

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF ERICA L. MENARD
FEBRUARY 1, 2020 THROUGH JULY 31, 2020
DEFAULT ENERGY SERVICE RATE CHANGE

Docket No. DE 19-082

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

2 A. My name is Erica L. Menard. My business address is 780 North Commercial Street,
3 Manchester, NH. I am employed by Eversource Energy Service Company as the
4 Manager of New Hampshire Revenue Requirements and in that position, I provide
5 service to Public Service Company of New Hampshire d/b/a Eversource Energy
6 (“Eversource” or the “Company”).

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

8 A. I am currently responsible for the coordination and implementation of revenue
9 requirements calculations for Eversource, as well as the filings associated with
10 Eversource’s default Energy Service (“ES”) rate, Stranded Cost Recovery Charge
11 (“SCRC”), Transmission Cost Adjustment Mechanism (“TCAM”), and Distribution
12 Rates.

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

14 A. Yes.

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

2 A. The purpose of my testimony is: (1) to provide an overview of this filing; and (2) to seek
3 the necessary approvals to set a fixed ES rate for the Small Customer class (Rates R, R-
4 OTOD, G, G-OTOD, and any outdoor lighting associated with those rates billed under
5 Rates EOL and OL), and a monthly ES rate for the Large Customer class (Rates GV, LG,
6 B, and any outdoor area lighting taken in conjunction with these rates billed under Rate
7 OL) applicable for the six-month period beginning February 1, 2020 for Eversource's
8 customers who take service under the ES rate.

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

10 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE
11 17-113, Eversource is requesting that the Commission review and approve a fixed six-
12 month ES rate for the Small Customer class for the period of February 1, 2020 through
13 July 31, 2020 based on the weighted average of the six monthly-contracted prices
14 contained in the supply agreement(s) with the winning ES supplier(s) for the Small
15 Customer class. The fixed ES rate for the period of February 1, 2020 through July 31,
16 2020, for the Small Customer class is \$0.08306 per kWh as calculated on page 1 of
17 Attachment ELM-1.

18 The Company is also requesting that the Commission review and approve a monthly-
19 variable ES rate for the Large Customer class for the period of February 1, 2020 through
20 July 31, 2020 based on the six monthly-contracted prices contained in the supply

1 agreement with the winning ES supplier for the Large Customer class. The monthly ES
2 rates for the period of February 1, 2020 through July 31, 2020, for the Large Customer
3 class, as calculated on page 2 of Attachment ELM-1, are as follows:

Large Customer Energy Service Rates	
Month	Rate (\$/kWh)
February 2020	\$0.11297
March 2020	\$0.08743
April 2020	\$0.08196
May 2020	\$0.07212
June 2020	\$0.06453
July 2020	\$0.06899

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

6 A. Attachment ELM-1 (page 1) provides the calculation of the total monthly ES rates for the
7 Small Customer class including the cost of RPS compliance, prior period reconciliations
8 for ES, RPS, and Hydro Adjuster, and cost of administrative and general expense
9 associated with the ES offering. The weighted average fixed rate for the six-month period
10 is calculated on Line 13.

11 Attachment ELM-1 (page 2) provides the calculation of the total monthly ES rates for the
12 Large Customer class including the cost of RPS compliance, prior period reconciliations
13 for ES, RPS, and Hydro Adjuster, cost of administrative and general expense associated
14 with the energy service offering. The monthly rates for the six-month period are
15 calculated on Line 11.

1 Attachment ELM-1 (page 3) provides the forecasted administrative and general expenses
2 associated with the energy service offering. The A&G adjustment factor is calculated on
3 Line 8.

4 Attachment ELM-2 (pages 1 and 2) provides a reconciliation of the Small Customer and
5 Large Customer ES costs and revenues for the 16-month period ended July 31, 2019.
6 Actuals through April 2019 were provided in the Company's June 6, 2019 filing for rates
7 effective August 1, 2019. This reconciliation is being provided in this filing for
8 informational purposes only and will be submitted along with the reconciliation of the
9 amounts for rates effective August 2020.

10 Attachment ELM-2 (page 3) provides administrative and general expense allocations to
11 the Small Customer and Large Customer rate classes, for the 16-month period ended July
12 31, 2019. Actuals through April 2019 were provided in the Company's June 2019 filing.
13 This reconciliation is being provided in this filing for informational purposes and will be
14 submitted along with the reconciliation of the amounts for rates effective August 2020.

15 Attachment ELM-2 (page 4) provides a reconciliation of the RPS expense and revenues
16 included in the ES rate for the 16-month period ended July 31, 2019. Actuals through
17 April 2019 were provided in the Company's June 6, 2019 filing for rates effective August
18 1, 2019. This reconciliation is being provided in this filing for informational purposes
19 only and will be submitted along with the reconciliation of the amounts for rates effective
20 August 2020.

1 Attachment ELM-3 (pages 1 and 2) provides a preliminary reconciliation of the Small
2 Customer and Large Customer ES costs and revenues for the 12-month period ended July
3 31, 2020.

4 Attachment ELM-3 (page 3) provides a preliminary reconciliation of the A&G costs and
5 revenues for the 12-month period ended July 31, 2020.

6 Attachment ELM-3 (page 4) provides a preliminary reconciliation of the RPS costs and
7 revenues for the 12-month period ended July 31, 2020.

8 Reconciling factors will be updated in the calculation of the ES rates effective August 1,
9 2020. This is consistent with Section 2.H of the Settlement Agreement approved in
10 Docket No. DE 17-113.

11 **Q. Has the Company calculated the customer bill impacts for the proposed February 1,**
12 **2020 ES rate change?**

13 A. Yes. The rate impacts are provided in Attachment ELM-4.

14 • Page 1 provides a comparison of residential rates proposed for effect February 1,
15 2020 to current rates effective August 1, 2019 for a 550 kWh monthly bill, a 600
16 kWh monthly bill, and a 650 kWh monthly bill.

17 • Page 2 provides a comparison of residential rates proposed for effect February 1,
18 2020 to rates effective February 1, 2019 for a 550 kWh monthly bill, a 600 kWh
19 monthly bill, and a 650 kWh monthly bill.

- 1 • Page 3 provides the average impact of each change on bills for all rate classes by
2 rate component and on a total bill basis, including energy service.

3 The rate impacts provided in Attachment ELM-4 incorporate changes in the Distribution
4 rate reflecting the temporary rates approved in Docket No. DE 19-057 and the Energy
5 Service rate change proposed in this filing.

6 **Q. Did the Company include a working capital component for energy supply and
7 renewable energy credits in the calculation of the Energy Service rates in this filing?**

8 A. No, the Company did not include a working capital calculation as part of this filing,
9 however, does intend to do so in future filings. The Company will conduct a lead-lag
10 study and include the results of that study and the working capital calculations in the next
11 filing to set rates for effect August 1, 2020.

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

13 A. Yes, updated tariff pages have been provided as Attachment ELM-5.

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

15 A. Yes, Eversource is seeking final approval of the proposed ES rates by December 12, 2019
16 to allow for appropriate notice to customers and to implement the new rates for service
17 rendered on and after February 1, 2020.

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

19 A. Yes, it does.