

Public Service Company of New Hampshire  
d/b/a Eversource Energy  
Docket No. DE 22-021  
Direct Testimony of Marisa B. Paruta  
June 16, 2022  
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**STATE OF NEW HAMPSHIRE**  
**BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**  
**DIRECT TESTIMONY OF MARISA B. PARUTA**  
**PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**d/b/a EVERSOURCE ENERGY**  
**RECONCILIATION OF DEFAULT ENERGY SERVICE FOR THE PERIOD**  
**AUGUST 1, 2021 TO JULY 31, 2022**

**June 16, 2022**

**Docket No. DE 22-021**

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

2 A. My name is Marisa B. Paruta. My business address is 107 Selden Street, Berlin,  
3 Connecticut. I am employed by Eversource Energy Service Company as the Director of  
4 New Hampshire and Connecticut Revenue Requirements and in that position, I provide  
5 service to Public Service Company of New Hampshire d/b/a Eversource Energy  
6 (“PSNH”, “Eversource” or the “Company”).

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

8 A. I received a Bachelor of Arts degree in accounting from the University of Connecticut  
9 School of Business. I started my career at Arthur Andersen in the client audit and assurance  
10 practice, continuing at Deloitte in the same practice. I joined Northeast Utilities,  
11 Eversource’s predecessor, and worked in the accounting organization through multiple  
12 positions leading to the Director of Corporate Accounting and Financial Reporting. I

1 moved to the Regulatory and Revenue Requirements team in my current position in June  
2 2021. I have been with Eversource Energy for over 19 years.

3

4 **Q. What are your principal responsibilities in your current position?**

5 A. As the Director of Revenue Requirements, I am responsible for the coordination and  
6 implementation of revenue requirements calculations and regulatory filings for the  
7 Connecticut and New Hampshire electric and gas subsidiaries of Eversource Energy,  
8 including Public Service Company of New Hampshire d/b/a Eversource Energy (“PSNH”,  
9 “Eversource” or the “Company”). This includes filings associated with the Company’s  
10 default Energy Service (“ES”), Stranded Cost Recovery Charge (“SCRC”), Transmission  
11 Cost Adjustment Mechanism (“TCAM”), Regulatory Reconciliation Adjustment (“RRA”)  
12 and Distribution rates.

13 **Q. Have you previously testified before the New Hampshire Public Utilities**  
14 **Commission (the “Commission”)?**

15 A. Yes, I provided testimony before the Commission in the RRA filings submitted in Docket  
16 Nos. DE 21-029 and DE 22-010; the Step 3 Adjustment filing in Docket No. DE 22-030;  
17 and the Recovery of Storm Expense filing in Docket No. DE 22-031. I also testified in  
18 front of the Commission in Docket No. DE 20-092 pertaining to the 2022-2023 Energy  
19 Efficiency Plan.

20

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

2 A. The purpose of my testimony is: (1) to seek the necessary approvals to set a fixed ES rate  
3 for the Small Customer class and a monthly ES rate for the Large Customer class,  
4 applicable for the six-month period beginning August 1, 2022 and ending January 31,  
5 2023 for Eversource customers who take service under the ES rate; and (2) to explain the  
6 ES rate reconciliation (over)/under recovery for the twelve-month period of August 1,  
7 2021 to July 31, 2022 for wholesale power supply expense and applicable revenues for  
8 the (i) Small Customer class, (ii) Large Customer class, and (iii) Renewable Portfolio  
9 Standard (“RPS”) compliance obligations. Inclusion of the Reconciliation Adjustment  
10 Factors in the calculation of the ES rates is consistent with the direction in Section II.H of  
11 the settlement agreement approved in Docket No. DE 17-113.

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

13 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE  
14 17-113, Eversource is requesting that the Commission review and approve a fixed six-  
15 month ES rate for the Small Customer class for the period of August 1, 2022 through  
16 January 31, 2023 based on the weighted average of the six monthly-contracted prices  
17 contained in the supply agreement(s) with the winning ES supplier(s) for the Small  
18 Customer class. For the Small Customer class, the fixed ES rate for the period of August  
19 1, 2022 through January 31, 2023 is \$0.22566 per kWh, as calculated on page 1 of  
20 Attachment MBP-1.

1 The Company is also requesting that the Commission review and approve a monthly-  
2 variable ES rate for the Large Customer class for the period of August 1, 2022 through  
3 January 31, 2023 based on the six monthly-contracted prices contained in the supply  
4 agreement with the winning ES supplier for the Large Customer class. For the Large  
5 Customer class, the monthly ES rates for the period of August 1, 2022 through January  
6 31, 2023, as calculated on page 2 of Attachment MBP-1, are as follows:

Large Customer Energy Service Rates	
Month	Rate (\$/kWh)
August 2022	\$ 0.22423
September 2022	\$ 0.19322
October 2022	\$ 0.17523
November 2022	\$ 0.24575
December 2022	\$ 0.41884
January 2023	\$ 0.48550

7  
8 **Q. Please describe the detailed support for the calculation of the Small Customer and**  
9 **Large Customer ES rates.**

10 A. Attachment MBP-1, Page 1, provides the calculation of the total monthly ES rate for the  
11 Small Customer class, including the cost of RPS compliance, prior period reconciliations  
12 for ES, RPS, cost of administrative and general (A&G) expense, and working capital  
13 requirement associated with the ES offering. The weighted average Small Customer  
14 fixed ES rate for the period of August 1, 2022 through January 31, 2023 is calculated on  
15 Line 13.

16  
17 Attachment MBP-1, Page 2, provides the calculation of the total monthly ES rates for the  
18 Large Customer class, including the cost of RPS compliance, prior period reconciliations

1 for ES, RPS, cost of A&G expense, and working capital requirement associated with the  
2 ES offering. The monthly Large Customer ES rates for the six-month period are  
3 calculated on Line 11.

4  
5 Attachment MBP-1, page 3, provides the forecasted A&G expenses associated with the  
6 ES offering. The A&G adjustment factor is calculated on Line 8.

7  
8 Attachment MBP-1, page 4, provides the forecasted working capital associated with the  
9 ES offering for both Small Customer and Large Customer classes. The monthly ES rates  
10 for the six-month period are calculated on Lines 7, 14, and 19, whereby the sum of Lines  
11 7 and 19 are for the Small Customer class and Lines 14 and 19 are for the Large  
12 Customer class.

13 **Q. Please identify the Reconciliation Adjustment Factor Attachments you provided as**  
14 **part of your testimony.**

15 A. The attachments included in my testimony that relate to the reconciliation adjustment  
16 factor are as follows:

- 17 • Attachment MBP-2, Page 1, Small Customer Reconciliation and Rate calculation
- 18 • Attachment MBP-2, Page 2, Large Customer Reconciliation and Rate calculation
- 19 • Attachment MBP-2, Page 3, A&G Expenses
- 20 • Attachment MBP-2, Page 4, RPS Reconciliation and Rate calculation
- 21 • Attachment MBP-3, Pages 1 to 15, ES Lead/Lag Study

- 1           • DE 21-077 Attachment ELM-2, Page 4 (Revised) - RPS Reconciliation for the  
2           twelve-month period August 1, 2020 to July 31, 2021, with revisions from  
3           original filing highlighted in yellow
- 4           • DE 20-054 Attachment ELM-2, Page 4 (Revised) - RPS Reconciliation for the  
5           twelve-month period August 1, 2019 to July 31, 2020, with revisions from  
6           original filing highlighted in yellow

7

8   **Q.   Please describe the detailed support for the calculation of the Small Customer,**  
9   **Large Customer and RPS Obligation Reconciliation and Reconciliation Adjustment**  
10 **Factors.**

11

12   A.   Attachment MBP-2, Page 1 (Small Customer), Page 2 (Large Customer) and Page 4  
13   (RPS Obligations), provide the preliminary Reconciliation (over)/under recovery for the  
14   twelve-month period August 1, 2021 to July 31, 2022 and the calculation of the  
15   Reconciliation Adjustment Factors based on the following data:

- 16           • Ten months actual (August 1, 2021 to May 31, 2022); Two months estimate (June  
17           1, 2022 to July 31, 2022)
- 18           • Prior period (over)/under recovery
- 19           • ES revenues
- 20           • A&G expense (per Attachment MBP-2, Page 3)
- 21           • Wholesale Supplier Purchased Power expense
- 22           • RPS Obligations Expense (estimate; per Attachment MBP-2, Page 4)
- 23           • Return on Purchased Power and RPS Working Capital Requirement

- 1           • Carrying Charges based on Prime Rate

2   **Q. Please describe the RPS Reconciliation Adjustment.**

3  
4   A. Attachment MBP-2, Page 4 presents the reconciliation of RPS compliance obligations  
5       under RSA 362-F and the related revenue and expense by month for the twelve-month  
6       reconciliation period August 1, 2021 to July 31, 2022 as described below:

- 7           • RPS revenues reflect the RPS portion of ES revenues related to the:
- 8               ○ RPS Adjustment Factor (Adder) - filed and approved in the semi-annual  
9               ES filings
- 10              ○ RPS Reconciliation Adjustment Factor - filed and approved annually  
11              effective August 1<sup>st</sup> for the twelve-month period August 1<sup>st</sup> to July 31<sup>st</sup>
- 12  
13
- 14           • RPS expense reflects the cost of compliance with the mandated RPS obligations  
15       to administer the ES program under RSA 362-F, and which is recovered under  
16       RSA 374-F:3,V(c):
- 17              ○ RPS Current Month Actual/Estimate is the product of:
- 18                      ▪ ES billed sales
- 19                      ▪ RPS REC Requirement percentage by class<sup>1</sup>
- 20                      ▪ RPS Adjustment Factor (Adder) filed and approved \$ per MWh  
21                      REC price by class<sup>2</sup>
- 22              ○ RPS Prior Year True-Up reconciles the difference between

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<sup>1</sup> [https://puc.nh.gov/Sustainable%20Energy/Renewable\\_Portfolio\\_Standard\\_Program.htm](https://puc.nh.gov/Sustainable%20Energy/Renewable_Portfolio_Standard_Program.htm)

<sup>2</sup> Semi-annual ES filing, Eversource Energy Supply witness(es) Attachment 4 (example – Attachment FBW-4 in prior filings, Attachment LJJ-3 in this filing)

- 1                   ▪ Form E-2500 RPS Compliance Obligation amount for prior
- 2                                   calendar year (filing due by June 30<sup>th</sup>)
- 3                   ▪ RPS Expense per book annual estimate.
- 4                   • RPS Return on Working Capital Requirement

5

6 **Q. Please describe the beginning RPS Reconciliation (over)/under recovery balance as**  
7 **of July 31, 2021 shown in Attachment MBP-2, Page 4, Line 13.**

8 A. The beginning RPS Reconciliation (over) recovery amount of approximately (\$3.9)  
9 million is shown in Docket No. DE 21-077 Attachment ELM-2, Page 4 (Revised), Line  
10 15. Attachment ELM-2, Page 4 as filed in DE 21-077 on December 9, 2021 was revised  
11 to comply with the Commission’s Order No. 26,582, issued on February 18, 2022, to  
12 reflect the disallowance of approximately \$1.6 million in June 2021 (the month in which  
13 the RPS Prior Year True-Up amount is recorded in Eversource’s accounting book of  
14 record). The approximately \$1.6 million disallowance, as highlighted in Attachment  
15 ELM-2, Page 4 (Revised), Line 3, relates to the vintage year 2020 Class III REC costs  
16 Eversource incurred that were in excess of the equivalent 2020 Alternative Compliance  
17 Payment (ACP). As a result of this adjustment, the RPS Reconciliation (over) recovery  
18 amount increased from the original amount of approximately (\$2.3) million, as filed in  
19 DE 21-077 Attachment ELM-2, Page 4 on December 9, 2021, to the revised (over)  
20 recovery amount of approximately (\$3.9) million, as of July 31, 2021.

21



1 **Q. Please describe the beginning RPS Reconciliation (over)/under recovery balance as**  
2 **of July 31, 2020 shown in Docket No. DE 21-077 Attachment ELM-2, Page 4**  
3 **(Revised), Line 15.**

4 A. The beginning RPS Reconciliation (over) recovery amount of approximately (\$4.4)  
5 million is shown in Docket No. DE 20-054 Attachment ELM-2, Page 4 (Revised), Line  
6 15. Attachment ELM-2, Page 4 as filed in DE 20-054 on December 10, 2020, was  
7 revised to include an under recovery of approximately \$5.2 million in 2019 RPS true-up  
8 costs that had been booked by Eversource in June 2020 but inadvertently omitted from  
9 the RPS Reconciliation as filed in Docket No. DE 20-054 Attachment ELM-2, Page 4 on  
10 December 10, 2020. The oversight was caught in August of 2021, at the time the  
11 Company was reconciling the revenue requirements and rates filings to the regulatory  
12 accounting department's deferred regulatory asset FERC Accounts in the book of record,  
13 but after the ES filing and hearing in Docket No. DE 21-077 in June 2021 had taken  
14 place. Due to this oversight not being discovered until a few weeks after the June  
15 hearing for DE 21-077, the 2019 RPS true-up under recovery amount of approximately  
16 \$5.2 million was omitted from Docket No. DE 21-077 Attachment ELM-2, Page 4, Line  
17 12, as filed on June 17, 2021, and without that \$5.2 million under recovery included, the  
18 2021 RPS Reconciliation Adjustment Factor totaled an over recovery of (\$9.5) million.  
19 The approved RPS Reconciliation Adjustment Factor rate calculation that went into  
20 effect August 1, 2021 reflected the over recovery of (\$9.5) million but should have been  
21 an over recovery of (\$4.4) million with the \$5.2 million under recovery included. The

1 corrected version of the RPS Reconciliation Adjustment Factor including the \$5.2  
2 million in 2019 RPS true-up under recovery is shown in Docket No. DE 20-054  
3 Attachment ELM-2, Page 4 (Revised).

4  
5 **Q. Why is the Company recovering the \$5.2 million under recovery in this year's**  
6 **proposed RPS Reconciliation Adjustment Factor?**

7 A. RSA 374-F:3, V(c) allows utilities to recover “[a]ny prudently incurred costs arising  
8 from compliance with the renewable portfolio standards of RSA 362-F for default  
9 service or purchased power agreements [and] shall be recovered through the default  
10 service charge.” The \$5.2 million under recovery reflects actual costs incurred by  
11 Eversource for RPS compliance. However, since the accounting oversight was not  
12 caught until a couple weeks after the hearing in Docket No. DE 21-077, the Company  
13 was unable to include it in last year’s reconciliation, making this year’s proposed  
14 reconciliation the most suitable venue for recovery. The nature of Eversource’s ES rate  
15 is reconciling to account for items like the \$5.2 million in under recovery. Each August,  
16 the ES rate is adjusted to account for over- and under-collections from prior periods.  
17 Reconciling rates, such as the ES rate, always have a retrospective “look-back” to  
18 reconcile revenues collected from customers against actual utility expenses in a prior  
19 historical period. From this look-back, any over-collections are refunded to customers  
20 and under-collections are charged to customers such that the utility will ultimately  
21 recover only its actual expenses as appropriate.

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**Q. What are the preliminary results for Energy Service and Renewable Portfolio Standard (RPS) for the reporting period August 1, 2021 through July 31, 2022?**

A. Attachment MBP-2, Pages 1 to 4 include actual costs for ten months actual for the period from August 1, 2021 through May 31, 2022 and two months estimate for the period from June 1, 2022 through July 31, 2022.

The Small Customer Base Rate over recovery of (\$6.6) million shown on Attachment MBP-2, Page 1, Line 13 is due to the July 31, 2021 beginning balance of (\$14.8) million over recovery, plus the current period carrying charge of (\$0.3) million, offset by the current period \$8.4 million under recovery related to ES revenues being lower than expenses due to both expenses and sales being higher than previously forecasted. This results in a preliminary ES Reconciliation Adjustment Factor rate of (\$0.00187)/kWh as shown on Attachment MBP-2, Page 1, Line 15.

The Large Customer Base Rate over recovery of (\$1.0) million shown on Attachment MBP-2, Page 2, Line 13 is due primarily to the July 31, 2021 beginning balance of \$(0.9) million over recovery, plus the current period carrying charge of (\$31,000), marginally offset by the current period \$0.1 million under recovery related to ES revenues being slightly lower than expenses due to wholesale load requirements. This

1 results in a preliminary ES Reconciliation Adjustment Factor rate of (\$0.00495)/kWh as  
2 shown on Attachment MBP-2, Page 2, Line 15.

3 The RPS expense over recovery of (\$3.0) million shown on Attachment MBP-2, Page 4,  
4 Line 13 is due primarily to the July 31, 2021 beginning balance of (\$3.9) million over  
5 recovery, partially offset by the current period under recovery due to RPS expenses  
6 being higher than revenues related to the RPS reconciliation credit factor approved in  
7 Docket No. DE 21-077 and Order No. 26,491 (June 24, 2021). In addition, the return on  
8 working capital costs totaled a (\$0.2) million over recovery based on a lead/lag analysis  
9 and the current period carrying charges totaled (\$0.1) million. This results in a RPS  
10 Reconciliation Adjustment Factor rate of (\$0.00082)/kWh as shown on Attachment  
11 MBP-2, Page 4, Line 15.  
12

### **Energy Service Lead/Lag Study**

13 **Q. Did the Company include a working capital component for Energy Supply and**  
14 **Renewable Energy Credits (RECs) in the calculation of the ES rates filed on June**  
15 **16, 2022?**

16 **A.** Yes. In Order No. 26,237 issued on April 25, 2019 in Docket No. DE 18-073, the  
17 Commission authorized Eversource to use the results of a lead/lag study in the calculation  
18 of working capital requirements for ES rates. The Company has conducted an update to  
19 its previous lead/lag study based on calendar year 2021 as provided in Attachment MBP-

1           3 and incorporates the results of the study to calculate the return on cash working capital  
2           requirements included in this filing for rates effective August 1, 2022.

3   **Q. What is cash working capital?**

4   A. Cash working capital is the amount of money that is needed by Eversource to fund  
5           operations in the time period between when expenditures are incurred to provide service to  
6           customers and when payment is actually received from customers for that service.

7   **Q. How is cash working capital estimated through a lead/lag study?**

8   A. A lead/lag study identifies the amount of time it typically takes for the Company to collect  
9           revenue from customers, as well as the amount of time the Company takes to make  
10           payment for applicable operating costs. The difference between those two numbers is used  
11           as the basis to estimate cash working capital requirements.

12   **Q. Please define the terms “revenue lag days” and “expense lead days.”**

13   A. Revenue lag is the time, measured in days, between delivery of a service to Eversource  
14           customers and the receipt by Eversource of the payment for such service. Similarly,  
15           expense lead is the time, again measured in days, between the performance of a service on  
16           behalf of Eversource by a vendor or employee and payment for such service by  
17           Eversource. Since rates are based on revenue and expenses booked on an accrual basis, the  
18           revenue lag results in a need for capital while the expense lead offsets this need to the

1 extent the Company is typically not required to make payment to its vendors until after a  
2 service is provided.

3 **Q. Please describe the Lead/Lag Study (Attachment MBP-3) and its findings.**

4 A. The Lead/Lag Study based on calendar year 2021 costs and revenues consists of 15 pages  
5 of calculations and supporting schedules to separately calculate lag days for Purchased  
6 Power and RPS expense as shown in the table below:

Description	Attachment MBP-3 Reference	Customers		RPS
		Small	Large	Compliance
Net Lag/(Lead) Days	Page 3, Col (C)	0.81	24.28	(128.34)
Percentage of Annual Expense	Page 3, Col (D)	0.22%	6.65%	-35.16%
Percentage of Forecast Monthly Expense	Page 1, Lines 9 and 10	2.6 to 2.9	78.3 to 86.7	N/A

8 **Q. How is the retail revenue lag computed?**

9 A. The retail revenue lag consists of a “meter reading or service lag,” “collection lag” and a  
10 “billing lag.” The sum of the days associated with these three lag components is the total  
11 retail revenue lag experienced by Eversource as shown on Attachment MBP-3, Page 5.

12 **Q. What lag does the Lead/Lag Study reveal for the component "meter reading or  
13 service lag?"**

14 A. The Lead/Lag Study reveals 15.2 days. This lag was obtained by dividing the number of  
15 billing days in the test year by 12 months and then in half to arrive at the midpoint of the  
16 monthly service periods.

17

1 **Q. How was the “collection lag” calculated and what was the result?**

2 A. The “collection lag” for Energy Service totaled 30.17 days. This lag reflects the time delay  
3 between the mailing of customer bills and the cash receipt of the billed revenues from  
4 customers. The 30.17 days lag was arrived at by a thorough examination of Energy  
5 Service accounts receivable balances using the accounts receivable turnover method. End  
6 of month balances were utilized as the measure of customer accounts receivable.  
7 Attachment MBP-3, Page 6 details monthly balances for retail accounts receivables,  
8 separated by Small and Large Customers. Attachment MBP-3, Page 6 calculated the  
9 Collection Lag by taking the total revenues and dividing it by the daily average receivable  
10 balance, deriving a Receivable Turnover rate (Line 21), which is then used to calculate the  
11 Collection Lag (365 days/Receivables Turnover rate) to arrive at 29.24 days for Small  
12 Customers and 48.06 days for Large Customers.

13 **Q. How did you calculate the “billing lag”?**

14 A. Nearly all of the Company’s customers are billed the evening after the meters are read.  
15 However, if a meter is read on a Friday or prior to a scheduled holiday, there is additional  
16 lag over the weekend or holiday. The Company’s billing lag calculation accounts for any  
17 additional lag over weekends and holidays. The lead/lag study weights the average monthly  
18 billing days by the accounts receivable balances resulting in a weighted billing lag of:  
19 

- 1.48 days for Small Customers (Attachment MBP-3, Page 7, Line 13)
- 1.50 days for Large Customers (Attachment MBP-3, Page 8, Line 13).

1

2 **Q. Is the total retail revenue lag computed from these separate lag calculations?**

3 A. Yes. The total retail revenue lag of 45.93 days for Small Customers and 64.77 for Large  
4 Customers is computed by adding the number of days associated with each of the three  
5 retail revenue lag components as shown on Attachment MBP-3, Page 5. This total number  
6 of lag days represents the amount of time between the recorded delivery of service to retail  
7 customers and the cash receipt from retail customers of the related billed revenues.

8 **Q. What expense is Purchased Power Cash Working Capital intended to address?**

9 A. Purchased Power Cash Working Capital provides cash working capital for expenses paid  
10 by Eversource to procure from wholesale energy suppliers wholesale energy output per the  
11 terms of the Commission approved wholesale supplier contracts on behalf of Small and  
12 Large ES customers.

13 **Q. In determining the expense lead period, how were the weighted lead days in payment  
14 of Purchased Power costs determined?**

15 A. As shown on Attachment MBP-3, Pages 9 and 10, Purchased Power payments were  
16 reviewed and the lead days were calculated for Small Customer and Large Customer  
17 categories. Each payment was dollar weighted to arrive at Purchased Power expense lead  
18 days.



1 **Q. How were the weighted lead days in payment of Renewable Portfolio Standard**  
2 **(“RPS”) costs determined?**

3 A. RPS compliance is achieved through a combination of market purchases, contracted  
4 purchases through Long-Term Purchase Power Agreements with Burgess BioPower and  
5 Lempster Wind and ACPs. The Company obtains and retires RECs from these sources, or  
6 provides ACP, to meet annual RPS requirements. However, RPS compliance filings are  
7 not due until June 30<sup>th</sup> following the end of the prior compliance year. As a result, REC  
8 procurement activity and payment continues for up to six months following the end of the  
9 annual period in which RPS compliance obligations are incurred. This timing of RPS  
10 compliance activity is reflected in the Company’s lead/lag study.

11

12 For market purchases, payments to IPPs were reviewed and weighted. The lead days was  
13 determined by comparing the date of payment for RECs to the load-weighted midpoint of  
14 the compliance year to which they were applied for RPS compliance. The schedule of  
15 payments for market purchases of 2021 RECs and estimated ACP is included in  
16 Attachment MBP-3, page 13. The payment dates for these purchases are compared to the  
17 load-weighted midpoint of the 2021 compliance year to which they were applied for RPS  
18 compliance. The resulting dollar-weighted lead for market REC purchases and ACP was  
19 345.8 days.

Public Service Company of New Hampshire  
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1        Payments for RECs procured through long-term contracts are made on a more timely,  
2        regular basis as shown in Attachment MBP-3, Page 14. However, only a portion of RECs  
3        from these contracts is applied to RPS compliance. The remainder is resold. Additionally,  
4        the cost of RECs from these contracts reflected in the ES rate is based upon a market  
5        transfer price credited to the Company's SCRC. To properly determine the cash working  
6        capital impact of these contract purchases associated with ES, the lead for contract  
7        purchases was dollar-weighted by amounts that reflected the percentage of RECs retired for  
8        ES/RPS compliance and a cash-basis equal to the lesser of 1) the contract price or 2) the  
9        transfer price. The resulting lead for contract purchases was 113.0 days.

10       The summary of contracted and market purchases is shown on Attachment MBP-3, Page  
11       11 for a total RPS expense lead of 175.2 days.

12       **Q.    Would you summarize the Company's proposal regarding Cash Working Capital?**

13       A.    Yes, the results of the lead/lag analysis of ES Cash Working Capital are noted in the table  
14       below:

Description	Attachment MBP-3 Reference	Customers		RPS
		Small	Large	Compliance
Net Lag/(Lead) Days	Page 3, Col. (C)	0.81	24.28	(128.34)
Percentage of Annual Expense	Page 3, Col. (D)	0.22%	6.65%	-35.16%
Percentage of Forecast Monthly Expense	Page 1, Lines 9 and 10	2.6 to 2.9	78.3 to 86.7	N/A
Cash Working Capital Balance (Aug 2022 to Jul 2023)	Page 1, Lines 12, 13 and 14	\$1,735 avg	\$4,120 avg	(\$10,597)
Cash Working Capital Return (Aug 2022 to Jul 2023)	Page 1, Lines 17, 18 and 19	\$35	\$82	(\$424)
Cash Working Capital Return (Aug 2021 to Jul 2022)	Page 2, Lines 17, 18 and 19	\$124	\$44	(\$201)

1 **Q. Has the Company calculated the customer bill impacts for the proposed August 1,**  
2 **2022 ES rate change?**

3 A. Yes. The rate impacts are provided in Attachment MBP-4.

4 • Page 1 provides a comparison of residential rates proposed for effect August 1,  
5 2022 to current rates effective February 1, 2022 for a 550 kWh monthly bill, a  
6 600 kWh monthly bill, and a 650 kWh monthly bill.

7 • Page 2 provides a comparison of residential rates proposed for effect August 1,  
8 2022 to rates effective August 1, 2021 for a 550 kWh monthly bill, a 600 kWh  
9 monthly bill, and a 650 kWh monthly bill.

10 • Page 3 provides the average impact of each change on bills for all rate classes by  
11 rate component and on a total bill basis, including ES.

12 The rate impacts provided in Attachment MBP-4 incorporate changes in the Distribution  
13 rate reflecting the permanent rates approved in Docket No. DE 19-057 and Order No.  
14 26,433 (December 15, 2020) and the ES rate change proposed in this filing. Changes to  
15 the RRA, 2021 Step 3 Adjustment, SCRC and TCAM rates are also anticipated for  
16 August 1, 2022 but are not included in this Attachment at this time as they have not yet  
17 been approved.

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1 **Q. Is the Company planning any affirmative customer outreach due to the significant**  
2 **increase in ES rates for the upcoming service period?**

3 A. Yes, the Company understands the severity of the situation and plans to proactively  
4 leverage multiple venues and media to reach both residential and commercial customers  
5 and inform them about the impending increase in ES prices. Among these resources are:  
6 posting information on Eversource.com; utilizing traditional and social media outlets; bill  
7 messages including bill inserts, on-bill messaging, and newly instituted envelope  
8 messaging; conducting outreach to large commercial customers; and outreach to social  
9 service agencies and communities. The Company is also open to consulting with the  
10 New Hampshire Department of Energy and the Office of the Consumer Advocate on  
11 such efforts.

12

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

14 A. Yes, updated tariff pages have been provided as Attachment MBP-5.

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

16 A. Yes, Eversource is seeking final approval of the proposed ES rates by June 23, 2022 to  
17 inform the winning bidders, to allow for appropriate notice customers and to implement  
18 the new rates for service rendered on and after August 1, 2022.

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

21 A. Yes, it does.