THE STATE OF NEW HAMPSHIRE

BEFORE THE

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

REBUTTAL TESTIMONY OF EDWARD A. DAVIS

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

D/B/A EVERSOURCE ENERGY

PROPOSED RESIDENTIAL TIME-OF-DAY RATE

Docket No. DE 21-119

Q. Mr. Davis, please state your name, business address and position.

A. My name is Edward A. Davis. My business address is 107 Selden Street, Berlin, CT 06037. My position is Director, Rates at Eversource Energy Service Company and in that position I provide rate and tariff related services to the operating companies of Eversource Energy including Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource" or "the Company").

Q. Have you previously testified before the Commission?

A. Yes. I have on many occasions testified before the Commission on behalf of Eversource, and at the state utility commissions in Connecticut and Massachusetts on behalf of other Eversource Energy affiliates on rate related matters.

Q. Have you previously submitted testimony in this proceeding?

A. Yes. On June 15, 2021, I submitted direct, pre-filed testimony proposing R-OTOD-2, an updated and revised version of the current rate offering R-OTOD. In that testimony, I summarize my educational and professional background.

Q. What is the purpose of your rebuttal testimony?

A. To respond to recommendations by the Department of Energy ("DOE") in their testimony that Eversource should adjust the Company's R-OTOD-2 proposal being considered in this docket.

Q. What was the intent behind the requirement in the settlement agreement from Docket No. DE 19-057 for the Company to revise its existing R-OTOD rate, and are the DOE's recommended changes to the Company proposal consistent with this intent?

A. The Company's proposed rate, R-OTOD-2, was designed as a revision to the current rate, R-OTOD, in accordance with requirements of the Company's most recent distribution rate case settlement agreement in Docket No. DE 19-057, with the specific purpose of updating the current time-varying rate to reflect both current costs of service and to revise the time of use periods to create a shorter peak period, hopefully encouraging more customers to take the rate. While there is close alignment with the existing R-OTOD of total fixed customer costs and the customer charge, and total demand-related costs with overall volumetric rates, the volumetric rate is still structured on the basis of an historic, 13-hour peak period. In settlement, the Company agreed to review and realign the volumetric, time varying rate with a narrower peak period of no greater than eight hours, which was believed to be more representative of current peak costing periods, as

informed by cost of service for residential whole house service. The intent of the provision in the DE 19-057 settlement agreement and the Company's proposal is to take advantage of an already-existing rate structure and update it with minimal implementation costs. The intent was not to fully redesign the current rate or to introduce design elements from the EV rate class, as the DOE has recommended, as these suggested changes would not only complicate implementation, but none of the suggested changes has been analyzed to see if in practice they would even have the intended effect of motivating a change in customer energy usage, or result in any positive bill impact for customers.

In contrast, Eversource thoroughly analyzed various possibilities before arriving at the proposed rate R-OTOD-2. The Company performed rigorous analyses and provided extensive support in developing its proposal, covering essential cost causation and other rate design principles across all components of service, and performing and presenting a complete analyses of bill impacts and options Eversource residential customers will have under the proposal, so it's known that the proposed rate has the potential to motivate a change in energy usage. Of particular importance in the Company's proposal are the bill impacts for all residential customers demonstrating the option of either switching to the proposed R-OTOD-2, or remaining on or switching to non-time varying Rate R service, as this analysis will inform customers of the actual effects of selecting one or the other of these two rates. It is critical and must be emphasized that the Company's proposal is for whole house service to its residential customers, because all analysis and design elements are based on cost of service for the residential class, which is entirely different than the

analysis conducted to design a separately-metered service for a new service class for EVs. The importance of this difference is discussed more fully below.

The DOE's proposal is not only inconsistent with the intent of the settlement agreement, but is flawed in a number of ways. Their proposal seeks to impose theoretical design changes construed for a completely different, end-use service (for EV charging) onto the cost of service for the entire residential rate class, which is problematic for various reasons including a lack of fidelity to cost of service and creating possible unfair cost shifting. Further, the DOE's proposal lacks the analysis and fails to provide any semblance of what impacts their design recommendations may have on existing R-OTOD customers or Rate R customers who may want to switch to R-OTOD-2, nor does the DOE provide any information of the effects of the proposed changes in their testimony on the proposed R-OTOD-2 so that all residential customers can understand their options and impacts of their decision of whether to switch to or from Rate R to the time-varying rate.

While the Company has designed a rate to implement the terms and requirements of its settlement agreement in DE 19-057, and included a full cost, rate design and bill impact analysis to support its proposal, the DOE's recommendations for changes to that proposal wholly disregard those requirements and pursues a design that is biased toward imposing concepts and features it has derived from a completely different type of service. The DOE's recommended changes are entirely lacking in analysis or support to be able to see the effects the changes would have on rate design and whether these changes are

appropriate for service for Eversource residential customers, and fail to demonstrate the impact to customers and provide the information they need to understand and make appropriate decisions. In the end, the DOE's suggested changes to the proposed R-OTOD are completely untested or analyzed and it is unknown what their effectiveness would be, if any, or perhaps would even have an effect counter to that desired. What is known is that these proposed changes would involve a great deal more analysis and alteration to the existing R-OTOD design, all of which would complicate implementation and frustrate the purpose in the DE 19-057 settlement agreement for updating this rate offering.

Q. What is the importance of the Company's proposal being based on whole-house service?

A. The Company's proposed rate is designed for service to meet the full requirements of a residential customer (often referred to as "whole house" service). The cost of service to meet the requirements of such customers is reflected in the design of rates for all components (i.e., distribution, transmission, energy supply, etc.). The total cost of service for residential, whole house, class is unique to that class, and the characteristics of these costs will vary depending on the nature and type of costs for service provided (residential class distribution costs are different from those of transmission or energy service costs, and these costs further vary depending on whether they are fixed, vary by demand or usage, or potentially also on a time of use basis).

Rates for the recovery of each type of cost, including where time varying characteristics come into play, are matched as closely as possible to cost causation. In rates approved by

the Commission for Rate R-OTOD, the Company designed a customer charge that is very close to the marginal and embedded customer-related cost for distribution, and set a volumetric rate for the demand-related costs of distribution service on a time-varying basis using a 13-hour peak period. Rates approved for the transmission component of residential whole house service under Rate R-OTOD are fully volumetric and are also structured on a time-varying basis using the same 13-hour peak period as distribution volumetric rates. The Company's evaluation of costs of to serve residential customers shows that the underlying cost of residential whole house transmission service is demand related, and exhibits a stronger time-varying characteristic than distribution demand related costs. As with distribution service, and consistent with the settlement agreement in DE 19-057, the Company agreed to review and realign the volumetric, time-varying transmission rate for whole house residential service with a narrower peak period of no greater than eight hours, settling on a seven-hour peak period, informed by the Company's analysis of costs to serve the residential class. Having the same definition of peak and off-peak time periods for the demand related costs of both distribution and transmission service components also required evaluating the combination of costs such that both the duration and the actual hours of the peak period that provides the strongest statistical fit across these components. Through rigorous evaluation of current marginal, time-varying distribution costs and probability of peak analysis of time-varying transmission costs, the Company found that the best fit solution, based on current costs, is for a seven-hour peak period commencing at noon and ending at 7 p.m. As rates are set on an annual basis, so has the proposed R-OTOD-2 been designed on an annual basis.

Q. How does this relate to DOE's recommended changes to the Company's rate proposal?

A. It is important to highlight that all of this work and design has been performed to address service to residential whole-house customers. All analyses were based on the components of service that are time-varying and subject to constraints and revisions consistent with the settlement agreement in DE 19-057. It is not appropriate to evaluate the analysis or design of rates for whole house service from the lens of an end-use service such as EV TOU, particularly those design changes recommended by the DOE's testimony.

The DOE misses the difference between TOU rate design for EV charging compared with that for whole-house service, and conflates the basis and design of the Company's TOU rate proposal for separately metered electric vehicles with that for residential whole house service Rate R, or the optional time of use rate either Rate R-OTOD or proposed R-OTOD-2. Ms. Nixon's recommendations that elements of the Company's proposed rate design in this docket that need to be further changed are unsupported and misappropriate conclusions excerpted out of context from review performed by DOE's consultant for EV rates in Docket No. DE 20-170, claiming what has been proposed for a distinctly different rate design for electric vehicle charging would bring a benefit to residential, whole house service without providing any support that it would in fact do so.

The EV TOU rate proposal relied upon by Ms. Nixon is designed only for the incremental load of an electric vehicle charger added to a residential customer's service.

In the EV TOU rate design referenced and attached to Ms. Nixon's testimony , the fixed local facilities cost is moved to the combined peak and mid-peak period (which spans 16 hours, from 7 a.m. to 11 p.m., 7 days a week). This design is theoretical and specifically targeted for potential, increment new load that would be connected to the same set of local facilities but separately metered from that of the whole house load. The concept behind this proposed design includes such fixed costs in pricing of service during the long period in which the additional of substantial incremental EV load would require increased local facility capacity (e.g., by adding 5-7 kW or more of new EV charging load would require a larger transformed, service conductor, etc.) causing increased fixed costs. Inclusion of these costs in the 16-hour peak and mid-peak volumetric rates is believed to provide a so-called price signal that, by design, would be cost reflective and, importantly, is targeted specifically to the customer's incremental EV charging load. This design also presumes that charging is flexible and that customers can and will respond and shift all EV charging load to the off peak, where it is believed local fixed costs may be avoided. This design does not, however, assure that such increased fixed costs would not occur. Given this design, the recommendations for this aspect of EV TOU rate design are at cross purposes with and not appropriate for either Rates R-OTOD-2 or Rate R.

Q. Why? What is the difference between EV TOU rate design and whole-house rate design?

A. The prior discussion highlights the different components of service, cost characteristics, and basis for rate design, particularly in the context of those components of rates that are time-varying and that pursuant to the DE 19-057 distribution rate case settlement

agreement were reviewed and updated in support of the Company's proposal, which is founded on rigorous analysis and design for service to the whole house of residential customer. The service to an EV TOU customer that the changes to the Company's proposal DOE's recommendations are based on is nothing like that of the whole house customer. In particular, the usage characteristics and service requirements of an EV TOU customer are quite different. The fixed costs required to service to a residential whole house customer cannot be avoided. Local facilities costs such as a transformer and service costs are required regardless of time of use. In contrast, it is presumed that an EV TOU charger added to an existing whole house service can be separately metered and may be operated in a manner that avoids the need for additional fixed costs, leading to at least a theoretical rate design that assumes such fixed costs are potentially avoidable and on that basis given a different rate treatment, such as charging for such costs on a demand or volumetric time-varying basis. To be clear, the Company's proposal designed residential whole house rates on a cost of service basis, and have identified and delineated those costs and revenue requirements for rate design that are fixed and not time varying in nature, including those associated with local facilities.

Q: Is an EV TOU approach appropriate for a revision to the R-OTOD rate?

A. No. Perhaps most perplexing in the DOE's testimony is the suggestion that the concepts and elements of a theoretical rate design for end-use service to charge an electric vehicle – which is significantly different in its very nature, including its service requirements and configuration, cost of service, and of course demand and usage characteristics - would be appropriate for whole house residential service.

While the Company has performed cost of service and accordingly designed rates for Eversource's actual residential Rate R and Rate R-OTOD customers, EV TOU customers represent a new type of service and use. Application of what may be the underlying cost basis or structure for service to an EV TOU customer is not the same, and the DOE has not provided comparable data or analysis to support their recommended modifications.

Q: Has the DOE provided any support using Eversource's residential time of day rate structure to demonstrate customer benefits in the form of bill impacts resulting from any of their proposed recommendations?

A. The DOE seeks to impose concepts of a rate designed for a different purpose, and significantly change the fundamental residential rate design, without providing any analysis to support its recommendations. Their assertions lack rate design, cost of service, revenue proof or bill impact analysis, provide no demonstration of the options available to residential customers, or of the consequences or benefits to customers who would be impacted by the rate change. When asked about whether analysis was done on these suggested design changes, the DOE responded that they weren't proposing a rate, only changes to Eversource's proposed rate. See Attachment Rebuttal-EAD-1. But changes to the rate proposal are changes to the very design, and changing the design requires thorough analysis to know if such a change will have the intended effect and whether there would be unintended or undesirable consequences.

Q. Did the Company's original proposal take bill impacts into account?

A. Yes it did. I provided robust bill impact analysis as part of the original proposal (see Attachments EAD 3 and 4). As referenced in direct testimony filed on June 15, 2021 in

this docket, on Bates pages 7-10, the Company thoughtfully considered bill impacts to customers when it designed its proposed R-OTOD-2, so that customers would have the possibility of seeing increased savings on their bills, particularly if they change their usage behavior to shifting to off-peak usage. Moreover, I have included comparisons between Rate R-OTOD-2 and Rate R, recognizing there may be those customers who would see an opportunity to switch from Rate R to Rate R-OTOD-2, and conversely there may be customers who would prefer to switch to Rate R.

Achieving positive bill impacts for customers is complex as all the elements of rate design are intertwined, including all of those that DOE is recommending the Company adjust. This is why DOE should conduct bill impact analysis for their recommended adjustments – so that it's known if and what actual changes customers will experience.

Q. Can customer behavior or benefits be known or predicted without bill impact analysis?

A. While it is inevitable that updated costs and a change in the peak and off-peak periods will have an impact to customer bills, it is critical that any such rate design be accompanied by the aforementioned comparisons and that customers understand the impacts, options and opportunities created by the new design. Without analysis, effects of implementing these modifications is speculative, and customers and other stakeholders are left with no way to know if the design would even should motivate the kind of behavior contemplated by the suggested modifications.

Q: Turning to some of the specific recommendations of the DOE. Is it possible for the Company to offer the residential time of day rate, or any time-varying rate, to net-metered residential Eversource customers as the DOE recommends?

A. No. Consistent with Puc 903.02(w) and RSA 362-A:9, VIII the Company did not petition for this rate to apply to net metered customers. The Company stresses that it is not feasible with existing system capabilities to apply its proposed R-OTOD-2 rate to net metered customers, and would require significant billing and other infrastructure modifications to do so. Furthermore, consistent with the DE 19-057 settlement agreement, our focus is on implementing a revision of the rate that would require no structural modifications, not to develop and implement new structural or billing changes.

Q: Is the DOE's recommendation to lower the customer charge to either $16.50 to reflect only marginal costs, or to $13.81 to match Rate-R, an appropriate application for Rate R-OTOD-2, and why?

A. This recommendation is inappropriate as it misunderstands what comprises the customer charge for Rate R-OTOD and R-OTOD-2. The Company deliberately left the customer charge unchanged in recognition that the customer charge was appropriately designed to recover the marginal customer costs, including both metering as well as local facilities costs intrinsic to providing service to Residential R-OTOD and proposed R-OTOD-2 customers, a conclusion with which the Commission agreed when it found that customer charge just and reasonable when it approved the settlement agreement in DE 19-057. There appears to be a misconception on the part of the DOE regarding the nature of the full customer charge. The DOE recommends removing a portion of the fixed customer charge to be placed instead in the volumetric rate, and in doing so, lowering the rate to

\$16.50, believing that such a change remains reflective of cost of service. It does not. The \$32.08 customer charge is lower than but close to the fixed customer costs for providing service to the residential class. Moving a portion of this charge to the volumetric rate does not reflect cost causation as measured by either a marginal or allocated cost of service study. Indeed, even if a portion of the customer charge were to be moved to the volumetric rate, it would be particularly inappropriate to reflect that in a time-varying rate. As previously discussed, this is whole-house service, and any costs required to provide service to whole-house residential customers need to be fully recovered. They cannot and should not be encouraged to be avoided by shifting usage between time periods. This is one aspect of the EV TOU rate design where, in certain configurations, if such costs could be avoided (e.g., avoiding the increased size of a transformer by charging in a manner that never causes that increase), then it might be appropriate to consider what portion of the fixed costs could be moved to a volumetric (or demand) rate. But fixed costs for whole-house service cannot be avoided as with EV TOU charging and so fixed costs in the volumetric rate are inappropriate here. The only option for moving that recovery to a volumetric rate would require an increase to *all* hours of the volumetric rate (i.e., not just those of, say, the peak period). Additionally, if that change were to be made, it would create cost shifting as higher volume users would pay more than their fair share and lower volume users would pay less, possibly less than what they should be paying. Thus, the balance of fixed cost recovery would be upset and a shift in cost recovery as well as a reduction in what should be rate efficiency would occur.

Regarding the lower Rate R customer charge, it is important to recognize that the fixed cost recovery shortfall is in fact spread across all kWh's. As a fundamental point, the local facilities cost in Rate R-OTOD and proposed Rate R-OTOD-2 are appropriately included within the customer charge. Such costs are not avoided by shifting load of the entire home to a different period of time. Setting a time differentiated volumetric rate to recover such costs through only one period would result in distorted pricing where, moreover, fixed costs reflected in pricing for one period would result in customers avoiding paying their fair share of fixed costs when they shift load to another period. For whole house service to residential Rate R customers, the lower customer charge results in a shortfall and the fixed customer costs for local facilities is recovered in the volumetric rate for all kWh.

While arguments can and have been made to *increase* the customer charge and move it closer to actual cost of service, the very important principal of gradualism in rate making has been applied and further the Commission has approved that charge as just and reasonable as a part of the settlement reached in DE 19-057. Similarly, that settlement includes agreement to maintain the Rate R-OTOD customer charge at the current rate. The Company will continue to fulfill its commitment of maintaining the residential customer charge at the agreed upon level, and thereby maintains the Rate R-OTOD-2 customer charge at the appropriate, cost-based level. While the proposed customer charge appropriately reflects the cost of providing service, any deviation from the current proposal would need some sort of supported justification. The Company does not believe

the DOE has articulated a properly-supported policy basis for changing the customer charge at this time.

Q: What is the Company's position on the DOE's recommendation to make the generation component of the rate time varying, rather than staying with the existing rate structure of having just transmission and distribution as time-varying elements?

A. Earlier there was a discussion of the cost basis for distribution and transmission rates. It is important to note that in fact, the cost to the Company for energy service for residential customers, as well as the cost to customers of competitive supply do not vary by time of day. The price paid to suppliers for such service is a flat cents per kWh, for all hours of the month. What is time varying is more seasonal in nature, in that the Company's default Energy Service changes as a result of procurements twice per year, currently on February 1 and August 1 of each year. Competitive supply changes pursuant to agreements between customers and suppliers. In either case, such pricing and thereby the cost to customers of the generation component of rates are otherwise not time varying.

With that said, Company recognizes where on a policy basis generation supply pricing for Company provided default service has been time differentiated, and various techniques have been applied to set such rates (the Company has in its CT jurisdiction been required to impute a fixed peak/off-peak price differential, and in NH has just recently been directed in Oder No. 26,604 in Docket No. DE 20-170 to create a two-period, separately metered EV TOU rate with a time-varying generation component). For the Company's proposal in the instant docket, the Company focused on the current

structure of Rate R-OTOD, and did not propose to convert generation supply from a fixed, all hours rate to a time-varying rate. Making such a change represents an unnecessary and costly recommendation with potentially only limited application, and minimal customer benefit/impact. Absent a change to the generation component of service, there would still be changes in overall rates twice per year for default service, and under the Company's proposed R-OTOD-2 there are time-varying components that send efficient price signals to shift usage, and that provide an option for bill savings to those customers who can do so.

Q: Are any of the DOE's recommended adjustments possible without having to adjust other aspects of the rate?

A. No. As illustrated in the customer charge discussion, a change to rate design in any one aspect will have an impact to one or more other components elsewhere in the design. If the customer charge is reduced, not only will the volumetric rate increase, it will do so across all hours, and have a dampening effect on such measures as the peak/off-peak ratio. Recognizing the earlier discussion of optimization of peak period duration and timing, a reduction in the peak period will reduce the efficiency of rates (there is no gain and in fact a loss from reducing what was found to be an optimal peak period; rates would be less cost reflective, and indeed there would be a shift in cost responsibility among components of service and across customers). Reduction of the peak window would shift the recovery of costs between peak and off peak and complications and impacts on rate design and cost recovery would need to be addressed and reconciled.

Also of concern is that there is likely to be a complete reshuffling of impacts on customer bills for any change made. Efficient, cost-based pricing as reflected in the Company's proposal is the baseline to ensure just and reasonable rates for all customers in a given rate class, and it would be important to take stock of the type and degree of impacts that would result from any of DOE's recommended changes rather than blindly pursuing any of the recommendations in the DOE's testimony. The Company has put forth a credible proposal with a complete picture of options and impacts across all residential customers. Any changes to this proposal require proper analysis as R-OTOD-2 is an optional rate and maintaining equity across the residential class is an important element in the rate design. There would need to be numerous analyses performed for each of the items recommended alone or in combination, and none of those have been provided, leaving the Company unpersuaded that these changes would in fact have the intended consequences DOE seeks and still keep fidelity to the determinative factors of R-OTOD-2's design. The expectation from making any such adjustments is that there will be bill impacts, they could vary greatly and some would not even prove to be beneficial. None of the DOE's recommended changes can be made without some bill impact.

Q. What would have to be done to make the other proposed changes (3:1 peak/off-peak ratio; 5-hour peak window; and seasonal variation) and what would be the impact to the overall rate design?

A. Regarding a shorter peak period than that proposed, it should be noted that the EV TOU periods proposed in DE 20-170, which Ms. Nixon's recommendation is based upon, cover different hours, as there are both peak and mid-peak, as well as an off-peak period in that proposal. The cost basis and statistical fit of costs among these three periods do

not correlate with the optimized, seven-hour peak period that is accompanied by an off-peak period in Rate R-OTOD-2. When the Company performed rigorous cost-based analysis to arrive at the optimized design in its R-OTOD-2 proposal, it also learned from that analysis that a shorter peak period was less than optimal. The Company worked within the current rate structure as directed by the DE 19-057 settlement agreement for the reasons discussed above, ensuring efficient and cost-effective utilization of existing metering and billing systems and processes. Simply claiming that a five-hour peak period should be used, with no analysis or support to prove that a shorter window would be an appropriate basis for the design of whole house service rates, or to show the impact and benefits to customers of such design, is unfounded and inappropriate. And as a practical matter, the Company notes that just one of the differences between whole-house and EV TOU rates is that whole-house rates cannot completely avoid peak period use, as might be possible on an EV TOU rate, so a shorter but higher priced peak window may be less desirable than the currently proposed seven-hour peak window. And as just mentioned, the Company's analysis did review a six-hour peak window, and that analysis indicated less optimal results than the seven-hour window. Given that the Company's analysis is all there is to rely upon here, the Company sees no reason to agree with DOE's recommendation for a five-hour peak period.

Part of the desire to design a peak and off-peak generation supply rate seems to be to achieve a higher peak/off-peak ratio. The Company understands that this ratio is a measure that has been correlated with responsiveness by some customers to shift load. While the DOE recommends a goal of achieving a higher ratio, from a cost of service and

rate design perspective, the Company has evaluated and proposed a rate that is cost reflective. An overlooked and simple fact is, the generation supply rate is a cost equal to the price paid that does not vary on a time of day basis and does not contribute to a goal of a higher peak/off-peak ratio. The actual cost to the Company for default service for residential customers (and to customers of competitive supply service) whether they are on R-OTOD or Rate R is determined on a flat, cents/kWh basis, for all kWh's consumed. The Company has provided estimates of the cost and time to implement a two-period default service rate option, working within current metering and billing structures. As with other recommendations, a concern is that DOE recommends this be incorporated into design with no analysis of impacts or basis for design, solely to meet a ratio, and with no recognition on their part of how to determine such rate, or what the underlying cost of that supply is.

Regarding seasonality, DOE's recommendation that R-OTOD-2 be adjusted to vary seasonally is also provided without support, or recognition of the nature of such costs. The seasonality characteristic of default service is that the price (and therefore cost) of default service is a flat cents per kWh that changes on February 1 and August 1 of each year. DOE advocates for changing this rate at two other times of the year, May and October, though such a change is not tethered to the actual cost of energy supply. If generation service were to be time differentiated, the company would still need to reconcile actual costs vs. charges received. A goal of time differentiating rates to meet a certain mathematical relationship would provide a price signal, but would not be cost reflective or economically efficient, from the perspective of what it actually costs to

purchase and deliver generation service. The change to DOE's recommended seasonal differentiation would only serve to create a misalignment with the actual cost of supply and unnecessarily unjustifiably complicate the rate design.

Q. Is DOE's suggestion to make the RTOD rate a three-period rate for whole house appropriate?

A. No, the suggestion is completely outside of the scope of this proceeding and would be completely inappropriate to consider. As stated repeatedly, the purpose of this proceeding was to update an existing rate quickly and efficiently to more accurately reflect current cost of service on a time-varying basis and in a way that would create greater potential savings for residential customers choosing to elect it. Turning R-OTOD into a three-period rate is a completely different rate design, not a revision of R-OTOD. Making R-OTOD a three-period rate would be effectively going back to the drawing board, completely counter to the idea of providing a time-varying option for Eversource customers without additional time or cost to implement, and instead delaying the update of Rate R-OTOD to come up with a brand new rate, and for unknown reasons and completely speculative value to customers. Not only does DOE provide no analysis supporting changing the R-OTOD-2 proposal to a three period rate, they fail to even name a reason to make the change. So aside from being completely outside the scope of this matter, this is a recommendation to spend unknown amounts of time and money without any basis to replace the Company's sound, reasoned and supported proposed R-OTOD-2.

Q. What does the Company recommend at this time?

A. The Company stands by the proposed R-OTOD-2, and recommends the Commission approve it for implementation. The revised rate would offer customers potential savings, which could in turn modify energy usage behavior of those customers lessening peak burden to the grid while saving customers money.

Q. Does this conclude your testimony?

A. Yes it does.

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

Docket No. DE 21-119

Eversource to DOE- Set 1

Received: 3/18/2022 Date of Response: 4/1/2022

Request Number: Eversource 1-01 Witness: Elizabeth Nixon

Request: Please provide all comparative bill impact analysis conducted against the Company's existing or proposed residential time of day rate for any of the Department's proposed adjustments to Eversource's proposed R-OTOD-2, including any supporting data and worksheets in live format. Specifically, provide any bill impact analysis conducted for implementing any/all of the following:

a) Peak to off-peak ratio of 3:1 for an all-in rate
b) Peak period of five hours as opposed to seven hours
c) Reducing customer charge to $16.50 or less (such as the Rate R charge of $13.81)
d) Seasonal adjustment of time varying components using May-September
e) Adding a time-varying generation component

Response: DOE did not develop an actual alternative rate, but instead proposed adjustments to be made to Eversource's proposed R-OTOD-2. Therefore, DOE has not conducted any bill impact analysis.