019 SERP Actuarial Valuation Reports were not received until June 26 and as a result, there were no Test Year Pro Forma adjustments made to reflect updated actuarial valuations in the filing.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
EMPLOYEE BENEFITS

									Proforma Adjustments				
	12/31/2018	Less:			Adjusted	Less:	Benefits		Updated	8.069%			
	Account 926	Adjustment	Unadjusted	Indirect Cost	Test Year	Non-Benefits	Reclass from	Test Year	Actuarial	Wage	Incremental	Rate	
	per FF1	Clauses	Test Year	Reallocation	per EHC-5	Expenses	acct 925000	Starting Point	Reports	Increase	FTEs	Year	
	(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
Medical / Prescription	\$ 15,120,534	\$ (2,871,321)	\$ 12,249,212	\$ -	\$ 12,249,212	\$ -	\$ -	\$ 12,249,212	\$ 1,186,106	\$ -	\$ 64,422	\$ 13,499,741	
Dental	860,052	(169,578)	690,474	-	690,474	-	-	690,474	(82,667)	-	2,918	610,725	
Vision	90,691	(16,583)	74,108	-	74,108	-	-	74,108	(10,689)	-	304	63,723	
401 K	4,882,444	(922,399)	3,960,045	-	3,960,045	-	-	3,960,045	-	319,536	20,720	4,300,301	
Pension	2,033,389	1,294,519	3,327,908	-	3,327,908	-	-	3,327,908	2,827,689	-	-	6,155,597	
PBOP	(696,576)	876,423	179,847	-	179,847	-	-	179,847	451,156	-	-	631,003	
Medvantage	273,779	(106,922)	166,856	-	166,856	-	-	166,856	(8,837)	-	-	158,020	
Employee Service Awards	18,711	(1,152)	17,559	-	17,559	-	-	17,559	-	-	-	17,559	
Other Benefits	361,533	(123,339)	238,195	-	238,195	-	41,277	279,472	-	-	-	279,472	
Life Insurance	260,700	(55,735)	204,965	-	204,965	-	-	204,965	-	-	-	204,965	
Short Term Disability	50,707	(9,719)	40,988	-	40,988	-	-	40,988	-	-	-	40,988	
SERP	1,144,048	(164,741)	979,307	-	979,307	-	-	979,307	-	-	-	979,307	
Non-SERP	412,291	(72,299)	339,992	-	339,992	-	-	339,992	-	-	-	339,992	
Non-Qualified Pension	377,435	(84,224)	293,211	-	293,211	-	-	293,211	-	-	-	293,211	
Long Term Disability	276,782	(66,820)	209,962	-	209,962	-	-	209,962	-	-	-	209,962	
Education Reimbursements	102,890	(18,213)	84,678	-	84,678	-	-	84,678	-	-	-	84,678	
Miscellaneous	(272,444)	41,452	(230,992)	-	(230,992)	299,614	-	68,622	-	-	-	68,622	
Capitalization	\$ (20,385,765)	\$ 3,528,588	\$ (16,857,177)	\$ 7,195,564	\$ (9,661,613)	\$ -	\$ -	\$ (9,661,613)	\$ (2,101,647)	\$ (131,318)	\$ (21,243)	\$ (11,915,822)	
Total	\$ 4,911,201	\$ 1,057,937	\$ 5,969,139	\$ 7,195,564	\$ 13,164,703	\$ 299,614	\$ 41,277	\$ 13,505,593	\$ 2,261,111	\$ 188,218	\$ 67,122	\$ 16,022,044	

Docket No. DE 19-057
Data Request STAFF 4-032
Dated 6/25/2019
Attachment STAFF 4-032 B
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TEST YEAR PENSION, PBOP, AND MEDVANTAGE BY COMPONENT

Description	PSNH	EESCO
(a)	(b)	(c)
Pension		
Service Costs	\$ 7,945,973	\$ 22,506,967
Interest Costs	15,251,545	53,630,361
Expected Return on Plan Assets	(31,132,937)	(104,191,850)
Amortization of Net Actuarial Gains	10,070,379	34,300,920
Amortization of Prior Service Credits	551,064	1,395,019
Sub-Total Net Periodic Expense	\$ 2,686,024	\$ 7,641,417
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ 2,686,024	\$ 641,115
PBOP		
Service Costs	\$ 787,608	\$ 3,745,995
Interest Costs	2,319,664	7,380,828
Expected Return on Plan Assets	(3,717,053)	(14,052,059)
Amortization of Net Actuarial Gains	700,628	2,536,639
Amortization of Prior Service Credits	416,402	(3,513,197)
Sub-Total Net Periodic Expense	\$ 507,249	\$ (3,901,794)
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ 507,249	\$ (327,361)
MedVantage		
Service Costs	\$ 81,097	\$ 672,824
Interest Costs	16,655	153,002
Expected Return on Plan Assets	-	-
Amortization of Net Actuarial Gains	(3,504)	39,590
Amortization of Prior Service Credits	-	-
Sub-Total Net Periodic Expense	\$ 94,248	\$ 865,416
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ 94,248	\$ 72,608

Docket No. DE 19-057
Data Request STAFF 4-032
Dated 6/25/2019
Attachment STAFF 4-032 C
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TEST YEAR SERP, NON-QUALIFIED PENSION, AND NON-SERP

Description	PSNH	EESCO
(a)	(b)	(c)
SERP		
Service Costs	\$ 15,157	\$ 576,081
Interest Costs	140,291	2,046,852
Expected Return on Plan Assets	-	-
Amortization of Net Actuarial Gains	250,341	4,212,799
Amortization of Prior Service Credits	-	-
Sub-Total Net Periodic Expense	\$ 405,789	\$ 6,835,732
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ 405,789	\$ 573,518
Non-Qualified Pension		
Service Costs	\$ -	\$ 1,143,557
Interest Costs	-	1,770,526
Expected Return on Plan Assets	-	-
Amortization of Net Actuarial Gains	-	386,899
Amortization of Prior Service Credits	-	193,786
Sub-Total Net Periodic Expense	\$ -	\$ 3,494,768
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ -	\$ 293,211
Non-SERP		
Service Costs	\$ -	\$ 368,660
Interest Costs	52,960	1,507,118
Expected Return on Plan Assets	-	-
Amortization of Net Actuarial Gains	47,949	973,840
Amortization of Prior Service Credits	-	-
Sub-Total Net Periodic Expense	\$ 100,909	\$ 2,849,618
Allocation to PSNH	100.00%	8.39%
Gross Test Year Expense Allocated to PSNH	\$ 100,909	\$ 239,083

Docket No. DE 19-057
Data Request STAFF 4-032
Dated 6/25/2019
Attachment STAFF 4-032 D
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
RATE YEAR PENSION, PBOP, AND MEDVANTAGE BY COMPONENT

Description	PSNH	EESCO
(a)	(b)	(c)
Pension		
Service Costs	\$ 7,215,495	\$ 20,911,238
Interest Costs	16,835,716	59,557,057
Expected Return on Plan Assets	(29,097,363)	(99,012,009)
Amortization of Net Actuarial Gains	9,933,756	34,007,218
Amortization of Prior Service Credits	-	386,409
Sub-Total Net Periodic Expense	\$ 4,887,604	\$ 15,849,913
Allocation to PSNH	100.00%	8.00%
Gross Rate Year Expense Allocated to PSNH	\$ 4,887,604	\$ 1,267,993
PBOP		
Service Costs	\$ 673,466	\$ 3,216,759
Interest Costs	2,450,007	7,938,794
Expected Return on Plan Assets	(3,313,491)	(12,982,816)
Amortization of Net Actuarial Gains	634,785	2,463,385
Amortization of Prior Service Credits	416,402	(3,513,197)
Sub-Total Net Periodic Expense	\$ 861,169	\$ (2,877,075)
Allocation to PSNH	100.00%	8.00%
Gross Rate Year Expense Allocated to PSNH	\$ 861,169	\$ (230,166)
MedVantage		
Service Costs	\$ 72,862	\$ 604,655
Interest Costs	24,860	222,951
Expected Return on Plan Assets	-	-
Amortization of Net Actuarial Gains	(6,132)	2,766
Amortization of Prior Service Credits	-	-
Sub-Total Net Periodic Expense	\$ 91,590	\$ 830,372
Allocation to PSNH	100.00%	8.00%
Gross Rate Year Expense Allocated to PSNH	\$ 91,590	\$ 66,430

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

DE 19-064
Distribution Service Rate Case

Staff Data Requests - Set 5

Date Request Received: 7/25/19
Request No. Staff 5-11

Date of Response: 8/8/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Supplemental Executive Retirement Plans (SERP) Reference Filing Requirements, Puc 1604.01(a)(9)(b), page 1 of 22, Account 1283 SERP Trust Account. Does the Company's rate request include any recovery related to SERP either direct charged or allocated? If the response is in the affirmative, provide the amount included.

RESPONSE:

The Company's rate request does not include any recovery related to the Supplemental Executive Retirement Plan (SERP).

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/05/2019

Request No. STAFF 5-029

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

Directors' and Officers' ("D&O") Liability Insurance: Does the cost of service include any premium costs for D&O insurance either direct charged or allocated? If the response is in the affirmative, provide the following items:

- a) Amount included in the base year and forecasted period (If the amount is allocated, provide the allocations.)
- b) List of officers and directors covered by the insurance
- c) List of acts covered by the insurance

Response:

- a) There was approximately \$69,009 of Directors' and Officers' (D&O) liability insurance expense included in the Test Year. The Rate Year expense for D&O liability insurance is approximately \$67,139. All D&O expenses to PSNH are direct charged. The expense for D&O liability insurance for the Test Year and Rate Year can be found on Schedule EHC/TMD-13 (Perm), line 29, columns (E) and (G) respectively.
- b) Please see the following for a listing of officers and directors covered by the insurance:

BOARD OF DIRECTORS

- Gregory B. Butler
- James J. Judge
- Philip J. Lembo
- Werner J. Schweiger

OFFICERS

- James J. Judge, Chairman
- Werner J. Schweiger, Chief Executive Officer
- William J. Quinlan, President and Chief Operating Officer
- Gregory B. Butler, Executive Vice President and General Counsel
- Philip J. Lembo, Executive Vice President and Chief Financial Officer
- John M. Moreira, Senior Vice President, Finance and Regulatory and Treasurer
- Ellen K. Angley, Vice President, Supply Chain, Environmental Affairs and Property Management
- Jay S. Buth, Vice President, Controller and Chief Accounting Officer
- James G. Daly, Vice President - Energy Supply

- Joseph A. Purington, Vice President - Electric Operations
 - Richard J. Morrison, Secretary
 - Emilie G. O'Neil, Assistant Treasurer - Corporate Finance and Cash Management
 - Florence J. Iacono, Assistant Secretary
 - Thelma J. Brown, Principal Engineer
- c. D&O Liability insurance covers the Directors and Officers of PSNH for claims made against them while serving on the Board of Directors and/or as an Officer of PSNH. Elements to the D&O policy are as follows;
- **Side A**—Protects PSNH's Directors and Officers when PSNH cannot indemnify the individuals.
 - **Side B**—Reimburses PSNH when it indemnifies the individual Directors and Officers, thus protecting PSNH's balance sheet.
 - **Side C**—Also known as "entity coverage," covers PSNH in a securities class action lawsuit.

The types of claims that may target PSNH leadership individually as well as PSNH as an entity typically include shareholder suits over company or stock performance, creditor or investor suits over mismanagement or dereliction of fiduciary duties, misrepresentation in a prospectus, decisions exceeding the authority granted to a PSNH Officer, failure to comply with regulations or laws, employment practices and HR issues, pollution and other regulatory claims.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 08/13/2019
Request No. OCA 6-018
Request from: Office of Consumer Advocate

Date of Response: 09/03/2019
Page 1 of 2

Witness: Eric H. Chung, Troy Dixon

Request:

Reference Chung and Dixon Testimony, Bates 174, Lines 10-12 identifying a \$1,213,743 adjustment relating to “maintenance services performed by the Company for a third party pole owner that have been billed but remain unpaid.”

- a. Please state when the work at issue was performed and when it was billed.
- b. Please state whether the Company anticipates it will ever be compensated by the third party pole owner for those services and why.
- c. Please provide the Company’s basis for including this cost in the test year.

Response:

Please refer to the Company’s response to OCA 2-050 for a detailed discussion of the issue.

- a. The amount at issue, \$1,213,743, was for work performed in calendar year 2018. In 2018, the spending required to maintain the integrity of electric distribution operations for reliability and resiliency purposes produced a charge to Consolidated of \$8,097,465, pursuant to the formula contained in the IOP. Consolidated paid \$6,345,304, leaving an outstanding balance of \$1,752,161. The outstanding balance is comprised of the amount of \$1,213,743 and \$538,418, which are costs incurred in 2018 and billed in 2018 and 2019.
- b. The Company does not expect that Consolidated will pay this amount. The underlying issue raised by Consolidated in discussions with the Company is that there is a growing difference between the *need* for vegetation management on the Company’s system and the *benefit* that the Consolidated system is receiving. PSNH has engaged in substantial discussion with Consolidated and is aware that the benefit that the Consolidated system is receiving is not increasing in correlation with the increased spending demanded by the electric distribution system. As a result, PSNH does not expect that Consolidated will continue to escalate its contribution to align with the *need* for expenditure on the electric distribution system, but rather will look to exercise its right under the IOP to correlate its contribution to the benefit its system is receiving.
- c. The Company views that the amount of contribution obtained from Consolidated (and clearly due from Consolidated under the express terms of the IOP) will remain in the range of \$4-6 million given the expected activity level and associated costs that the Company will incur over the next several years. Therefore, the Company has made a normalizing adjustment in the cost-of-service to reflect the fact that, in 2018, the Company incurred a cost of \$1,213,743 to maintain reliability and resiliency on the electric system that, in combination with the recorded test year cost, is

representative of the amounts that the Company will occur on a going forward basis to meet the needs of the electric distribution system and the customers relying on that system for power.

As the Company's maintenance trimming costs have increased over time, the primary driver of this increase is the need to maintain and improve electric system reliability and resiliency. Consolidated and its predecessor companies have historically borne a relatively substantial percentage of these costs under the IOP and will continue to do so in accordance with the IOP, given the benefit that the telecommunications system is receiving. However, the benefit to the telecommunications system is not increasing in correlation with the increased cost and benefit to the electric system. From the perspective of Consolidated, the increased level of spending necessary to meet the objectives of the electric system is not beneficial to its telecommunication operations, and becoming less so. Therefore, the Company expects that Consolidated will exercise its contractual right to pay for only those activities that are beneficial to its system, which in 2018 was no more than \$6.3 million.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/11/2019

Date of Response: 10/23/2019

Request No. STAFF 15-005

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Troy Dixon, Douglas P. Horton

Request:

Reference Chung/Dixon response to Staff 12-016 and 024. Identify the FERC accounts in which any merger or integration costs were recorded, including any deferred costs.

Response:

All merger or integration costs were expensed as incurred on the books of the Eversource Energy parent. No merger or integration costs were recorded in any FERC accounts on the books of PSNH.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 09/20/2019

Date of Response: 10/08/2019

Request No. STAFF 12-014

Page 1 of 5

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

(TS) Reference Quinlan Testimony, Bates p. 000030, lines 9-10.

- a) Provide a narrative explanation of the witness's statement that "the burden of proof for the recovery of merger-related costs is high in New Hampshire".
- b) Provide a narrative explanation of any differences between the "burden of proof for recovery of merger-related costs" in Connecticut, Massachusetts and New Hampshire.
- c) Provide citation to any orders, regulations or statutes supporting the witness's responses to section (a) and (b) above.

Response:

- (a) Mr. Quinlan's statement in the Quinlan Testimony, Bates p. 000030, lines 9-10, is based on discussion with legal counsel regarding the nature of the demonstration that must be made in New Hampshire to obtain authorization to recover merger-related transaction and integration costs. Mr. Quinlan's impression and understanding is that the burden of proof is "high" because there are no clear cut examples of circumstances where recovery of merger-related transaction and integration costs were actually recovered by a post-merger entity.
- (b) There is no difference between Connecticut, Massachusetts and New Hampshire in terms of the applicable legal standard, i.e., all three jurisdictions state that they accept the fundamental principle that recovery of merger-related transaction and integration costs may be allowed to the extent that there is a showing that actual merger-related savings are equal to or exceed the merger-related costs proposed for recovery. For example, an explanation of the Commission's perspective on merger cost recovery was set out in the Commission's decision approving the purchase of EnergyNorth Natural Gas (ENGI) by Keyspan Corporation in 1999. The ENGI/KeySpan purchase was approved by the Commission in Docket No. DG 99-193, Order No. 23,470 (May 8, 2000) (the "ENGI Order"). In the ENGI Order, the Commission approved a settlement agreement allowing the merger to move forward, stating:

The provisions of the Settlement Agreement here which defer consideration of the capital structure and ratemaking issues with regard to '**Merger Related Costs**' for a subsequent proceeding are appropriate. The Joint Petitioners may, in a future proceeding, request the amortization of the acquisition premium in rates, and the Commission may consider allowing such recovery, but is not bound by the Settlement Agreement to rule in any particular way. Further, the Settlement Agreement provides that the Joint Petitioners **must meet the evidentiary burden of demonstrating** that the Merger Related Savings **equal or exceed** the amount of the acquisition premium and **transaction and integration costs proposed for amortization**. If the Commission

were to allow Recovery of 'Merger Related Costs,' the level of Merger Related Savings would provide an upper limit as to the amount of those costs the Joint Petitioners may seek, but no more than the 'Merger Related Costs.' None of the Parties nor Staff shall be precluded from taking any position with regard to such a request for ratemaking treatment in a future proceeding. Until such time that the Commission determines otherwise, the 'Merger Related Costs' shall be recorded and amortized 'below the line' and shall not be included in the determination of rates.

ENGI Order at 18-19 (emphasis added).

In both Connecticut and Massachusetts, Eversource Energy met this standard by showing that operating costs specific to the operating affiliate were reduced or eliminated. For example, in D.P.U. 14-150, the Department authorized NSTAR Gas to recover merger-related costs based on a showing that actual savings were achieved in excess of that amount. Specifically, the Company proposed to recover \$4,847,546 in merger-related costs over a ten-year period, or approximately \$484,755 annually. D.P.U. 14-150, at 131. The Department authorized this recovery based on the Company's showing that \$2.7 million in actual, annual merger-related savings were achieved for the direct benefit of NSTAR Gas customers in areas such as corporate insurance, contract services, professional services, and materials and supplies procurement. The Department also noted that the cost of service captured \$587,000 in employee-benefit savings arising from the merger. D.P.U. 14-150, at 132, fn.84.

The merger between NSTAR and Northeast Utilities was a highly synergistic merger, successfully implemented by the post-merger entity. The Net Benefits Analysis quantifies the actual enterprise-wide savings achieved as a result of the merger. That analysis shows that the post-merger, enterprise-wide savings were estimated at \$784 million in the 10 years following the merger and that a total of \$1.01 billion in savings over 10 years will actually be achieved. See Attachment STAFF 12-017 I. There is no question that PSNH, as part of the overall enterprise will experience a share of those savings. However, in this case, the Company is not resting on that analysis for the demonstration of savings because, although it is complete and accurate on an enterprise-wide basis, the allocation of savings among affiliates in that analysis is not intended to precisely track actual savings for each affiliate.

Instead, in this case, the Company is presenting evidence identifying and quantifying operating cost savings specific to the PSNH operations. The Company is not expecting the Commission to allow merger cost recovery on the basis of the Net Benefits Analysis and the allocation of estimated benefits included therein. The Company recognizes that the Commission will want to know that there are real, tangible, quantifiable savings captured in the cost of service that exceed the annual amortization of merger-related costs requested for recovery. The Company further recognizes that this demonstration is required (reasonably) because the Commission must know that the cost of service is lower than it otherwise would be in the absence of the merger, thereby warranting recovery of the merger costs incurred to make those savings happen.

Thus, the issue in New Hampshire that makes the burden of proof "high" is not that there is a different legal standard -- there is not. Rather, it is because there is no model or precedent to go by that indicates how the Commission will apply the standard to the specific proof presented by the Company. Accordingly, the statement in Mr. Quinlan's testimony was intended to indicate that the Company recognizes that the Commission will need to be convinced in this case that: (1)

actual savings were achieved for the direct benefit of PSNH customers; and (2) those benefits exceed the costs that the Company is requesting to recover on an annual basis.

(c) The authorities relied on for the foregoing analysis are the following:

New Hampshire

In New Hampshire, the Commission's precedent on merger cost recovery is reflected in the ENGI Order (Docket No. DG 99-193, Order No. 23,470 (May 8, 2000)), and in its order approving the 1998 acquisition of Northern Utilities by NiSource, Order No. 22,983, Northern Utilities, Inc., 83 NH PUC 401 (1998) ("Northern Utilities"). In Northern Utilities, the Commission held:

inclusion of the acquisition premium in ratebase and the effect of the acquisition premium on the capital structure of Northern would in all likelihood lead us to the conclusion that Northern ratepayers would be harmed by the acquisition without the conditions contained in the Stipulation. Those conditions require Northern **to substantiate any savings to ratepayers that have resulted from the merger** before Northern may include any part of the acquisition premium in ratebase for ratemaking purposes. The same condition applies to the effect of the acquisition premium on the capital structure of the resultant entity.

Northern Utilities, at 3 (emphasis added).

In Docket No. DE 99-035 relating to the 1999 acquisition of New England Electric System by National Grid, the Commission reached a similar conclusion in a fully litigated matter with respect to the recovery of any acquisition premium. See Order No. 23,308 (October 4, 1999) at 21-27.

In 2007, the Commission approved the acquisition of EnergyNorth by National Grid, including a comprehensive settlement agreement that included provisions relating to merger cost recovery that applied to Granite State and EnergyNorth based upon new rate plans being adopted for each operating company, Docket No. DG 06-107, Order No. 24,777 (July 12, 2007) ("ENGI-National Grid"). For Granite State, the acquisition premium from this "and any prior mergers" was excluded from rates. ENGI-National Grid, at 11. With respect to other merger costs, the settlement agreement provided, for Granite State, that:

Granite State would be allowed to amortize the prudently incurred costs to achieve the merger savings allocated to it with a return at Granite State's pre-tax weighted average cost of capital, using the Commission-approved imputed or actual capital structure in effect for each year: and rates set forth in the Granite State rate plan, for a period of ten years, beginning January 1, 2008.

Id. at 11. "Costs to achieve" were defined as costs prudently incurred (1) to meet the legal, regulatory, and accounting/auditing requirements for completing the merger and (2) to combine the companies and realize potential merger savings. Id.

For EnergyNorth, the company was required to file a rate case within six months after the closing of the merger in line with certain requirements defined in the approved settlement agreement. If EnergyNorth initiated a second rate case within five years of the closing of the merger, at that time it would be permitted the opportunity to "prove the actual net synergy savings achieved from the merger and add back 50 percent of those savings to the cost of service in the second rate case as a savings allowance." ENGI-National Grid, at 24.

In 2008, the Commission approved Unitil's acquisition of Northern Utilities from NiSource, Docket No. DG 08-048, Order No. 24,906 (October 10, 2008) ("Northern Utilities-Unitil"). As part of the

approved settlement agreement, Unitil agreed to forego the collection of any of the synergy savings and to flow any savings through to customers, but was permitted to request, in a future rate proceeding, the recovery of integration costs relating to specified capital project expenditures that were required for Unitil to operate Northern. Northern Utilities-Unitil, at 6.

Massachusetts

Under Massachusetts Department of Public Utilities (the “Department”) precedent, the Department will allow recovery of merger-related costs where it is demonstrated that merger-related savings have accrued to customers in an amount that at least equals or exceeds those costs. See, e.g., Boston Gas Company, Essex Gas Company and Colonial Gas Company, each d/b/a National Grid, D.P.U. 10-55, at 378 (2010); BEC Energy/Commonwealth Energy Systems, D.T.E. 99-19, at 68 (1999); Eastern Enterprises and Essex County Gas Company, D.T.E. 98-27, at 8 (1998); Colonial Gas Company, D.T.E. 98-128, at 8-9, 85-86 (1999); Mergers and Acquisitions, D.P.U. 93-167-A at 6, 7, 9 (1994); Boston Edison Company, D.P.U./D.T.E. 97-63, at 7 (1998).

In 2015, the Department issued a rate case order approving recovery of merger-related costs by NSTAR Gas, finding that the company had made the requisite showing consistent with this precedent that its merger-related savings will exceed its merger-related costs. NSTAR Gas Company, D.P.U. 14-150 (Oct. 30, 2015), at 132-133.

Similarly, in the 2017 rate case order for NSTAR Electric Company and Western Massachusetts Electric Company, the Department found that the companies’ allocated share of merger-related costs was approximately \$30.5 million, and that their net savings over the ten-year period following the merger was expected to be \$274.2 million. Consistent with Department precedent, the Department approved recovery of merger-related costs because the companies had made the requisite demonstration that their merger-related savings exceeded their share of merger-related costs. NSTAR Electric Company and WMECO, D.P.U. 17-05 (Nov. 30, 2017), at 298-302.

Connecticut

The Connecticut Public Utilities Regulatory Authority (the “Authority”) recognized in the 2012 NU-NSTAR merger “that to achieve merger related savings it is necessary for the Companies to incur out-of-pocket categories of transaction and integration costs that represent investments in the merger.” Application for Approval of Holding Company Transaction Involving Northeast Utilities and NSTAR, Docket No. 12-01-07 (Apr. 2, 2012) (“NU-NSTAR”), at 26. The Authority stated “[m]any of these costs cannot be quantified because they are based on forecasted estimates. The Authority will review the merger-related costs along with the associated resulting net savings in a future proceeding. That proceeding would involve a determination of the appropriateness of the merger-related costs expended in order to achieve the merger related savings.” Id.

The Authority applied this standard in the 2014 rate case of The Connecticut Light and Power Company, stating that this was “the first rate case since the merger was approved; therefore, the Authority will review the costs and merger savings associated with the merger.” Application of The Connecticut Light and Power Company to Amend Rate Schedules, Docket No. 14-05-06 (Dec. 17, 2014), at 155. The Authority found “that the merger has provided benefits to customers which exceed the costs to achieve those reductions. The Authority therefore approves the Company’s request to amortize the CL&P portion of merger costs of \$2.520 million annually for 10 years.” Id., at 156.

In the 2017 acquisition of Aquarion Water Company by Eversource, the Authority addressed the regulatory treatment of merger transaction costs, which “are those costs incurred in effectuating a change of control and include such costs as accounting, consulting and legal expenses. Eversource will only recover transaction costs to the extent savings from this change of control transaction exceed costs as adjudicated in future rate cases.” Joint Application of Eversource Energy and Macquarie Utilities Inc. for Approval of a Change of Control, Docket No. 17-06-30 (Oct. 27, 2017), at 13. The Authority noted that its precedent for the treatment of merger-related costs is contained in the 2014 CL&P rate case order. Id. The Authority approved the transaction, holding that “Eversource may request recovery of transaction costs from this change of control to the extent savings exceed costs as adjudicated in future rate cases.” Id. The Authority’s order included approval of a settlement condition stating that to the extent Eversource seeks transaction costs in a rate proceeding it must do so within a seven-year time frame from the closing date of the transaction.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/05/2019

Request No. STAFF 5-017

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

Environmental Remediation: Reference Direct Testimony of Chung/Dixon pages 76–77. The Company is allowed to defer Environmental Remediation Costs up to \$8.5 million. The current deferred balance is \$9,164,729. Please provide the detail for the \$664,729 difference between \$8.5 million authorized and the current deferred amount of \$9.16 million balance.

Response:

The deferred environmental remediation costs reached \$8.5M in 2017. The additional \$664,729 was incurred in 2017 and 2018. Due to a directive from Eversource environmental accounting experts, in 2017 the reserve for Reserve Site #10 Laconia MGP was increased by \$934,955 to account for 30 years of groundwater monitoring and 10 years for coal tar recovery. Previously, the reserve included a budget for five years for both groundwater monitoring and coal tar recovery. There were also several other increases and decreases to reserve sites #11 Keene, #14 Dover, #16 Franklin, #17 Nashua, #18 Coakley Landfill, and insurance proceeds. These increases and decreases in 2017 and 2018 left a deferred total at the end of 2018 of \$9,164,729. See the attached spreadsheet with the detail regarding the increases and decreases to the applicable reserves.

Line	Account 182ELO	DEF'D ENVIR REMED COSTS DE- 09-035	
1	Date	Amount	Journal ID# Description
2	2010		
3	06/30/2010	7,638,891.34	GLA 06 7500 xfer Reg Asset in excess of Allowed
4	06/30/2010	7,638,891.34	
5			
6			
7	07/31/2010	3,064.07	GLA 06 7500 Record stipulated rate of return
8	08/31/2010	6,004.65	GLA 06 7500 Record stipulated rate of return
9	09/30/2010	9,206.55	GLA 06 7500 Record stipulated rate of return
10	09/30/2010	7,657,166.61	
11			
12	10/31/2010	(3,041.76)	GLA 06 0253 Adj environmental Insurance proceeds
13	10/31/2010	13,127.36	GLA 06 7500 Record stipulated rate of return
14	11/30/2010	15,914.26	GLA 06 7500 Record stipulated rate of return
15	12/31/2010	18,031.21	GLA 06 7500 Record stipulated rate of return
16	12/31/2010	1,300,000.00	GLA 06 7500 Adj environmental reserve Keene
17	12/31/2010	9,001,197.68	
18			
19	2011		
20	01/31/2011	20,903.63	GLA 06 7500 Record stipulated rate of return
21	02/28/2011	21,044.24	GLA 06 7500 Record stipulated rate of return
22	03/31/2011	3,041.76	GLA06 0253 Xfer Env ins proceeds to segment 6D
23	03/31/2011	(3,041.76)	GLA06 0253 Xfer Env ins proceeds to segment 6D
24	03/31/2011	21,210.46	GLA 06 7500 Record stipulated rate of return
25	03/31/2011	9,064,356.01	
26			
27	04/30/2011	21,374.66	GLA 06 7500 Record stipulated rate of return
28	05/31/2011	21,931.00	GLA 06 7500 Record stipulated rate of return
29	06/30/2011	(5,824.94)	GLA 06 0253 Adj environmental Insurance proceeds
30	06/30/2011	23,266.13	GLA 06 7500 Record stipulated rate of return
31	06/30/2011	9,125,102.86	
32			
33	07/31/2011	24,735.30	GLA 06 7500 Record stipulated rate of return
34	08/31/2011	27,526.65	GLA 06 7500 Record stipulated rate of return
35	09/30/2011	30,577.85	GLA 06 7500 Record stipulated rate of return
36	09/30/2011	9,207,942.66	
37			
38	10/31/2011	31,181.80	GLA 06 7500 Record stipulated rate of return
39	11/30/2011	31,042.86	GLA 06 7500 Record stipulated rate of return
40	12/31/2011	(2,030.99)	GLA 06 0253 Adj environmental Insurance proceeds
41	12/31/2011	31465.73	GLA 06 7500 Record stipulated rate of return
42	12/31/2011	9,299,602.06	
43			
44	2012		
45	01/31/2012	31,850.80	GLA 06 7500 Record stipulated rate of return
46	01/31/2012	60,000.00	GLA 06 7500 Adjust Environmental reserve Laconia
47	02/29/2012	32,127.19	GLA 06 7500 Record stipulated rate of return
48	03/31/2012	(2,739.95)	GLA 06 0253 Adj environmental Insurance proceeds
49	03/31/2012	32,288.35	GLA 06 7500 Record stipulated rate of return
50	03/31/2012	9,453,128.45	
51			
52	04/30/2012	31,424.52	GLA 06 7500 Record stipulated rate of return
53	05/31/2012	32,482.73	GLA 06 7500 Record stipulated rate of return
54	06/30/2012	33,170.83	GLA 06 7500 Record stipulated rate of return
55	06/30/2012	26,500.00	NFM 06 7500 Adj environmental reserve Laconia
56	06/30/2012	9,576,706.53	
57			
58	07/31/2012	34,131.69	GLA 06 7500 Record stipulated rate of return
59	08/31/2012	36,554.82	GLA 06 7500 Record stipulated rate of return
60	09/30/2012	38,463.00	GLA 06 7500 Record stipulated rate of return
61	09/30/2012	9,685,856.04	
62			
63	10/31/2012	38,096.64	GLA 06 7500 Record stipulated rate of return
64	11/30/2012	37,741.24	GLA 06 7500 Record stipulated rate of return
65	12/31/2012	38,124.01	GLA 06 7500 Record stipulated rate of return
66	12/31/2012	(2,032.62)	GLA 06 0253 Adj environmental Insurance proceeds
67	12/31/2012	(72,859.22)	NFM 06 7500 Adj write-off Manchester Steam
68	12/31/2012	(152,118.01)	NFM 06 7500 Adj write-off Pole Storage
69	12/31/2012	9,572,808.08	

70			
71	2013		
72	01/31/2013	(2,739.95)	GLA 06 0253 Adj environmental Insurance proceeds
73	01/31/2013	37,795.48	GLA 06 7500 Record stipulated rate of return
74	02/28/2013	38,001.50	GLA 06 7500 Record stipulated rate of return
75	03/31/2013	38,882.62	GLA 06 7500 Record stipulated rate of return
76	03/31/2013	812,000.00	NFM 06 7500 Adjust Environmental reserve Keene
77	03/31/2013	<u>10,496,747.73</u>	
78			
79	04/30/2013	39,112.17	GLA 06 7500 Record stipulated rate of return
80	05/31/2013	39,331.63	GLA 06 7500 Record stipulated rate of return
81	06/30/2013	39,538.38	GLA 06 7500 Record stipulated rate of return
82	06/30/2013	<u>10,614,729.91</u>	
83			
84	07/31/2013	39,544.18	GLA 06 7500 Record stipulated rate of return
85	08/31/2013	39,739.25	GLA 06 7500 Record stipulated rate of return
86	08/31/2013	20,000.00	NFM 06 7500 Adjust Environmental reserve Keene
87	09/30/2013	39,925.77	GLA 06 7500 Record stipulated rate of return
88	09/30/2013	164,000.00	NFM 06 7500 Adjust Environmental reserve Laconia
89	09/30/2013	55,000.00	NFM 06 7500 Adjust Environmental reserve Keene
90	09/30/2013	(49,143.89)	NFM 06 7500 Adjust Environmental reserve Cocheco
91	09/30/2013	<u>10,923,795.22</u>	
92			
93	10/31/2013	39,772.44	GLA 06 7500 Record stipulated rate of return
94	10/31/2013	(20,000.00)	NFM 06 7500 Adjust Environmental reserve Keene
95	11/30/2013	40,303.71	GLA 06 7500 Record stipulated rate of return
96	12/31/2013	40,469.49	GLA 06 7500 Record stipulated rate of return
97		<u>11,024,340.86</u>	
98			
99	2014		
100	01/31/2014	39,858.63	GLA 06 7500 Record stipulated rate of return
101	02/28/2014	40,136.13	GLA 06 7500 Record stipulated rate of return
102	03/31/2014	(1,643.97)	GLA 06 0253 Adj environmental Insurance proceeds
103	03/31/2014	50,000.00	NFM 06 7500 Adjust Environmental reserve Keene
104	03/31/2014	(47,145.51)	NFM 06 7500 Adjust Environmental reserve Beedee
105	03/31/2014	(5,739.05)	NFM 06 7500 Adjust Environmental reserve Farmington
106	03/31/2014	40,227.42	GLA 06 7500 Record stipulated rate of return
107		<u>11,140,034.51</u>	
108			
109	04/30/2014	40,244.06	GLA 06 7500 Record stipulated rate of return
110	05/31/2014	40,450.11	GLA 06 7500 Record stipulated rate of return
111	05/31/2014	(1,017.29)	GLA 06 0253 Adj environmental Insurance proceeds
112	06/30/2014	(2,500,000.00)	CAS 9304 0 Reciept of settlement Liberty Energy
113	06/30/2014	740,355.06	GLA 0253 80 Reclass settlement for Legal costs
114	06/30/2014	37,151.71	GLA 06 7500 Record stipulated rate of return
115		<u>9,497,218.16</u>	
116			
117	07/31/2014	33,809.21	GLA 06 7500 Record stipulated rate of return
118	08/31/2014	33,992.46	GLA061270 Record stipulated rate of return
119	09/30/2014	34,156.97	GLA061270 Record stipulated rate of return
120		75,000.00	GLA068100 Adjust Environmental reserve Hooksett
121		<u>9,674,176.80</u>	
122			
123	10/31/2014	34,220.60	GLA061270 Record stipulated rate of return
124	11/30/2014	34,403.11	GLA061270 Record stipulated rate of return
125	12/31/2014	34,581.34	GLA061270 Record stipulated rate of return
126		<u>9,777,381.85</u>	
127			
128	2015		
129			Journal ID#
130	201501	34,559.66	37422 Record stipulated rate of return
131	201502	34,714.19	142530 Record stipulated rate of return
132	201503	39,542.51	149113 Site 16 Franklin MGP increase
133	201503	25,177.44	149113 Site 18 Coakley LF NH increase
134	201503	32,487.85	150572 Record stipulated rate of return
135	201503	(963,667.86)	149113 Site 17 Nashua MGP decrease
136	201503	(201,818.26)	149113 Site 14 Dover MGP decrease
137	201503	(102,052.98)	148958 Site 51 Bridge St. closure
138	201503	(536,902.73)	149113 Site 11 Keene MGP decrease
139		<u>8,139,421.67</u>	

140			
141	201504	30,109.86	155892 Record stipulated rate of return
142	201505	30,132.92	160112 Record stipulated rate of return
143	201506	50,000.00	160742 Site 26 Port Refinery increase
144	201506	(2,500,000.00)	161039 Reciept of settlement Liberty Energy (Keene)
145	201506	53,000.00	160742 Site 10 Laconia increase
146	201506	25,294.63	164112 Record stipulated rate of return
147		<u>5,827,959.08</u>	
148			
149	201507	27,334.79	168178 Reclass outside counsel amount
150	201507	20,534.97	169026 Record stipulated rate of return
151	201508	20,724.78	173088 Record stipulated rate of return
152	201509	20,822.55	178337 Record stipulated rate of return
153		<u>5,917,376.17</u>	
154			
155	201510	20,924.54	183465 Record stipulated rate of return
156	201511	21,057.50	188200 Record stipulated rate of return
157	201512	21,182.43	193323 Record stipulated rate of return
158	201512	(1,698,063.71)	194226 Site 17 Nashua decrease
159		<u>4,282,476.93</u>	
160			
161	2016		
162			
163	201601	565,000.00	196447 Site 10 Laconia MGP increase
164	201601	1,430,000.00	196447 Site 11 Keene MGP increase
165	201601	330,000.00	196447 Site 14 Dover MGP increase
166	201601	519,000.00	196447 Site 16 Franklin MGP increase
167	201601	11,137.03	197200 Record stipulated rate of return
168	201602	14,641.79	201754 Record stipulated rate of return
169	201603	14,727.46	206223 Record stipulated rate of return
170		<u>7,166,983.21</u>	
171			
172	201604	14,845.41	210691 Record stipulated rate of return
173	201604	(876.78)	211052 Reclass insurance proceeds
174	201605	14,993.73	214518 Record stipulated rate of return
175	201606	10,000.00	217628 Site 10 Laconia MGP increase
176	201606	15,098.15	218964 Record stipulated rate of return
177		<u>7,221,043.72</u>	
178			
179	201607	15,265.78	223243 Record stipulated rate of return
180	201608	15,388.81	227509 Record stipulated rate of return
181	201609	(109,503.93)	229995 Site 10 Laconia decrease
182	201609	80,000.00	229995 Site 16 Franklin increase
183	201609	15,457.27	231473 Record stipulated rate of return
184	201609	20,000.00	231880 Site 10 Laconia decrease
185		<u>7,257,651.65</u>	
186			
187	201610	15,666.74	235420 Record stipulated rate of return
188	201611	15,721.22	239675 Record stipulated rate of return
189	201612	(33,858.00)	244158 Site 49 Hooksett decrease
190	201612	1,400.00	244622 Site 49 Hooksett adjustment
191	201612	1,100,000.00	244158 Site 14 Dover increase
192	201612	15,836.69	244161 Record stipulated rate of return
193		<u>8,372,418.30</u>	
194			
195	2017		
196			
197	201701	15,933.45	248398 Record stipulated rate of return
198	201702	16,017.00	252187 Record stipulated rate of return
199	201703	16,091.99	256460 Record stipulated rate of return
200		<u>8,420,460.74</u>	
201			
202			
203	201704	(198,954.97)	258166 Reclass insurance settlement
204	201704	15,839.47	260108 Record stipulated rate of return
205	201705	15,588.24	264109 Record stipulated rate of return

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Dated 7/22/2019
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Page 4 of 4

206	201706	934,954.79	266240 Site 10 Laconia increase
207	201706	(210,664.18)	266240 Site 11 Keene decrease
208	201706	(157,787.00)	266240 Site 17 Nashua decrease
209	201706	15,423.99	268371 Record stipulated rate of return
210		<u>8,834,861.08</u>	
211			
212			
213	201707	15,275.56	272382 Record stipulated rate of return
214	201708	15,339.38	276043 Record stipulated rate of return
215	201709	4,867.50	277055 Site 11 Keene increase
216	201709	16,009.00	277055 Site 16 Franklin increase
217	201709	15,396.95	279355 Record stipulated rate of return
218		<u>8,901,749.47</u>	
219			
220	201710	15,414.82	282337 Record stipulated rate of return
221	201711	15,604.25	285375 Record stipulated rate of return
222	201712	5,300.00	288023 Site 14 Dover increase
223	201712	50,000.00	288023 Site 18 Coakley Landfill increase
224	201712	15,772.17	288505 Record stipulated rate of return
225		<u>9,003,840.71</u>	
226			
227	2018		
228	201801	15,549.97	291736 Record stipulated rate of return
229	201802	17,206.98	294607 Record stipulated rate of return
230	201803	17,257.51	297461 Record stipulated rate of return
231	201803	8,130.00	297463 Site 10 Laconia increase
232	201803	37,671.00	297463 Site 11 Keene increase
233	201803	(74,949.27)	297463 Site 57 Dover closure
234		<u>9,024,706.90</u>	
235			
236	201804	17,244.27	300679 Record stipulated rate of return
237	201805	17,245.42	303565 Record stipulated rate of return
238	201806	17,390.39	306626 Record stipulated rate of return
239		<u>9,076,586.98</u>	
240			
241	201807	17,123.59	310142 Record stipulated rate of return
242	201808	(7,246.60)	313462 Reclass insurance proceeds
243	201808	17,270.80	313116 Record stipulated rate of return
244	201809	17,379.13	316349 Record stipulated rate of return
245		<u>9,121,113.90</u>	
246			
247	201810	(7,326.27)	317828 Insurance proceeds
248	201810	(1,346.26)	318685 Clear Hooksett reserve site
249	201810	17,288.60	319374 Record stipulated rate of return
250	201811	17,428.87	322708 Record stipulated rate of return
251	201812	17,570.16	326183 Record stipulated rate of return
252		<u>9,164,729.00</u>	

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 11/18/2019

Request No. TS 2-014

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon

Request:

Amortization of Environmental Costs: Follow up to Staff 5-17. The reserve balance as of 12/31/18 is \$9,164,729 and the Company is seeking recovery over four years. The support includes lines items labeled "record stipulated rate of return."

- a. Please break out the environmental remediation costs by site. And for each site, break out the costs associated with remediation and the carrying charges.
- b. Will the unrecovered balance continue to accrue carrying charges? If so, at what rate?

Response:

- a) The Company does not maintain cost information on a site-by-site basis for the years prior to its prior rate case filing in 2009. Attachment Staff 5-017 contains the detail for all activity within the environmental reserve account since the Company's last rate case, including all cost activity by site.
- b) The environmental reserve accounting treatment was first established following Docket No. DE 99-099. Since that time, the Company has applied the applicable stipulated rate of return then in effect to the unrecovered balance. The Company's proposal is to continue this practice going forward and would apply the weighted average cost of capital approved by the NHPUC as a result of this docket.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 11/15/2019

Request No. TS 2-013

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon, John Spanos

Request:

Proforma Vehicles. Reference the Direct Testimony of Chung/Dixon, page 52-53. The vehicles proforma reflects a decrease of \$1.07 million primarily due to a significant reduction in depreciation expense developed by Mr. Spanos. If Staff's preferred whole life depreciation method is used, what would be the effect on this adjustment? Please provide the supporting workpapers. Depreciation expense (EHC/TMD-28) includes a reduction for Total Transportation Equipment depreciation of (\$1,361,474). Please include in your response the reduction to Total Depreciation for Total Transportation Equipment using the Whole Life method and explain how this is related to the depreciation adjustment reflected in the Vehicle adjustment.

Response:

Please see Attachment TS 2-013 A for the calculation of depreciation expense for Transportation Equipment, Account 392, using the requested Whole Life method.

Please see Attachment TS 2-013 B for a revised Schedule EHC/TMD-24 (Perm) for Vehicles, reflecting depreciation expense using the requested Whole Life method. The pro forma adjustment for Vehicles will change from (\$1,068,474) in the Company's initial filing to (\$347,040) if the Whole Life method is utilized. The reduction for total transportation equipment depreciation on Schedule EHC/TMD-28 will change from (\$1,361,860) in the Company's initial filing to (\$2,755,776) if the Whole Life method is utilized. Please note that implementation of the Whole Life method would also result in the amortization of the \$67.3 million reserve deficiency as calculated by Mr. Spanos in Attachment STAFF 4-034 B.

Depreciation expense for total transportation equipment is one component comprising the direct and indirect costs of maintaining Eversource's fleet of vehicles. On a monthly basis, all of the direct costs of maintaining the fleet such as labor, materials, fuel, registrations, etc. along with indirect costs such as depreciation, facilities, insurance, etc. are accumulated in a vehicle clearing account. These costs are then allocated monthly to individual cost control centers based on how productive labor is charged within the individual costs control centers. Because depreciation expense for transportation equipment is included within the vehicle clearing account, it is removed from the depreciation expense schedule to avoid counting it twice.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEHICLES

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Fuel	\$ 759,419	\$ -	\$ 759,419	\$ -	\$ 759,419
Depreciation	1,752,486	-	1,752,486	(347,040)	1,405,446
Labor	493,528	-	493,528	-	493,528
Material/Parts/Tires	423,147	-	423,147	-	423,147
Allocations/Other Corporate Charges	315,639	-	315,639	-	315,639
Corporate Charges	26,604	-	26,604	-	26,604
Property Taxes	105,464	-	105,464	-	105,464
Facilities	223,969	-	223,969	-	223,969
Insurance Costs	117,562	8,059	125,621	-	125,621
Vehicle Registrations	90,062	-	90,062	-	90,062
Vehicle - GPS Fees	63,014	-	63,014	-	63,014
Other Vehicle Expenses	53,577	-	53,577	-	53,577
Outside Services	392,866	-	392,866	-	392,866
	<u>\$ 4,817,337</u>	<u>\$ 8,059</u>	<u>\$ 4,825,395</u>	<u>\$ (347,040)</u>	<u>\$ 4,478,355</u>

Calculated Annual Accrual Amount (Whole Life Method)	2,755,776
Expense Allocation Rate	51%
TY Pro Forma Transportation Depreciation Expense	1,405,446
TY Transportation Depreciation Expense	1,752,486
Pro Forma Adjustment	<u>(347,040)</u>

NOTE: Numbers may not add due to rounding.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 10/28/2019

Date of Response: 11/15/2019

Date Supplement Request Received: 12/04/2019

Date of Supplement Response: 12/10/2019

Request No. TS 2-013-SP01

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Troy Dixon, John Spanos

Request:

Proforma Vehicles. Reference the Direct Testimony of Chung/Dixon, page 52-53. The vehicles proforma reflects a decrease of \$1.07 million primarily due to a significant reduction in depreciation expense developed by Mr. Spanos. If Staff's preferred whole life depreciation method is used, what would be the effect on this adjustment? Please provide the supporting workpapers. Depreciation expense (EHC/TMD-28) includes a reduction for Total Transportation Equipment depreciation of (\$1,361,474). Please include in your response the reduction to Total Depreciation for Total Transportation Equipment using the Whole Life method and explain how this is related to the depreciation adjustment reflected in the Vehicle adjustment.

Response:

ORIGINAL RESPONSE:

Please see Attachment TS 2-013 A for the calculation of depreciation expense for Transportation Equipment, Account 392, using the requested Whole Life method.

Please see Attachment TS 2-013 B for a revised Schedule EHC/TMD-24 (Perm) for Vehicles, reflecting depreciation expense using the requested Whole Life method. The pro forma adjustment for Vehicles will change from (\$1,068,474) in the Company's initial filing to (\$347,040) if the Whole Life method is utilized. The reduction for total transportation equipment depreciation on Schedule EHC/TMD-28 will change from (\$1,361,860) in the Company's initial filing to (\$2,755,776) if the Whole Life method is utilized. Please note that implementation of the Whole Life method would also result in the amortization of the \$67.3 million reserve deficiency as calculated by Mr. Spanos in Attachment STAFF 4-034 B.

Depreciation expense for total transportation equipment is one component comprising the direct and indirect costs of maintaining Eversource's fleet of vehicles. On a monthly basis, all of the direct costs of maintaining the fleet such as labor, materials, fuel, registrations, etc. along with indirect costs such as depreciation, facilities, insurance, etc. are accumulated in a vehicle clearing account. These costs are then allocated monthly to individual cost control centers based on how productive labor is charged within the individual costs control centers. Because depreciation expense for transportation equipment is included within the vehicle clearing account, it is removed from the depreciation expense schedule to avoid counting it twice.

SUPPLEMENTAL RESPONSE:

As a result of the additional 'catch-up retirements' identified in the response to TS 2-018, this required an update to the Company's depreciation study results as well as depreciation expense calculated using the whole life method.

Please see Attachment TS 2-013-SP01 B for a revised Schedule EHC/TMD-24 (Perm) for Vehicles, reflecting depreciation expense using the requested Whole Life method. The pro forma adjustment for Vehicles will change from (\$1,068,474) in the Company's initial filing to (\$1,333,732) if the Whole Life method is utilized and the depreciation reserve surplus for Transportation Equipment is amortized over a 5 year period (see page 1 of attachment). The pro forma adjustment for Vehicles will change from (\$1,068,474) in the Company's initial filing to (\$840,386) if the Whole Life method is utilized and the depreciation reserve surplus for Transportation Equipment is amortized over a 10 year period (see page 2 of attachment).

The reduction for Total Transportation Equipment depreciation on Schedule EHC/TMD-28 will change from (\$1,361,860) in the Company's initial filing to (\$2,755,776) if the Whole Life method is utilized. Please note that implementation of the Whole Life method would also result in the amortization of the \$89.7 million reserve deficiency (applicable to all plant accounts except Transportation Equipment) as calculated by Mr. Spanos in Attachment STAFF 4-034-SP01 B.

Docket No. DE 19-057
Data Request TS 2-013 SP01
Dated 10/28/2019
Attachment TS 2-013 SP01 B
Page 1 of 2

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEHICLES

Description	Test Year	Normalizing	Adjusted	(5 Year Amort)	Test Year
	Actual	Adjustments	Test Year	Pro Forma	Pro Forma
(A)	(B)	(C)	(D)	Adjustments	(F)
Fuel	\$ 759,419	\$ -	\$ 759,419	\$ -	\$ 759,419
Depreciation	1,752,486	-	1,752,486	(1,333,732)	418,753
Labor	493,528	-	493,528	-	493,528
Material/Parts/Tires	423,147	-	423,147	-	423,147
Allocations/Other Corporate Charges	315,639	-	315,639	-	315,639
Corporate Charges	26,604	-	26,604	-	26,604
Property Taxes	105,464	-	105,464	-	105,464
Facilities	223,969	-	223,969	-	223,969
Insurance Costs	117,562	8,059	125,621	-	125,621
Vehicle Registrations	90,062	-	90,062	-	90,062
Vehicle - GPS Fees	63,014	-	63,014	-	63,014
Other Vehicle Expenses	53,577	-	53,577	-	53,577
Outside Services	392,866	-	392,866	-	392,866
	<u>\$ 4,817,337</u>	<u>\$ 8,059</u>	<u>\$ 4,825,395</u>	<u>\$ (1,333,732)</u>	<u>\$ 3,491,663</u>

Reserve Deficiency (Surplus): (9,673,458)

Reserve
Surplus

Amortized
Over 5 Years

Calculated Annual Accrual Amount (Whole Life Method)

2,755,776

Amortization of Reserve Surplus

(1,934,692)

Subtotal

821,084

Expense Allocation Rate

51%

TY Pro Forma Transportation Depreciation Expense

418,753

TY Transportation Depreciation Expense

1,752,486

Pro Forma Adjustment

(1,333,732)

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEHICLES

Description	Test Year	Normalizing	Adjusted	(10 Year Amort)	Test Year
	Actual	Adjustments	Test Year	Pro Forma	Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Fuel	\$ 759,419	\$ -	\$ 759,419	\$ -	\$ 759,419
Depreciation	1,752,486	-	1,752,486	(840,386)	912,099
Labor	493,528	-	493,528	-	493,528
Material/Parts/Tires	423,147	-	423,147	-	423,147
Allocations/Other Corporate Charges	315,639	-	315,639	-	315,639
Corporate Charges	26,604	-	26,604	-	26,604
Property Taxes	105,464	-	105,464	-	105,464
Facilities	223,969	-	223,969	-	223,969
Insurance Costs	117,562	8,059	125,621	-	125,621
Vehicle Registrations	90,062	-	90,062	-	90,062
Vehicle - GPS Fees	63,014	-	63,014	-	63,014
Other Vehicle Expenses	53,577	-	53,577	-	53,577
Outside Services	392,866	-	392,866	-	392,866
	<u>\$ 4,817,337</u>	<u>\$ 8,059</u>	<u>\$ 4,825,395</u>	<u>\$ (840,386)</u>	<u>\$ 3,985,009</u>

Reserve Deficiency (Surplus):	(9,673,458)	Reserve Surplus Amortized Over 10 Years
Calculated Annual Accrual Amount (Whole Life Method)		2,755,776
Amortization of Reserve Surplus		(967,346)
Subtotal		1,788,430
Expense Allocation Rate		51%
TY Pro Forma Transportation Depreciation Expense		912,099
TY Transportation Depreciation Expense		1,752,486
Pro Forma Adjustment		<u>(840,386)</u>

NOTE: Numbers may not add due to rounding.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/13/2019

Request No. STAFF 5-019

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

IT Projects Expense: Reference Direct Testimony of Chung/Dixon, pages 50–51 and response to OCA 2-041 attachment.

- a) Please provide the total IT Enterprise Costs and how much is allocated to PSNH for each year 2015, 2016, 2017, 2018, and YTD 2019.
- b) How are the costs allocated among the various entities? Provide the allocations of each.
- c) The Company states that Enterprise IT Projects are comprised of certain common use equipment, primarily computer equipment and enterprise computer applications.
 - i. Provide a list of the added items in 2017 and 2018 and provide the project justification for each.
 - ii. For each addition, explain the benefits received by PSNH.
- d) Total Enterprise IT Project costs allocated to PSNH have increased significantly. Please explain what is driving the cost increases.

Period	Total
2014	
2015	1,350,612
2016	2,212,896
2017	3,660,498
2018	4,291,690

- e) The capitalized portion has increased over the last several years as shown in the following table.

Period	Total	Less Capitalized	Net Expense	Cap / Total
2014				
2015	1,350,612	(147,622)	1,202,990	10.93%
2016	2,212,896	(260,679)	1,952,217	11.78%
2017	3,660,498	(772,365)	2,888,133	21.10%
2018	4,291,690	(831,049)	3,460,641	19.36%
Q1 2019	1,964,632	(380,353)	1,584,279	19.36%

- i. Please explain the reason for the increase from 11.78% to 21.10% from 2016 to 2017.
- ii. Please explain the reason for the change from 21.10% to 19.36% from 2017 to 2018.

Response:

- a. Please refer to Attachment STAFF 5-019 A for total Enterprise IT Projects Expense and the amounts allocated to PSNH for each year 2015, 2016, 2017, 2018, and YTD May 2019.
- b. Service company costs, including Enterprise IT costs, are allocated to each Eversource operating company based on the utilization of the system by each operating company. In this way, the costs are allocated to the operating company that benefits from the system in service. The costs are directly charged where possible, but when direct charging is not possible or practical, the Company selects an allocation methodology that assigns the costs to each subsidiary business segment based on the most appropriate causal or common cost driver.

These Enterprise IT costs are allocated using the two rate codes listed in Attachment STAFF 5-019 A, lines 24 and 25. Rate code H03 is an allocation based on customer handle time, rate code M01 is an allocation based on labor. A weighted allocation rate is calculated on line 26 of Attachment STAFF 5-019 A. Each entity is allocated their percentage of the total customer handle time and service company labor. If one entity were to increase the amount of customer handle time or labor, while holding all else equal, the allocation weighting for that entity would increase.

Please refer to Attachment STAFF 5-019 B for a breakdown of the allocations to all Eversource entities using rate codes H03 (pages 1-5 of attachment) and M01 (pages 6-10 of attachment) for the years 2015, 2016, 2017, 2018 and YTD May 2019.

- c. Please refer to Attachment STAFF 5-019 C for a summary of Enterprise IT Projects plant in service for 2017 and 2018 and justification and benefits for projects with dollars greater than \$2M. In the interests of time, the smaller efforts for less than that amount have been grouped together for efficiency. The majority of those efforts were related to small security (Stealth, CIP, Threat Mitigation) or straight hardware purchases (infrastructure lifecycle, capacity).
- d. IT capital projects for the service company, as well as PSNH's allocated dollar amounts, have increased over this period due to several large projects being completed, such as: Supply Chain Consolidation (Maximo, Ariba), Human Resources Platform (WorkDay & WorkForce), Enterprise ACD/IVR (Automated Call Distribution, Interactive Voice Response), CIP (Critical Infrastructure Protection), and Financial Reporting (PowerPlan). Enterprise IT projects such as these that benefit multiple operating companies are typically placed in service at the service company, rather than individually at each operating company. These projects are shared by the operating companies, and enable the service company to serve each Eversource affiliate efficiently and consistently across jurisdictions. By implementing these projects for the entire entity, the Company is able attain economies of scale, and achieve operational efficiencies and implement system-wide best practices more easily than if these projects were undertaken separately by each operating company. For a more detailed listing of projects placed in service for 2017 and 2018, please refer to the response to part (c) above.
- e.
 - i. The capitalization percentage increased from 11.78% in 2016 to 21.10% in 2017 reflecting an increase in service company capital project expenditures as discussed in part (d) and a corresponding increase in service company payroll charged to those capital projects.
 - ii. The capitalization percentage decreased slightly from 21.10% in 2017 to 19.36% in 2018 reflecting an approximate 8% decrease in service company labor charged against all capital projects.

Docket No. DE 19-057
Data Request STAFF 5-019
Dated 07/22/2019
Attachment STAFF 5-019 A
Page 1 of 1

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENTERPRISE IT PROJECTS EXPENSE

Description	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	May YTD 2019
(a)	(b)	(c)	(d)	(e)	(f)
Total Enterprise IT Projects Expense	\$ 11,050,149	\$ 20,786,008	\$ 35,904,377	\$ 47,300,244	\$ 23,217,463
Allocation to PSNH:					
Gross Enterprise IT Projects Expense	\$ 1,350,612	\$ 2,212,896	\$ 3,660,498	\$ 4,291,690	\$ 1,964,632
Less: Capitalized Portion	(147,622)	(260,679)	(772,365)	(831,049)	(380,353)
Net Enterprise IT Projects Expense	<u>\$ 1,202,990</u>	<u>\$ 1,952,217</u>	<u>\$ 2,888,133</u>	<u>\$ 3,460,641</u>	<u>\$ 1,584,279</u>
Allocation Methodologies:					
MDM ROR (H03)	18.84%	19.20%	21.27%	19.30%	17.71%
NUSCO ROR (M01)	8.52%	8.45%	8.86%	8.39%	8.00%
Weighted Allocation to PSNH (line 18 / line 15)	12.22%	10.65%	10.20%	9.07%	8.46%

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 07/22/2019

Date of Response: 08/05/2019

Request No. STAFF 5-020

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Eric H. Chung, Troy Dixon

Request:

Normalizing Adjustment for Storms (593) Reference Schedule EHC/TMD-5, line 42, p. 6. Please provide the reason for the adjustment, calculations, and documents supporting the normalizing adjustment for storms \$69,523.

Response:

As a result of the audit conducted by Audit Staff in Docket No. DE 18-058, the Company was denied recovery of certain costs deemed to be "Media Communications" as being eligible for the Major Storm Cost Reserve. The audit concluded that such costs were not allowable for treatment under the Major Storm Cost Reserve on the basis that such costs were not "directly related to the literal restoration of power." During the test year, the Company incurred \$69,523 of communications expenses that were recorded to the Major Storm Cost Reserve, and, as such, these costs were not included in per-book test year distribution expense. As a result, the normalizing adjustment of \$69,523 found on Bates 201, Line 42, Column B is necessary in order to reflect these costs in the base distribution cost of service. These costs are a necessary expenditure in order to provide adequate information to customers during storm events. Since these costs will no longer be recoverable as a Major Storm Cost Reserve expense, and they were recorded as such during the test year, this normalizing adjustment is necessary to properly reflect them as a base rate expenditure after new base rates are set as a result of this proceeding. Please see Attachment Staff 5-020 for the associated calculation.

Docket No. DE 19-057
Data Request STAFF 5-020
Dated 7/22/2019
Attachment STAFF 5-020
Page 1 of 1

2018 Reserve Events

Line	Storm	"Media Communications"
1	01/04/18 Pre-Staging	\$ 18,688
2	01/23/18 Storm	\$ -
3	02/07/18 Pre-Staging	\$ 17,926
4	03/02/18 Pre-Staging	\$ -
5	03/07/18 Storm	\$ 16,311
6	03/13/18 Pre-Staging	\$ 16,598
7	04/04/18 Storm	\$ -
8	04/16/18 Storm	\$ -
9	05/04/18 Storm	\$ -
10	06/18/18 Storm	\$ -
11	10/15/18 Storm	\$ -
12	11/02/18 Storm	\$ -
13	11/26/18 Storm	\$ -
14	Total	<hr/> \$ 69,523