IR 22-048 - Investigation of Step Adjustment Methodology and Process
Attachment PUC 1-005

DE 19-057 Rate Case		DE 19-057			DE 22-030
		Settlement	Step 1	Step 2	Step 3
Line #	Description	Order No. 26,433	Order No. 26,439	Order No. 26,504	Order No. 26,709
a.	Total Rate Base	$ 1,217,189,613	$ 1,217,189,613	$ 1,288,900,248	$ 1,360,691,952
b.	Total Revenue Requirement	$ 416,423,751			
b. i.	Total Return on Rate Base	$ 83,612,406			
b. ii.	Total Expenses	$ 332,811,345			
c.	Gross Rate Base increase - Step Adjustments		$ 79,872,251	$ 94,587,523	$ 93,151,980
d.	Net Rate Base increase - Step Adjustments		$ 71,710,635	$ 71,791,705	$ 55,914,429
e.	Revenue Requirement - Step Adjustments		$ 10,610,311	$ 10,969,351	$ 8,928,092
	Revenue Requirement - Cumulative Step Adjustments		$ 10,610,311	$ 21,579,661	$ 30,507,753
f.	An LRAM, referred to as a Lost Base Revenue (LBR) mechanism and considered to be a form of decoupling, was introduced and applied as part of the RRA mechanism resulting from the DE 19-057 Settlement. This LBR relates to displaced sales associated with net metering. An LBR mechanism related to displaced sales associated with energy efficiency measures was also introduced as part of the Systems Benefits Charge.				
g.	Between the DE 09-035 and DE 19-057 Rate Cases, other than the step adjustments allowed for in the Settlement Agreement and described below, the Company had revenue requirements changes related to the 2015 Restructuring and Rate Stabilization Agreement associated with the generation divestiture. In that agreement, PSNH agreed to refrain from filing a base distribution rate case until at least the middle of 2017. That stay-out provision allowed customers to experience a relatively long period of steady distribution rates. In Docket No. DE 19-057, the PUC approved the annual Regulatory Reconciliation Adjustment (RRA) mechanism, which allowed for recovery or refund of the following costs, as compared to the amounts included in base rates: (1) Annual Regulatory Assessments and consultants hired by the PUC/DOE/OCA; (2) Vegetation Management; (3) Property Tax Expense; (4) Lost Base Revenue (described in "f." above); and (5) Storm Cost amortization updated for actual cost of long-term debt. In addition, in DE 19-057, the Company's REP program that was first introduced in 2007 was ended (the focus shifted to the Vegetation Management Program in DE 19-057). In 2022, as filed on June 16th in DE 22-010, the Company was allowed to include certain settled and approved DE 19-057 rate case expenses in the RRA mechanism.				

DE 09-035 Rate Case		DE 09-035	DE 11-095	DE 12-110	DE 13-127
		Settlement	Step 1 - 7/1/11	Step 2 - 7/1/12	Step 3 - 7/1/13
Line #	Description	Order No. 25,123	Order No. 25,240 Nisi	Order No. 25,382	Order No. 25,534
a.	Total Rate Base	$ 769,787,963	$ 788,537,963	$ 823,825,963	$ 879,608,963
b.	Total Revenue Requirement	$ 313,388,620			
b. i.	Total Return on Rate Base	$ 57,834,193			
b. ii.	Total Expenses	$ 255,554,427			
c.	Gross Rate Base increase - Step Adjustments	$ 23,437,500	$ 62,188,000	$ 77,378,000	$ 71,084,000
d.	Net Rate Base increase - Step Adjustments	$ 18,750,000	$ 35,288,000	$ 55,783,000	$ 48,858,325
e.	Revenue Requirement - Step Adjustments	$ 2,337,354	$ 4,398,962	$ 6,953,845	$ 6,090,623
	Revenue Requirement - Cumulative Step Adjustments	$ 2,337,354	$ 6,736,316	$ 13,690,161	$ 19,780,785
f.	There was no LRAM, Decoupling, or similar mechanism implemented as part of the rate case.				
g.	There were no other known adjustments between the DE 06-028 and DE 09-035 Rate Cases, other than what is described below and allowed for in the Settlement Agreement. In Docket No. DE 12-110 (Step 2 adjustment), the PUC approved in Order No. 25,382 an increase in the annual MSRF accrual amount from $3.5 million to $7.0 million. In Docket No. DE 13-127 (Step 3 adjustment), the PUC approved in Order No. 25,534 an increase in the annual MSRF accrual amount from $7.0 million to $12.0 million. In addition, the Settlement allowed the continuation of the Company's REP program established in 2007 in DE 06-028, Order No. 24,750, with an increased funding of $4,000,000. Annually, the Company agreed to file, by April 30th, documentation demonstrating the change in its *net* plant between April 1 and March 31 to be compared to the forecasted increase derived from the February 2010 Five-Year Plan. If the amount of the change was equal to or greater than the amount forecasted, the designated Step increase would take effect on July 1, subject to the Commission's approval that the plant additions are prudent, used and useful and providing service to customers. In summary, a $12.2 million step increase included $4.0 million for REP, $1.8 million increase in Major Storm Cost Reserve, $4.1 million				

DE 06-028 Rate Case		DE 06-028 - Settlement Order No. 24,750			
	Rate Change Effective Date	7/1/2007	1/1/2008	7/1/2008	
Line #	Description				
a.	Total Rate Base	$ 647,076,000	$ 668,292,532	$ 688,292,532	
b.	Total Revenue Requirement	$ 285,468,137			
b. i.	Total Return on Rate Base	$ 50,456,086			
b. ii.	Total Expenses	$ 235,012,051			
c.	Gross Rate Base increase - Adjustment	$ 25,000,000	$ 20,000,000	N/A	
d.	Net Rate Base increase - Adjustment	$ 21,216,532	$ 20,000,000	N/A	
e.	Revenue Requirement - Adjustment	$ 37,681,000	$ 2,789,000	$ (9,113,000)	**Rate decrease primarily related to the end of the one-year recovery of revenue resulting from the*
	Revenue Requirement - Cumulative Adjustment	$ 37,681,000	$ 40,470,000	$ 31,357,000	*difference between permanent rates and temporary rates.*
f.	There was no LRAM, Decoupling, or similar mechanism implemented as part of the rate case.				
g.	There were no other known adjustments between the DE 03-200 and DE 06-028 Rate Cases, other than what is described below and allowed for in the Settlement Agreement. In the DE 06-028 Settlement, the settling parties recommended adopting the Reliability Enhancement Program (REP), which was deemed to be a valuable portfolio of operations and maintenance activities (distribution trimming, patrol/repair, reliability enhancement, GIS) and capital investments (equipment changeout/replacement, NESC repairs, GIS), which provided improved service quality for customers. The programs were proven to be appropriate with repairs and deficiencies identified and repaired in a timely fashion, preventing outages, ensuring faster trouble identification and repair and reduction in customer outage duration. The allowed annual revenue requirement increase was $10,000,000, and commenced effective July 1, 2007, remaining in effect for a five-year period.				

DE 03-200 Rate Case		DE 03-200 - Settlement Order No. 24,369		
		As filed test year	10/1/2004	6/1/2005
Line #	Description			
a.	Total Rate Base	$ 498,131,000		
b.	Total Revenue Requirement	$ 242,168,000	Additional $3.5M	Additional $10M
b. i.	Total Return on Rate Base	$ 38,530,000		
b. ii.	Total Expenses	$ 203,638,000		
c.	Gross Rate Base increase - Adjustment			
d.	Net Rate Base increase - Adjustment			
e.	Revenue Requirement - Adjustment			
	Revenue Requirement - Cumulative Adjustment			
f.	There was no LRAM, Decoupling, or similar mechanism implemented as part of the rate case.			
g.	As provided in the table above, the approved Settlement Agreement allowed for a revenue requirement increase of $3.5 million, effective 10/1/2004, as well as an additional step increase of $10M, effective 6/1/2005, for an estimated $60 million of planned 2005 capital improvement program spending. PSNH agreed to notify the settling parties in the event that the 2005 capital improvement program was less than $60 million and whether an adjustment to the step increase was warranted.			

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. IR 22-048

Date Request Received: March 21, 2023 **Date of Response: April 20, 2023**
Data Request No. PUC 1-006

Request from: New Hampshire Public Utilities Commission

Request:

Please provide the following information (in Excel format) for the most recent rate cases in other jurisdictions in which the company's affiliates operate, as applicable:

A. Total rate base

B. Total revenue requirement

1. Total return on rate base

2. Total expenses

C. Gross Rate base increase in each step adjustment

D. Net Rate base increase in each step adjustment

E. Revenue requirements increase in each step adjustment and basis of the calculations (ROR, net or gross rate base, etc.)

F. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented

G. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Response:

Please see information responsive to this request in Attachment PUC 1-006.

CONNECTICUT:

The Company's electric affiliated in Connecticut, The Connecticut Light and Power Company ("CL&P"), operates with three revenue support mechanisms coming out of its most recent rate case Settlement Agreement in Docket No. 17-10-46. The first of these mechanisms was a multi-year rate plan that increased the amount of allowed revenues in each of three rate years for 2018, 2019 and 2020 to recover the increased revenue requirement in each of those years. The increased revenue requirement resulted from both the incremental plant additions placed in service and increased O&M expense (for example, increases in payroll expense due to annual raises). Further, to protect customers from having too much revenue requirement associated with targets for capital placed in service in each of the rate years that may not have been reached, a second revenue support mechanism in the form of a capital tracker (the Electric Systems Improvement ("ESI") mechanism) was implemented. Specifically, for each of the rate years 2018, 2019 and 2020, a revenue requirement that included only $270 million of new plant in service was built into base distribution rates, even though CL&P's capital plans were for far greater than $270 million of new plant in service. Any capital spending greater than $270 million was then included for recovery in the ESI. This protected customers from having too large of a revenue requirement built into base distribution rates in the event CL&P could not execute its much larger capital plan while ensuring that CL&P did receive revenue for the exact amount of capital that it did place in service during those rate years. The ESI was also extended beyond the three-year rate plan with the specified goal of keeping CL&P out of a rate case in Year 4 by allowing CL&P to recover the revenue requirement on its first $300 million of new plant in service in Years 4 and later. Lastly, the third revenue support mechanism included in CL&P's rate case Settlement Agreement was a relatively minor Step Adjustment Provision that increased the revenue requirement in each rate year by a pre-set amount provided CL&P achieved hiring targets for 100 additional field operations personnel during the three rate years. These step adjustments went into effect on May 1st of 2019, 2020 and 2021.

Similar to CL&P, the Company's Connecticut gas subsidiary, Yankee Gas Services Company ("Yankee Gas"), operated with two revenue support mechanisms coming out of its most recent rate case Settlement Agreement in Docket No. 18-05-10. The first of these mechanisms was a multi-year rate plan that increased the amount of allowed revenues in each of three rate years for 2019, 2020 and 2021 to recover the increased revenue requirement in each of those years. The increased revenue requirement resulted from both incremental plant additions placed in service and increased O&M expense (for example, increases in payroll expense due to annual raises). Further, to protect customers from having too much revenue requirement associated with targets for capital placed in service in each of the rate years that may not have been reached, a second revenue support mechanism in the form of a capital tracker (the Gas System Improvement ("GSI") tracker) was implemented. Specifically, for each of the rate years 2019, 2020 and 2021, a revenue requirement that included only $150 million of new plant in service was built into base distribution rates, even though Yankee Gas' capital plans were for far greater than $150 million of new plant in service. Any capital spending greater than $150 million was then included for recovery in the GSI. This protected customers from having too large of a revenue requirement built into base distribution rates in the event Yankee Gas could not execute its much larger capital plan while ensuring that Yankee Gas did receive revenue for the exact amount of capital that it did place in service during those rate years. The GSI was also extended beyond the three-year rate plan with the specified goal of keeping Yankee Gas out of a rate case in Year 4 by allowing the Company to recover the revenue requirement on its first $100 million of Distribution Integrity Management Program ("DIMP") specific plant in service in Years 4 and later.

The revenue support mechanisms described above had the specific purpose of providing additional revenue to CL&P and Yankee Gas for specific cost increases occurring each year. Had these mechanisms not been in place, more frequent rate cases would have been required so that CL&P and Yankee Gas could recover the very significant cost increases that were being incurred each year. In addition to these revenue support mechanisms, CL&P and Yankee Gas also had Revenue Decoupling Mechanisms ("RDM") in effect. The RDM is a revenue true-up mechanism and ensures CL&P and Yankee Gas recover the amount of revenue that exactly equals their authorized revenue requirement. This mechanism removes the differences that can occur in annual revenue due to behind the meter generation, weather, energy efficiency measures and other new technologies, and is symmetrical in that over recoveries of revenue are returned to customers and under recoveries of revenue are collected from customers.

Taken together, the mechanisms described above provide a more appropriately matched revenue stream to the actual costs CL&P and Yankee Gas are incurring between rate cases; however, there is another mechanism that protects customers from potential revenue and cost variances that may occur in any given year. That mechanism is the Earnings Sharing Mechanism ("ESM") which both CL&P and Yankee Gas have. The ESM ensures that CL&P and Yankee Gas cannot earn in excess of the authorized return on equity ("ROE") established by the Settlement Agreements of 9.25% and 9.30%, respectively, as of each calendar year end. If CL&P earns more than a 9.25% ROE or Yankee Gas earns more than a 9.30% ROE, the amount above that level is shared equally between each company and customers. As such, as a final guardrail that applies to the results achieved through the use of all the mechanisms described above, customers are fully protected from paying rates that are more than just and reasonable through this ESM mechanism.

MASSACHUSETTS:

Eversource Gas Company of Massachusetts - Pursuant to the settlement agreement dated June 2, 2020 (D.P.U. 20-59) NiSource, Bay State Gas, Eversource, and Eversource Gas agreed to a transaction, subject to the terms and conditions set forth in the Asset Purchase Agreement ("APA"), dated February 26, 2020, involving NiSource's agreement to sell the business operated by Bay State Gas to Eversource for a purchase price of $1,100 million in cash, subject to certain post-closing adjustments.

In lieu of a fully litigated rate case, the Settling Parties agree to reduce the Company's proposed distribution rate increase of $44.5 million to $33.2 million. The Settlement Agreement states that "agreed to revenue deficiency" in D.P.U. 18-45 was $22.6 million, net of the then-pending return of Excess Deferred Income Tax to Bay State Gas customers.

The rate plan which went into effect in October, 2020, and expires on October 31, 2028 includes two rate base updates. The $23 million rate increase noted above will be instituted in two steps. (1) On November 1, 2021, EGMA's base distribution rates will be increased by $13 million, less the refund to customers of the federal income-tax savings resulting from the Tax Cuts and Jobs Act ("TCJA") for the period January 1, 2018 through June 30, 2018, with interest at the prime rate on the monthly balance of the regulatory liability associated with the TCJA income-tax savings. (2) The second base rate increase agreed to by the Settling Parties will occur on November 1, 2022, when EGMA net base rates will be increased by the remainder of the agreed to increase, or $10 million.

Additionally, The Settling Parties agreed that, aside from the two distribution rate increases discussed above and a rate-base reset scheduled for November 1, 2024 and November 1, 2027, EGMA is prohibited from filing a base-rate petition under G.L. c. 164, § 94 for rates effective prior to November 1, 2028.

IR 22-048 - Investigation of Step Adjustment Methodology and Process

Attachment PUC 1-006 (a) - The Connecticut Light and Power Company

(Thousands of dollars)

Line #			2018 Rate Year 1	2019 Rate Year 2	2020 Rate Year 3
a.	Total Rate Base	(1)	$3,700,659	$3,780,440	$ 3,861,111
b.i.	Total Return on Rate Base		$ 264,597	$ 266,143	$ 273,753
b.ii.	Total Expenses		$ 833,976	$ 860,456	$ 884,509
b	Total Revenue Requirement		$1,098,572	$1,126,599	$ 1,158,262
c.	Gross Rate Base Increase Multi-Year Rate Plan	(2)	$ 270,944	$ 217,146	$ 218,589
d.	Net Rate Base Increase in Multi-Year Rate Plan		$ 138,669	$ 79,781	$ 80,671
e.	Incremental Revenue Requirement Increase	(3)	$ 64,349	$ 31,070	$ 29,242

f. and g. Please see Record Request 6, Attachment DR-006(b)

Notes:

(1) Per the Settlement Agreement in Connecticut PURA Docket No. 17-10-46, Appendix D, Amended Attachment 2 - Rate Base, p. 1., Line 33, the Rate Base reflects average of calendar year beginning and ending balances.

(2) Per the Settlement Agreement in Docket No. 17-10-46, Appendix D, Amended Attachment 2 - Rate Base, p. 1., Line 15, the Gross Rate Base reflects the Utility Plant in Service excluding depreciation and prior to

(3) Revenue Requirement increase per the Settlement Agreement in Docket No. 17-10-46, Appendix D, Attachment 1 - Revenue Requirement Summary, p. 1, Line 42.

IR 22-048 - Investigation of Step Adjustment Methodology and Process
Attachment PUC 1-006 (b) - The Connecticut Light and Power Company

f. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented.

Mechanism	Type of Tracker	Description	Establishing PURA Docket No.	Commencing	Reconciliation Period/Filing
Revenue Decoupling Mechanism (RDM)	Revenue Decoupling	The RDM is intended to ensure that the Company achieves the level of revenues it requires to run its business based on the revenue requirement from the most recent rate case. Through the RDM, the Company reconciles actual revenues to the revenue decoupling targets established in its most recent rate case (**currently DN 17-10-46*), resulting in an under-recovery or over-recovery that forms the basis of the RDM rate mechanism charge or credit in rates annually to customers.	DN 14-05-06, Rate Case	2015 *Revenue decoupling targets established in last rate case *DN 17-10-46	Calendar year reconciliation. Beginning in 2021, RDM is included in the annual March 1st RAM Filing.

g. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Mechanism	Type of Tracker	Description	Establishing PURA Docket No.	Commencing	Reconciliation Period/Filing
Electric System Improvements (ESI)	New Capital Tracker	Represents the costs associated with the new phase of CL&P's System Resiliency Plan. The Settlement Agreement in Docket No. 17-10-46 approved new system resiliency projects for calendar years 2018, 2019 and 2020. The Settlement Agreement authorizes the recovery of three different types of capital investment through the ESI. System Resiliency Plant Asset additions for calendar year 2018 and thereafter shall be recovered through the New Capital Tracker that shall be adjusted on an annual basis commencing July 1, 2018. PURA approved the new plan in Docket No. 17-10-46 on April 18, 2018. Prior to the new capital tracker, in CL&P's prior rate case, the Company included a forecasted capital program investment in each of the multi-year rates for inclusion in base rates in the step-up revenue requirements approved in the rate case proceeding.	DN 17-10-46, Settlement Agreement	July 1, 2018	Calendar year reconciliation. Filed on March 1st each year in the Annual Review of the Rate Adjustment Mechanisms (RAM)
Performance Based Ratemaking (PBR)	Rate Plan Design	On May 26, 2021, the CT Public Utility Regulatory Authority (PURA) initiated Docket No. 21-05-15 to investigate, develop, and adopt a framework for implementing Performance Based Ratemaking (PBR) for the electric distribution companies (EDCs) in Connecticut. In that docket, PURA and stakeholders have collaborated through a series of workshops to consider how a well-designed PBR, and its associated tools – revenue adjustment mechanisms, performance incentive mechanisms, reported metrics and others – can help achieve specific public outcomes. Two of the considerations that PURA plans to explore in Phase 2 of the proceeding is an externally-indexed annual revenue cap (ARM) and performance incentive mechanisms (PIMs) which can encourage the EDCs to strive for gains in efficiency and enhanced performance in targeted, well-defined, areas of the business. PIMS are metrics paired with a performance benchmark or target, and with a financial reward and/or penalty based on pre-determined thresholds. According to PURA, "by tying performance to financial incentives and/or disincentives, PIMs can motivated EDCs' behavior to achieve certain performance targets."	DE 21-05-15 PBR	26-May-21	To be determined

IR 22-048 - Investigation of Step Adjustment Methodology and Process

Attachment PUC 1-006 (c) - Yankee Gas Services Company

(Thousands of dollars)

Line #			2019 Rate Year 1	2020 Rate Year 2	2021 Rate Year 3
a.	Total Rate Base	(1)	$1,213,250	$1,339,232	$1,457,431
b.i.	Total Return on Rate Base		$ 84,806	$ 94,550	$ 102,895
b.ii.	Total Expenses		$ 434,953	$ 448,561	$ 466,673
b	Total Revenue Requirement		$ 519,759	$ 543,111	$ 569,568
c.	Gross Rate Base Increase Multi-Year Rate Plan	(2)	$ 139,920	$ 139,175	$ 138,797
d.	Net Rate Base Increase in Multi-Year Rate Plan		$ 123,468	$ 125,982	$ 118,199
e.	Incremental Revenue Requirement Increase	(3)	$ 1,381	$ 15,765	$ 13,012

f. and g Please see Record Request 6, Attachment DR-006(d)

Notes:

(1) Per the Settlement Agreement in Connecticut PURA Docket No. 18-05-10, Revised Attachment 2 - Rate Base and Adjustments, p. 1., Line 35, the Rate Base reflects average of calendar year beginning and ending balances.

(2) Per the Settlement Agreement in Docket No. 18-05-10, Revised Attachment 2 - Rate Base and Adjustments, p. 1., Line 16, Gross Rate Base reflects the Utility Plant in Service excluding depreciation and prior to any deductions or additions.

(3) Revenue Requirement increase per the Settlement Agreement in Docket No. 17-10-46, Appendix D, Attachment 1 - Revenue Requirement Summary, p. 1, Line 42.

IR 22-048 - Investigation of Step Adjustment Methodology and Process

Attachment PUC 1-006 (d) - Yankee Gas Services Company

f. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented.

Mechanism	Type of Tracker	Description	Establishing PURA Docket No.	Commencing	Reconciliation Period/Filing
Revenue Decoupling Mechanism (RDM)	Revenue Decoupling	Similar to The Connecticut Light & Power Company, the RDM utilizes a total revenue construct, with the revenue target based on the approved revenue requirements for each of the three rate years. Any over or under recovery of revenue associated with sales in a given revenue decoupling period will be compared with the approved revenue levels for the same time period. Revenues included in the RDM is all distribution revenue, and other non-tariff-based revenue in its decoupling calculation.	DN 18-05-10, Rate Case	2019 *Revenue decoupling targets established in last rate case *DN 18-05-10	Calendar year reconciliation. Filed annually by March 1st following the end of each rate year.

g. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Mechanism	Type of Tracker	Description	Establishing PURA Docket No.	*Commencing	Reconciliation Period/Filing
Gas System Improvement Charge (GSI)	Capital Tracker	Initially, a Distribution Integrity Management Program (DIMP) was approved in the 2011 rate case decision in DN 10-12-02 to recover costs of incremental core capital plant additions above specified amounts in base distribution rates. The Settlement Agreement in Docket No. 18-05-10 established an annual DIMP Reconciliation Mechanism to be filed at year-end by March 1st. As noted in the March 1, 2019 compliance filing, the Company began labeling the DIMP Reconciliation Mechanism on customer bills as the "GSI Charge" in order to have consistent nomenclature with that of CL&P's existing "Electric System Improvements Charge" on customer bills.	DN 18-05-10, Rate Case **DIMP* est. in DN 10-12-02, Rate Case	March 1, 2019 **June 29, 2011*	Annual filing structure that occurs on March 1st each year, covering prior calendar year, to be effective April 1st, on a billing-cycle basis
System Expansion Reconciliation (SER)	Capital Tracker	Initially approved in DN 13-06-02, the use of a SER mechanism to annually reconcile revenue and costs of incremental plant additions associated with the natural gas system expansion plan required by Conn. Gen. Stat. section 16-19ww. The Settlement Agreement in Docket No. 18-05-10 was modified to include system expansion revenue requirements and revenues in base rates. After implementation of the new rates, the annual SE reconciliation will reconcile the actual revenue requirement less SE revenues against the projected revenue requirement and projected SE revenue embedded in base rates in the rate years approved in Docket No. 18-05-10. The inclusion of the SE revenues in base rates helps offset the revenue requirement associated with SE customer investments.	DN 13-06-02, Gas Expansion Decision	*2014	Annual filing structure that occurs on March 1st each year, covering prior calendar year, to be effective April 1st

IR 22-048 - Investigation of Step Adjustment Methodology and Process

Attachment PUC 1-006 (e) - NSTAR Electric Company, NSTAR Gas Company, and Eversource Gas of Massachusetts (EGMA)

Line #			NSTAR Electric (1)	NSTAR Gas (2)	EGMA (3)
a.	Total Rate Base		$ 3,930,069,187	$ 780,121,054	N/A - See part E
b.i.	Total Return on Rate Base		$ 277,305,682	$ 56,870,824	N/A - See part E
b.ii.	Total Expenses	(4)	$ 880,451,334	$ 171,030,382	N/A - See part E
b	Total Revenue Requirement		$ 1,157,757,016	$ 227,901,206	N/A - See part E
c.	Gross Rate Base Increase		N/A	N/A	N/A
d.	Net Rate Base Increase		N/A	N/A	N/A
e.	Revenue Requirement Increase		N/A	N/A	N/A

f. and g.	Please see Record Request 6, Attachment DR-006(f)	Please see Record Request 6, Attachment DR-006(g)	Please see Record Request 6, Attachment DR-006(h)

Notes:

(1) NSTAR Electric Company figures based on most recent rate case D.P.U. 22-22. The company is operating under a PBR rate plan.

(2) NSTAR Electric Company figures based on most recent rate case D.P.U. 19-120. The company is operating under a PBR rate plan.

(3) See Attachment DE-006(h), written response part f and g, for further details regarding the EGMA settlement agreement and associated step adjustments

(4) Total Expenses include sum of (1) Total O&M Expense, (2) Uncollectible O&M due to increase, (3) Depreciation and Amortization, (4) Taxes Other than Income Taxes, and (5) Income Taxes

Attachment PUC 1-006(f)
NSTAR Electric Company

f. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Commencing	Reconciliation Period/Filing
59	Performance-Based Revenue Adjustment (PBRA)	Rate Plan	The PBRA is designed to establish a mechanism that enables NSTAR Electric, subject to the jurisdiction of the Department of Public Utilities, to adjust, on an annual basis, its base distribution rates ("Base Rates"). The PBRA includes a revenue-indexing mechanism, a K-Bar Adjustment, and earnings sharing if the earned return on equity is higher than established thresholds, and recovery of exogenous costs. Revenue-Indexing Mechanism: 1) The rate of input price inflation representative of the electric distribution industry: *United States Gross Domestic Product Price Inflation for the four most recent quarterly reporting periods as of the second quarter of the Prior Year* 2) Less offsets for productivity: *Productivity, or X Factor shall be zero percent, as established by the Department in D.P.U. 22-22 and;* 3) Consumer dividend: *The Consumer Dividend, set at 0.25 percent if GDPPIT-1 is greater than 2.0 percent - as approved by the Department in D.P.U. 22-22.* K-Bar Adjustment: The K-Bar Adjustment provides predictable and adequate funding for capital investments. It is calculated on the basis of a five-year rolling average of actual capital costs. The K-Bar Adjustment for effect January 1, 2025, will calculate the K-Bar Net Plant Additions using the five-year average of plant additions placed in service from 2019 through 2023, carried forward to January 1, 2025. Exogenous Cost Component: Allows the Company to reflect costs, both positive and negative, that are beyond the control of the Company and not reflected in GDPPI, or otherwise in the PBRAF or any other charge for service. The significance threshold is set at $4 million for each individual exogenous event and shall be adjusted annually. Earnings-sharing component: Earnings Sharing provides an important protection for Customers in the event that expenses increase at a rate much different than the revenue increases generated by the PBRAF. In the event that the Company's actual Distribution Return on Equity (ROE) for any calendar period ending December 31st of the years 2023 through 2028, exceeds the Earnings Sharing Threshold, the difference between actual earnings and earnings calculated at the authorized Return on Equity shall be shared with customers if the Company's actual ROE exceeds the authorized ROE by more than 100 Basis Points. Such earnings above the Earnings Sharing Threshold will be shared 25 percent to the Company and 75 percent to Customers.	D.P.U. 17-05, Rate Case (1st Gen) D.P.U. 22-22, Rate Case (2nd Gen)	The first annual adjustment pursuant to the PBRA shall be effective January 1, 2024 Prior to the expiration of the five-year term, the Company shall be eligible to file a request to continue the PBRA for another five years with the last adjustment taking effect on January 1, 2032	The PBRA is authorized for a five-year term subject to the stay-out provision starting January 1, 2023 with an option to extend the rate plan to 10 years.
60	Revenue Decoupling Adjustment Mechanism (RDAF)	Revenue Decoupling	The purpose of the Revenue Decoupling Adjustment is to provide a mechanism for the annual reconciliation of the Company's distribution revenue and adjustment of the Company's distribution rates in accordance with the revenue decoupling mechanism provided herein	D.P.U. 17-05 / D.P.U. 07-50		Annual, Effective January 1

g. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Reconciliation Period/Filing
70	Attorney General Consultant Expenses	Reconciliation Mechanism	The Attorney General Consultant Expenses ("AGCE") Adjustment Factor is a mechanism to adjust rates for costs incurred by the Attorney General of Massachusetts for experts or consultants that have been approved by the Department pursuant to Massachusetts General Laws c. 12, section 11E(b)	Massachusetts General Laws c. 12, section 11E(b)	Annual, Effective January 1
62	Residential Assistance Adjustment Clause	Reconciliation Mechanism	The Residential Assistance Adjustment Factor ("RAAF") is a reconciling adjustment applied to the delivery rates of all distribution customers and is designed to: (1) recover the total discount given to residential assistance customers enrolled in the Company's discounted rates, (2) recover the costs associated with the Arrearage Management Program ("AMP"), and (3) credit the payments received toward the amortization of hardship accounts.	D.T.E. 01-106-B/ D.T.E. 05-55 / D.T.E. 05-86	Annual, Effective January 1
47	Basic Service Cost Reconciliation	Reconciliation Mechanism	On an annual basis, the Company shall reconcile its total cost of purchased power for Basic Service supply against its total Basic Service revenue, and the excess or deficiency shall be refunded to, or collected from, Customers through a Basic Service Cost True-Up Factor ("BSTF").	D.P.U./D.T.E. 96-23 (1998) / D.P.U./D.T.E. 97-11	Annual, Effective January 1
50	Energy Efficiency Charge	Reconciliation Mechanism	The Energy Efficiency Reconciliation Factor ("EERF") is a mechanism to adjust, on an annual basis, its rates to recover all costs associated with energy efficiency and to reconcile energy efficiency revenue amounts included in the Company's distribution rates with the total expense amounts for energy efficiency programs booked by the Company or a municipal aggregator with a Department of Public Utilities approved energy efficiency plan in the Company's service territory.	G.L. c. 25, § 19 and G.L. c. 25A, § 11G Green Communities Act, St. 2008, c. 169 D.P.U. 08-117	Annual, Effective July 1
73	Grid Modernization Factor	Reconciliation Mechanism - Targeted Capital Cost Recovery Mechanism	The Grid Modernization Factor recovers the annual Grid Modernization Plan Revenue ("GMP") Requirement approved by the Department. The GMP is the Company's five-year Grid Modernization Plan which includes a four-year short-term investment plan consisting of Eligible GMP Projects, plus a five year strategic plan outlining how the Company intends to meet the Department's grid modernization objectives.	D.P.U. 15-122 (2018 - 2021) D.P.U. 20-69 (2022 - 2025)	Recovery Year is the 12-month period for which the GMF is in effect beginning on July 1 and ending on June 30 of each year
69	Long-Term Renewable Contract Adjustment	Reconciliation Mechanism	The Long-Term Renewable Energy Contract Adjustment ("LTRCA") is a mechanism to adjust rates for customers of distribution service to recover costs and contract remuneration arising in relation to payments made under long-term renewable energy contracts and transmission service agreements that are in place to satisfy the requirements of the Green Communities Act.	220 C.M.R. §§ 2.00 Green Communities Act, St. 2008, c. 169, Section 83	Annual, Effective January 1
74	Solar Massachusetts Renewable Target	Reconciliation Mechanism - Targeted Capital Cost Recovery Mechanism	The SMART provision provides for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental administrative costs associated with the implementation and operation of the SMART Program	D.P.U. 17-140	Annual, Effective January 1
68	Net Metering	Reconciliation Mechanism	The Net Metering Recovery Surcharge ("NMRS") is a reconciling adjustment applied to the delivery rates of all distribution customers and is designed to recover: (1) credits paid to net metering customers, net of revenues received from the settlement of energy at ISO New England Inc. ("ISO-NE"); (2) the non-reconciling distribution portion of revenue displaced by customers who have installed on-site net metering generation facilities; and (3) prior period reconciliation adjustments	D.P.U. 20-124	Annual, Effective January 1
61	Pension/PBOP Adjustment Mechanism	Reconciliation Mechanism	The Pension/PBOP Adjustment Mechanism is a mechanism to adjust, on an annual basis, rates to recover costs associated with pension and post-retirement benefits other than pensions ("PBOPs") and to reconcile pension and PBOP expense amounts included in the Company's distribution rates with the total expense amounts booked by the Company.	D.T.E. 03-47	Annual, Effective January 1
51	Renewables Charge	Reconciliation Mechanism	The Renewable Energy Charge is to provide funding to the Massachusetts Renewable Energy Trust Fund.	Green Communities Act, S.B. 2768	Non-bypassable surcharge of $0.0005 per kilowatt-hour
72	Vegetation Management	Reconciliation Mechanism	The Resiliency Tree Work ("RTW") Factor is a mechanism designed to recover vegetation-management costs associated with the Company's RTW program. The RTW Program is a component of the Company's Vegetation Management Program designed to reduce the number and duration of service interruptions caused by trees to assist in maintaining a safe and reliable electric distribution system.	D.P.U. 17-05 / D.P.U. 22-22	Annual, Effective January 1
67	Solar Expansion Cost Recovery Mechanism	Reconciliation Mechanism - Targeted Capital Co	The Solar Expansion Cost Recovery Factor ("SECRF") is a mechanism to recover from Customers the investment and ongoing maintenance costs of solar generation projects constructed, owned and operated by the Company pursuant to Section 1A(f) of Chapter 164 of the General Laws, as amended by An Act Relative to Solar Energy.	D.P.U. 16-105	Annual, Effective January 1
66	Solar Program Cost Adjustment	Reconciliation Mechanism - Targeted Capital Co	The Solar Program Cost Adjustment ("SPCA") adjusts rates to all customers taking service under the Company's retail tariffs, only the Solar Program costs incurred by the Company and net of the sale of the energy, capacity, renewable energy credits and any other non-customer revenue offsets received that are not included in base distribution rates.	D.P.U. 09-05	Annual, Effective January 1
63	Storm Cost Recovery Adjustment Factor	Reconciliation Mechanism	The Storm Cost Recovery Adjustment Factor ("SCRAF") is a mechanism to adjust rates to distribution service customers to recover (a) exogenous storm costs incurred on or after February 1, 2018 when the combination of any single storm exceeds $30 million and the balance in the storm fund exceeds $75 million and not otherwise recoverable through the Company's Storm Reserve Adjustment Mechanism, M.D.P.U. No. 65, (b) the outstanding storm fund balance for costs attributable to emergency response occurring from February 1, 2018 through December 31, 2022, including the recovery of storm fund-eligible event thresholds as approved by the Department and (c) any prior period balances associated with storm costs approved for recovery by the Department	D.P.U. 17-05/ D.P.U. 22-22	Annual, Effective January 1
65	Storm Reserve Adjustment Mechanism	Reconciliation Mechanism	The Storm Reserve Adjustment Mechanism ("SRAF") is a mechanism to provide a means for the Company to adjust its Storm Reserve Fund for storm costs incurred after January 1, 2023 that are in excess of the amount of storm reserve funding amortized in base distribution rates	D.P.U. 17-05/ D.P.U. 22-22	Annual, Effective January 1
75	Tax Act Credit	Reconciliation Mechanism	The Tax Act Credit Factor ("TACF") is a mechanism used to return to all distribution customers taking service under retail rate schedules a regulatory liability amount of $676,643,217 over the amortization periods approved in D.P.U. 18-15 in association with the Tax Cuts and Jobs Act of 2017.	D.P.U. 18-15	Annual, Effective January 1
49	Transition Cost Adjustment	Reconciliation Mechanism	The Transition Cost Adjustment shall recover on a fully reconciling basis from all NSTAR Electric retail Customers taking service under the Company's rates all of the Company's stranded investment as set forth in (1) the former Boston Edison Company's Settlement Agreement, (2) the former Cambridge Electric Light Company's Electric Restructuring Plan, (3) the former Commonwealth Electric Company's Electric Restructuring Plan, and (4) the former Western Massachusetts Electric Company's Electric Restructuring Plan, each as approved by the Massachusetts Department of Public Utilities ("M.D.P.U."). A copy of said Settlement Agreement and Electric Restructuring Plans and the M.D.P.U.'s approval thereof is on file with the M.D.P.U.	D.P.U./D.T.E. 96-23 (1998) / D.P.U./D.T.E. 97-11	Annual, Effective January 1
48	Transmission Service Cost Adjustment	Reconciliation Mechanism	The Transmission Service Cost Adjustment factor shall be established annually based on a forecast of transmission costs, and shall include a full reconciliation and adjustment for any over- or under-recoveries occurring under the prior year's adjustment. The Company may file to change the factor adjustments at any time should significant over- or under-recoveries occur	D.P.U./D.T.E. 96-23 (1998) / D.P.U./D.T.E. 97-11	Annual, Effective January 1

Approved Since D.P.U. 22-22

80	Advanced Metering Infrastructure	Reconciliation Mechanism	Advanced Metering Infrastructure ("AMI") mechanism provides for the recovery of Legacy Meter and Enterprise IT Costs and incremental costs associated with the Company's implementation and deployment of AMI as approved by the Department of Public Utilities (the "Department"). Cost recovery for Eligible AMI Investment is limited to investments made over a seven-year term, 2022 through 2028	D.P.U. 22-22 / D.P.U. 21-80	AMI Investment Year: January 1 - December 31, Annually
76	Electronic Payment Recovery	Reconciliation Mechanism	The Electronic Payment Recovery ("EPR") provision provides for the recovery of costs directly related to the implementation and administration of the Company's Fee Free Credit and Debit Card Payment Option approved by the Department in D.P.U. 20-91-A	D.P.U. 20-91	January 1, annually

Attachment PUC 1-006(g)
NSTAR Gas Company

f. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Commencing	Reconciliation Period/Filing
411	Performance Based Revenue Adjustment	Rate Plan	The PBRA is designed to establish a mechanism that enables NSTAR Gas Comapny, subject to the jurisdiction of the Department of Public Utilities, to adjust, on an annual basis, its base distribution rates ("Base Rates"). The PBRA includes a revenue-indexing mechanism, a roll-over of incremental capital investment, earnings sharing if actual earnings are higher or lower than established thresholds, and recovery of exogenous costs. <u>Revenue-Indexing Mechanism:</u> 1) The rate of input price inflation representative of the natural gas distribution industry: *United States Gross Domestic Product Price Inflation for the four most recent quarterly reporting periods as of the second quarter.* 2) Less offsets for productivity: *The productivity or X Factor, which shall be negative 1.18 percent, as approved by the Department in D.P.U. 19-120* 3) Consumer dividend: *The consumer dividend is set at 0.15 percent, as approved by the Department in D.P.U. 19-120* <u>Incremental Capital Investment Rate Adjustment:</u> Effective November 1, 2021, the Incremental Capital Investment for the capital investment recorded as "in-service" during the period January 2019 through December 2020 and not eligible for recovery pursuant to the Company's Gas System Enhancement Program, as authorized by the Department in D.P.U. 19-120 will be added to the performance base revenue adjustment. <u>Exogenous Cost Component:</u> Allows the Company to reflect costs, both positive and negative, that are beyond the control of the Company and not reflected in GDPPI, or otherwise in the PBRAF or any other charge for service. The significance threshold is set at $700,000 for each individual exoginous event and shall be adjusted annually. Pursuant to D.P.U. 19-120, the recovery of exogenous costs will also include the recovery of $5,005,413 in incremental property taxes to be amortized over the 10-year term that the PBRA remains in effect. <u>Earnings Sharing Mechanism:</u> In the event that the Company's actual Distribution Return on Equity (ROE) for Calendar Year 2021 through 2030 (and the PBRA is in effect) is higher or lower than the Earnings Sharing Threshold, the difference between actual earnings and earnings calculated at the authorized Return on Equity shall be shared with customers as follows: (a) if the Company's actual ROE exceeds the authorized ROE by more than 100 Basis Points, the earnings above the Earnings Sharing Threshold will be shared 25 percent to the Company and 75 percent to Customers; (b) if the Company's actual ROE is between 150 and 200 Basis Points below the authorized ROE, the shortfall below the Earnings Sharing Threshold will be shared 50 percent to the Company and 50 percent to Customers; and (c) if the Company's actual ROE is more than 200 Basis Points below the authorized ROE, the shortfall below the Earnings Sharing Threshold will be shared 25 percent to the Company and 75 percent to Customers	D.P.U. 19-120, Rate Case	The first annual adjustment pursuant to the PBRA shall be effective November 1, 2021 Subsequent annual adjustments shall occur within the ten-year term, with the last adjustment taking effect on November 1, 2029	The PBRA is authorized for a ten-year term subject to the stayout provision starting November 1, 2020
409	Revenue Decoupling Adjustment Clause	Revenue Decoupling	The purpose of the Revenue Decoupling Adjustment Clause ("RDAC") is to establish procedures that allow NSTAR Gas Company d/b/a Eversource Energy ("NSTAR Gas" or the "Company") subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust, on a semi annual basis, its rates for firm gas sales and firm transportation service in order to reconcile Actual Base Revenue per Customer with Benchmark Base Revenue per Customer. The Company's RDAC eliminates the link between customer sales and Company earnings in order to align the interests of the Company and customers with respect to lowering customer usage.	D.P.U. 14-150 / D.P.U. 07-50		Effective on the first day of the Peak/Off-Peak Period Peak Period (November 1 - April 30) Off Peak (May 1 - October 31)

g. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Reconciliation Period/Filing
401	Seasonal Cost of Gas Adjustment Clause (SCGA)	Reconciliation Mechanism	The Seasonal Cost of Gas Adjustment Clause ("CGAC") establishes the procedures that allow the Company, subject to the jurisdiction of the Massachusetts Department of Public Utilities ("M.D.P.U."), to adjust on a semi-annual basis, the Company's rates for firm gas sales, in order to recover the cost of gas supplies, along with any taxes applicable to those supplies, pipeline and storage capacity, the costs of local production and storage, other gas supply expenses incurred to procure and transport gas supplies, the costs of purchased gas working capital, and certain bad debt expenses to reflect the seasonal variation of gas costs.	D.P.U. 93-141	Effective on the first day of the Peak/Off-Peak Period Peak Period (November 1 - April 30) Off Peak (May 1 - October 31)
402	Local Distribution Adjustment Clause (LDAC)	Reconciliation Mechanism	The Local Distribution Adjustment Clause ("LDAC") establishes the procedures that allow NSTAR Gas Company, subject to the jurisdiction of the Massachusetts Department of Public Utilities ("M.D.P.U."), to adjust on an annual basis, its rates for the below items under tariff M.D.P.U. No. 402.	D.P.U. 06-GAF-P8, M.D.P.U. 402B FERC Order 363, MA Gas Unbundling 04-1	Annual, Effective November 1
402	Energy Efficiency Surcharge	Reconciliation Mechanism	The Energy Efficiency provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.P.U., to adjust the Energy Efficiency ("EE") Surcharge to recover from firm ratepayers EE Program Costs and associated expenditures	G.L. c. 25, § 19 and G.L. c. 25A, § 11G Green Communities Act, St. 2008, c. 169	Annual, Effective November 1
402	Environmental Response Costs	Reconciliation Mechanism	This provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.P.U., to adjust the Remediation Adjustment Factor to recover from firm ratepayers environmental response costs associated with the Manufactured Gas Process ("MGP").	D.P.U. 89-161	Annual, Effective November 1
402	Service Quality Penalty	Reconciliation Mechanism	This provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.P.U., to include in the LDAC any service quality penalties ("SQP") assessed to the Company pursuant to a service quality plan approved by the M.D.P.U	D.P.U. 12-120	Annual, Effective November 1
402	Pension and PBOP Expense	Reconciliation Mechanism	The purpose of this provision is to provide the Company a mechanism to adjust, on an annual basis and subject to the jurisdiction of the M.D.P.U., its rates for customers of distribution service to recover costs associated with pension and post-retirement benefits other than pensions ("PBOPs") and to reconcile pension and PBOP expense amounts with the total expense amounts booked by the Company pursuant to SFAS 87 and SFAS 106	D.P.U. 03-47	Annual, Effective November 1
402	Residential Assistance Adjustment Factor	Reconciliation Mechanism	The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide the Company a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the M.D.P.U., based on the following: 1) the reduced or discounted revenue associated with a fixed percentage of the total bill calculated in currently effective rates, and applied to customers taking service under the Residential Low Income tariff rates, and 2) incremental expenses directly related to the Company's Residential Arrearage Management Program.	D.T.E. 01-106-B/ D.T.E. 05-55 / D.T.E. 05-86	Annual, Effective November 1
402	Gas System Enhancement Program Costs	Reconciliation Mechanism - Targeted Cap	The purpose of the Gas System Enhancement Program ("GSEP") provision is to establish a procedure that implements the provisions of G.L. c. 164, § 145, allowing the Company, subject to the jurisdiction of the M.D.P.U., to obtain recovery of eligible costs associated with the replacement or improvement of existing natural gas distribution infrastructure to improve public safety or infrastructure reliability.	G.L. c. 164, § 145	Annual, Effective November 1
402	Attorney General Consultant Expenses	Reconciliation Mechanism	The purpose of the Attorney General Consultant Expenses ("ACGE") provision is to establish a procedure that allows the Company, to adjust its rates for the recovery of expenses associated with the consultants retained by the Attorney General, as allowed pursuant to Section 4 of Chapter 169 of the Acts of 2008 ("Green Communities Act")	Green Communities Act, St. 2008, c. 169, Section 4	Annual, Effective November 1
402	2017 Tax Act Credit	Reconciliation Mechanism	The purpose of this provision is to provide a mechanism to return to all distribution customers taking service under retail rate schedules a regulatory liability amount of $132,542,694 over the amortization periods approved in D.P.U. 18-15 in association with the Tax Cuts and Jobs Act of 2017	D.P.U. 18-15	Annual, Effective November 1
402	Geothermal Energy Provision	Reconciliation Mechanism	The purpose of this provision is to provide a mechanism to recover from all distribution customers taking service under retail rate schedules the annual revenue requirement associated with investment in the Company's Geothermal Network demonstration project as authorized by the Department in D.P.U. 19-120.	D.P.U. 19-120	Annual, Effective November 1
402	Electronic Payment Recovery Factor	Reconciliation Mechanism	The Electronic Payment Recovery Factor ("EERF") provision provides for the recovery of costs directly related to the implementation and administration of the Company's Fee Free Credit and Debit Card Payment Option approved by the Department in D.P.U. 20-91-A.	D.P.U. 20-91-A	Annual, Effective November 1

Attachment PUC 1-006(h)
Eversource Gas Company of Massachusetts

F. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Commencing	Reconciliation Period/Filing
5D	Revenue Decoupling Adjustment Clause	Revenue Decoupling	The purpose of the Revenue Decoupling Adjustment Clause (“RDAC”) is to establish procedures that allow Eversource Gas Company of Massachusetts d/b/a Eversource Energy ("Eversource" or the "Company") subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust, on a semi-annual basis, its rates for firm gas sales and firm transportation service in order to reconcile actual base revenue recoveries with Benchmark base revenues. Eversource’s RDAC eliminates the link between customer sales and Eversource earnings in order to align the interests of the Company and customers with respect to lowering customer usage	D.P.U. 20-59		Effective on the first day of the Peak/Off-Peak Period Peak Period (November 1 - April 30) Off Peak (May 1 - October 31)

G. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

Tariff Ref	Mechanism	Type of Tracker	Description	Establishing DPU Docket No.	Commencing	Reconciliation Period/Filing
3B	Cost of Gas Adjustment Clause (CGAC)	Reconciliation Mechanism	The purpose of this clause is to establish procedures that allow Eversource Gas Company of Massachusetts d/b/a Eversource Energy ("Eversource" or the "Company"), subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust, on a semiannual basis, its rates for firm gas sales service in order to recover the costs of gas supplies, along with any taxes applicable to those supplies, pipeline and storage capacity, production capacity and storage, bad debt expense associated with purchase gas costs, and the costs of purchased gas working capital, to reflect the seasonal variation in the cost of gas, and to credit all supplier refunds and the margins above the Annual Threshold associated with capacity credits from non-core sales and transportation, interruptible sales and transportation and capacity release sales to firm ratepayers.	D.P.U. 20-59		Effective on the first day of the Peak/Off-Peak Period Peak Period (November 1 - April 30) Off Peak (May 1 - October 31)
4E	Local Distribution Adjustment Clause (LDAC)	Reconciliation Mechanism	The purpose of this clause is to establish procedures that allow Eversource Gas Company of Massachusetts d/b/a Eversource Energy ("Eversource" or the "Company") subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust its rates for firm gas sales and firm transportation service in order to recover the below items;	D.P.U. 20-59		Annual, Effective November 1
4E	Energy Efficiency Surcharge	Reconciliation Mechanism	The Energy Efficiency provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.P.U., to adjust the Energy Efficiency ("EE") Surcharge to recover recover from firm customers the annual Energy Efficiency program costs and associated expenditures, as approved in the Company’s Energy Efficiency Three-Year Plan and the annual reconciliation of any projected under- or over-recovery of costs.	D.P.U. 20-59		Effective each November 1st, at the beginning of the Peak Period.
4E	Environmental Response Costs	Reconciliation Mechanism	The purpose of this provision is to establish a procedure that allows Eversource subject to the jurisdiction of the Department to adjust, on an annual basis, its rates for the recovery from its firm sales and firm transportation customers environmental response costs associated with manufactured gas plants.	D.P.U. 20-59		Annual, Effective November 1
4E	Pension and PBOP Expense	Reconciliation Mechanism	The purpose of this provision is to establish a procedure that allows Eversource, subject to the jurisdiction of the Department, to adjust on an annual basis, its rates for the recovery from its firm sales and firm transportation customers annual Pension and Postretirement Benefits Other than Pensions including any post-employment benefits other than pensions (“PBOP”) expense as recorded on the Company’s books including prepaid amounts.	D.P.U. 20-59		Annual, Effective November 1
4E	Residential Assistance Adjustment Factor	Reconciliation Mechanism	The purpose of the Residential Assistance Adjustment Clause (“RAAC”) is to provide Eversource a mechanism for: (1) the recovery of reduced or discounted revenues, on an annual basis and subject to the jurisdiction of the Department, based on the actual number of Residential Assistance customers taking service under the Company’s low-income discount tariffs (Residential Rate R-2 and Residential Rate R-4), on and after December 1, 2005, as directed in the Department’s Order dated November 30, 2005 in Docket D.T.E. 05-27, and (2) the recovery of expenses, net of benefits, resulting from the Company’s Residential Arrearage Management Program (“RAMP”), as approved by the Department’s Order dated February 28, 2006 in Docket D.T.E. 05-86.	D.T.E. 05-27 / D.T.E. 05-86 / D.P.U. 20-59		Annual, Effective November 1
4E	Gas System Enhancement Program Costs	Reconciliation Mechanism - Targeted Capital Cost Recovery Mechanism	The purpose of the Gas System Enhancement Program (“GSEP”) Tariff is to establish a procedure that implements the provisions of G.L. c. 164, § 145, allowing Eversource Gas Company of Massachusetts d/b/a Eversource Energy (the “Company”), subject to the jurisdiction of the Department of Public Utilities (the “Department”), to obtain recovery of eligible costs associated with the replacement or improvement of existing natural gas distribution infrastructure to improve public safety or infrastructure reliability.	G.L. c. 164, § 145		The Annual GSEAF associated with each GSEP Investment Year beginning on and after January 1, 2015, shall be effective on May 1 of the respective GSEP Investment Year, based on the GSEP Revenue Requirement calculated in the annual GSEP Plan filed with the Department on or before October 31 in he year prior to the GSEP Investment Year. The annual GSERAF shall be effective on the November 1 following each GSEP Investment Year.
4E	Interruptible Transportation Margins	Reconciliation Mechanism	The purpose of this provision is to establish a procedure that allows Eversource subject to the jurisdiction of the Department to adjust, on a seasonal basis, the Interruptible Transportation Margin Credit (“ITMC”) applicable to firm sales and firm transportation throughput in order to return to firm ratepayers the Interruptible Transportation margins allocated to the local distribution function.	D.P.U. 20-59		Annual, Effective November 1
4E	Service Quality Penalty	Reconciliation Mechanism	The purpose of this provision is to establish a mechanism for Eversource, subject to the jurisdiction of the Department, to adjust on an annual basis, its rates to reflect a reduction in its revenues for failure to meet certain quality of service measure targets. This revenue reduction provision is pursuant to the Company's Service Quality Plan established in compliance with generic guidelines set forth by the Department of D.P.U. 12-120-D.	D.P.U. 20-59		On March 1 of each year, or such other date as described by the Department, the Company will file with the Department for its consideration and approval, the Company's Service Quality Report for the prior year he Company will request a change in the SQRA applicable to all firm sales and firm transportation throughput for the subsequent twelve month period commencing with the billing month of November
4E	Attorney General Consultant Expenses	Reconciliation Mechanism	On July 2, 2008, Chapter 169 of the Acts of 2008 (“Green Communities Act”) was enacted and signed into law. Section 4 of the Green Communities Act provides that the Attorney General may retain consultants to assist with cases before the Department.	D.P.U. 20-59		Annual, Effective November 1
4E	2017 Tax Act Credit	Reconciliation Mechanism	The purpose of this credit is to provide a mechanism to return to all firm distribution customers a regulatory liability of $121,624,814, related to Deferred Income Tax Excess, over the amortization periods approved in D.P.U. 18-15-E. The Deferred Income Tax Excess resulted from the reduction in the federal corporate income tax rate from 35 percent to 21 percent enacted by the Tax Cuts and Jobs Act of 2017.	D.P.U. 18-15 / D.P.U. 20-59		Annual, Effective November 1

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. IR 22-048

Date Request Received: March 21, 2023 **Date of Response: April 20, 2023**
Data Request No. PUC 1-007

Request from: New Hampshire Public Utilities Commission

Request:

Please provide the Excel version of the models used to currently calculate step adjustments in New Hampshire.

A. Provide explanations with the theoretical basis of inclusion for each component/item, and how it is calculated or treated in the model.

B. If any of those components are part of a settlement,

1. please explain why it is reasonable to include it in the model

2. please explain how it is treated in the model and why.

C. If the company's affiliates used different models in different rate cases (gas, electric, etc.), please explain the differences.

Response:

Please refer to the following attachments for the excel version of the models, as filed with the Commission, used to calculate PSNH's step adjustments in accordance with the DE 19-057 Settlement Agreement:

Attachment PUC 1-007(a) – PSNH DE 19-057 Step 1 Adjustment.
Attachment PUC 1-007(b) – PSNH DE 19-057 Step 2 Adjustment.
Attachment PUC 1-007(c) – PSNH DE 22-030 Step 3 Adjustment.

A. As noted in the Company's prior responses, step adjustments have been incorporated into settlements in recent history in New Hampshire as a way to provide revenue support between full rate case proceedings, while at the same time providing customer's more steady and stable rates than would be experienced in the alternative with more frequent and sequential base rate proceedings.

   As part of the process of negotiating and reaching agreement on the terms of the various components of the Settlement Agreements, several parties agreed to the terms of the Settlement, allowing the Company to recover the following through the Step Adjustment mechanism:

Return on Capital Investments placed in service – the return is calculated by applying the weighted average cost of capital (WACC), as approved in the Settlement Agreement (6.87%), and multiplying it by the Net Plant Asset value (excluding new business), with a tax gross-up factor. The Net Plant Asset value represents the year-over-year change of cumulative capital investments placed in service, taking into consideration plant additions, plant retirements, accumulated depreciation, and all other adjustments associated with Plant Asset value.

Return of Investment (Depreciation expense) – the Depreciation expense is calculated using the depreciation rate, as approved in the Settlement Agreement, and multiplying it by the Net Plant Asset value.

Property Taxes related to Capital Investments placed in service – the cost is calculated using the prior year property tax expense as the numerator, against the prior year actual gross plant assets placed in service as the denominator to develop a rate to be applied to the gross plant asset increase, year-over-year.

B. Please refer to the Settlement Agreement in DE 19-057, approved by the Commission, Section 10.3(f), at 22, which states, *"The revenue requirement [model] for the step adjustments shall be calculated in a manner similar to that used in the Company's initial filing at Bates 313-320 (Attachment EHC/TMD-3 (Perm)), except that it will exclude recovery of Enterprise IT Project costs, and Union Contractual Adjustments."* The Company filed the step adjustment calculations in DE 19-057 in accordance with Section 10.3(f) of the Settlement Agreement.

C. In New Hampshire, the Company's affiliate, Aquarion Water Company of New Hampshire, uses a very similar model to calculate their step adjustment, which was also the result of a rate case settlement. Please see Attachment PUC 1-007(d), the Aquarion Water of New Hampshire DE 20-184 Step Adjustment, exactly as filed. Both models utilize the WACC, exclude plant assets placed in-service that relate to new business (i.e., revenue producing investments), and calculate a property tax amount for recovery. The depreciation expense is calculated using depreciation rates based on cost category, as opposed to a compounded rate approved in the depreciation study in a Settlement Agreement. The property tax expense is calculated using a 6.6% flat rate as opposed to PSNH's rate, which is calculated using actual calendar year data (property tax expense and gross plant assets).

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CALCULATION OF STEP ADJUSTMENT #1 (EXCLUDES NEW BUSINESS)

Line	Description	Year-Ending 12/31/2018 (A)	(effective 1/1/21) Year-Ending 12/31/2019 (B)		Reference
1	Total Utility Plant in Service	$ 2,171,045,400	$ 2,250,917,651		Attachment ELM/EAD-1, Page 2, Line 1
2	Accumulated Provision for Depreciation	602,426,195	610,587,812		Attachment ELM/EAD-1, Page 2, Line 2
3	Net Utility Plant	1,568,619,205	1,640,329,840		Line 1 - Line 2
4	Gross Plant Change		79,872,251		Line 1 Col. (B) - Line 1 Col. (A)
5	Net Plant Change (year over year)		71,710,635		Line 3 Col. (B) - Line 3 Col. (A)
6	Rate of Return		6.87%		Attachment ELM/EAD-1, Page 3, Line 11
7	Gross Revenue Conversion Factor		1.37142		Attachment ELM/EAD-1, Page 4, Line 7
8	Return		6,755,652		Line 5 x Line 6 x Line 7
9	Depreciation Rate		3.15%		Attachment ELM/EAD-1, Page 5, Line 71
10	Depreciation		2,258,885		Line 5 x Line 9
11	Property Tax Rate		2.00%		Attachment ELM/EAD-1, Page 6, Line 3
12	Property Taxes		1,595,774		Line 4 x Line 11
13	Total Revenue Requirement		$ 10,610,311	(A)	Line 8 + Line 10 + Line 12
14	Step 1 Revenue Requirement Cap per Settlement Agreement		$ 11,000,000		
15	**Step 1 Revenue Increase ($000s)**		**$ 10,610**		Line 13/1000

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DISTRIBUTION PLANT

Line	Description	Year-Ending 12/31/2018	Year-Ending 12/31/2019	Reference
		(A)	(B)	
1	Total Utility Plant In Service	$ 2,171,045,400	$ 2,250,917,651	FERC Form 1 adj to excl New Business
2	Accumulated Provision for Depreciation	602,426,195	610,587,812	FERC Form 1 adj to excl New Business
3	Net Utility Plant	1,568,619,205	1,640,329,840	Line 1 - Line 2
4	Gross Distribution Plant Change (year over year)		79,872,251	Line 1 Col. (B) - Line 1 Col. (A)
5	Net Distribution Plant Change (year over year)		71,710,635	Line 3 Col. (B) - Line 3 Col. (A)
6	Beginning Plant Balance		2,171,045,400	Line 9 Col. (A)
7	Additions (excluding New Business)		124,926,620	FERC Form 1 adj to excl New Business,
8	Retirements (excluding New Business)		(45,054,369)	FERC Form 1 adj to excl New Business
9	Ending Plant Balance	$ 2,171,045,400	$ 2,250,917,651	Line 6 + Line 7 + Line 8

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COST OF CAPITAL

Line	Description	Fixed Percentage	Cost	Rate of Return	Reference
1		(A)	(B)	(C) = (A) x (B)	
2					
3	Short-Term Debt	2.44%	2.07%	0.05%	
4	Long-term Debt	43.15%	4.08%	1.76%	
5	Common Equity	54.41%	9.30%	5.06%	
6					
7	Total Capital	100.00%		6.87%	Line 3 + Line 4 + Line 5
8	Weighted Cost of				
9	Debt			1.81%	Line 3 + Line 4
10	Equity			5.06%	Line 5
11	Cost of Capital			6.87%	Line 9 + Line 10

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

Line	Description	12/31/2018	Step 1 12/31/2019	Reference
1	Operating revenue percentage	100.000%	100.000%	
2	Less: New Hampshire corporate business tax	7.900%	7.700%	
3	Operating revenue percentage after state taxes	92.100%	92.300%	Line 1 - Line 2
4	Federal income tax rate	21.000%	21.000%	
5	Federal income tax	19.341%	19.383%	Line 3 x Line 4
6	Operating income after federal income tax	72.759%	72.917%	Line 3 - Line 5
7	Gross revenue conversion factor	137.440%	137.142%	1 / Line 6

Note: Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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
WHOLE LIFE DEPRECIATION - AMR RECOVERY OVER 9 YEARS

LINE	PLANT ACCOUNT	DESCRIPTION	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ACCRUED DEPRECIATION
1	(A)	(B)	(C)	(D)	(E)	(F)	(G)=(F)/(E)	(H)
2								
3		**ELECTRIC PLANT**						
4								
5		**INTANGIBLE PLANT**						
6								
7	303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	18,278,819.53	1,769,835	9.68	14,600,391
8	303.00	MISCELLANEOUS INTANGIBLE PLANT - AMR	5-SQ	0	2,864,448.00	95,483 *	3.33	2,660,846
9	303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	486,807	1.53 **	28,607,554
10								
11		**TOTAL INTANGIBLE PLANT**			**52,915,064.86**	**2,352,125**	**4.45**	**45,868,791**
12								
13		**DISTRIBUTION PLANT**						
14								
15	360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	54,836	1.33	2,204,822
16	361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	438,700	1.66	6,187,652
17	362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	6,895,353	2.28	65,238,205
18	362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	126,238	4.00	1,015,444
19	364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	10,901,646	3.59	110,737,706
20	365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	14,302,089	2.46	154,119,837
21	366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	906,154	2.34	9,625,266
22	367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	3,463,913	2.59	42,368,714
23	368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	6,693,270	2.55	73,140,846
24	369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	4,173,922	5.11	47,501,588
25	369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	3,138,040	4.10	32,482,673
26	370.00	METERS	18-L1	0	44,821,891.75	2,479,416	5.53	19,961,157
27	370.00	METERS - AMR	18-L1	0	31,614,492.00	2,981,203 *	9.43	5,819,204
28	371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	578,892	8.82	3,082,834
29	373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	208,813	4.07	2,083,777
30								
31		**TOTAL DISTRIBUTION PLANT**			**1,903,906,643.80**	**57,342,485**	**3.01**	**575,569,725**
32								
33		**GENERAL PLANT**						
34								
35	389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	415	1.54	13,692
36	390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	1,854,713	2.20	20,052,815
37	390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	2,543	5.00	19,095
38	391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,755,154.62	487,758	5.00	4,695,337
39	391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	5-SQ	0	1,672,250.89	243,506	14.56	960,508
40								
41		*TRANSPORTATION EQUIPMENT*						
42								
43	392.00	OTHER	15-S4	15	30,225.00	1,714	5.67	14,507
44	392.10	CARS	6-L3	15	97,593.41	13,828	14.17	13,479
45	392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	664,878	7.73	2,687,250
46	392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	167,791	6.07	767,426
47	392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	1,496,262	5.67	8,212,511
48	392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	86,396	6.54	235,242
49	392.60	TRAILERS	13-L3	15	4,958,571.11	324,117	6.54	1,661,871
50	392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	790	10.00	5,244
51								
52		*TOTAL TRANSPORTATION EQUIPMENT*			*44,177,361.02*	*2,755,776*	*6.24*	*13,597,530*
53								
54	393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	162,895	5.00	1,109,379
55	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	567,787	4.00	4,037,342
56	395.00	LABORATORY EQUIPMENT	20-SQ	0	2,072,746.95	96,433	4.65	1,339,656
57	396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	10,633	6.67	71,720
58								
59		*COMMUNICATION EQUIPMENT*						
60								
61	397.10	MICROWAVE	15-SQ	0	5,646,707.11	240,089	4.25	3,854,488
62	397.20	OTHER	15-SQ	0	22,098,802.35	1,279,811	5.79	10,667,691
63	397.30	GPS	5-SQ	0	443,487.30	54,399	12.27	366,151
64								
65		*TOTAL COMMUNICATION EQUIPMENT*			*28,188,996.76*	*1,574,299*	*5.58*	*14,888,330*
66								
67	398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	63,958	5.00	658,566
68								
69		**TOTAL GENERAL PLANT**			**189,198,988.95**	**7,820,716**	**4.13**	**61,443,970**
70								
71		**TOTAL DEPRECIABLE PLANT**			**2,146,020,697.61**	**67,515,326**	**3.15**	**682,882,486**
72								
73		**NONDEPRECIABLE PLANT**						
74								
75	301.00	ORGANIZATION			45,057.29			
76	360.10	LAND			5,830,013.57			
77	389.10	LAND			4,806,992.04			
78								
79		**TOTAL NONDEPRECIABLE PLANT**			**10,682,062.90**			
80								
81		**TOTAL ELECTRIC PLANT**			**2,156,702,760.51**	**67,515,326**		**682,882,486**
82								
83		* AMR METERS NET BOOK VALUE BEING DEPRECIATED OVER 9 YEARS						
84		** NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						
85								
86		Less Transportation Equipment				(2,755,776)		
87		**TOTAL ELECTRIC PLANT**				**64,759,550**		

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROPERTY TAX RATE CALCULATION

Line	Description	Year-Ended 12/31/2019	Reference
1	Total Distribution Property Taxes	$ 45,186,407	Reflects latest property tax expense
2	Gross Distribution Plant In Service	$ 2,261,686,403	Reflects total distribution plant @ 12/31/19
3	Gross Property Tax Rate	2.00%	Line 1 / Line 2

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CALCULATION OF STEP ADJUSTMENT #2 (EXCLUDES NEW BUSINESS)

Line	Description	Year-Ending 12/31/2019 (A)	(effective 8/1/2021) Year-Ending 12/31/2020 (B)	Reference
1	Total Utility Plant in Service	$ 2,250,917,651	$ 2,345,505,174	Attachment ELM/JAU-1, Page 2, Line 1
2	Accumulated Provision for Depreciation	610,587,812	633,383,630	Attachment ELM/JAU-1, Page 2, Line 2
3	Net Utility Plant	1,640,329,840	1,712,121,544	Line 1 - Line 2
4	Gross Plant Change		94,587,523	Line 1 Col. (B) - Line 1 Col. (A)
5	Net Plant Change (year over year)		71,791,705	Line 3 Col. (B) - Line 3 Col. (A)
6	Rate of Return		6.87%	Attachment ELM/JAU-1, Page 3, Line 11
7	Gross Revenue Conversion Factor		1.37142	Attachment ELM/JAU-1, Page 4, Line 7
8	Return		6,763,289	Line 5 x Line 6 x Line 7
9	Depreciation Rate		3.15%	Attachment ELM/JAU-1, Page 5, Line 71
10	Depreciation		2,261,439	Line 5 x Line 9
11	Property Tax Rate		2.06%	Attachment ELM/JAU-1, Page 6, Line 3
12	Property Taxes		1,944,623	Line 4 x Line 11
13	Total Revenue Requirement		$ 10,969,351	Line 8 + Line 10 + Line 12
14	Step 2 Revenue Requirement Cap per Settlement Agreement		$ 18,000,000	
15	**Step 2 Revenue Increase ($000s)**		**$ 10,969**	Line 13/1000

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DISTRIBUTION PLANT

Line	Description	Year-Ending 12/31/2019	Year-Ending 12/31/2020	Reference
		(A)	(B)	
1	Total Utility Plant In Service	$ 2,250,917,651	$ 2,345,505,174	FERC Form 1 adj to excl New Business
2	Accumulated Provision for Depreciation	610,587,812	633,383,630	FERC Form 1 adj to excl New Business
3	Net Utility Plant	1,640,329,840	1,712,121,544	Line 1 - Line 2
4	Gross Distribution Plant Change (year over year)		94,587,523	Line 1 Col. (B) - Line 1 Col. (A)
5	Net Distribution Plant Change (year over year)		71,791,705	Line 3 Col. (B) - Line 3 Col. (A)
6	Beginning Plant Balance	2,171,045,400	2,250,917,651	Line 9 Col. (A)
7	Additions (excluding New Business)	124,926,620	123,141,060	FERC Form 1 adj to excl New Business
8	Retirements (excluding New Business)	(45,054,369)	(28,553,538)	FERC Form 1 adj to excl New Business
9	Ending Plant Balance	$ 2,250,917,651	$ 2,345,505,174	Line 6 + Line 7 + Line 8

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COST OF CAPITAL

Line	Description	Fixed Percentage	Cost	Rate of Return	Reference
1		(A)	(B)	(C) = (A) x (B)	
2					
3	Short-Term Debt	2.44%	2.07%	0.05%	
4	Long-term Debt	43.15%	4.08%	1.76%	
5	Common Equity	54.41%	9.30%	5.06%	
6					
7	Total Capital	100.00%		6.87%	Line 3 + Line 4 + Line 5
8	Weighted Cost of				
9	Debt			1.81%	Line 3 + Line 4
10	Equity			5.06%	Line 5
11	Cost of Capital			6.87%	Line 9 + Line 10

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

Line	Description	12/31/2019	Step 2 12/31/2020	Reference
1	Operating revenue percentage	100.000%	100.000%	
2	Less: New Hampshire corporate business tax	7.700%	7.700%	
3	Operating revenue percentage after state taxes	92.300%	92.300%	Line 1 - Line 2
4	Federal income tax rate	21.000%	21.000%	
5	Federal income tax	19.383%	19.383%	Line 3 x Line 4
6	Operating income after federal income tax	72.917%	72.917%	Line 3 - Line 5
7	Gross revenue conversion factor	137.142%	137.142%	1 / Line 6

Note: Amounts shown above may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Settlement Agreement - Step 2 Revenue Requirement
Attachment ELM/JAU-1 Compliance

Attachment PUC 1-007(b)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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
WHOLE LIFE DEPRECIATION - AMR RECOVERY OVER 9 YEARS

LINE	PLANT ACCOUNT	DESCRIPTION	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ACCRUED DEPRECIATION
1	(A)	(B)	(C)	(D)	(E)	(F)	(G)=(F)/(E)	(H)
2								
3		**ELECTRIC PLANT**						
4								
5		**INTANGIBLE PLANT**						
6								
7	303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	18,278,819.53	1,769,835	9.68	14,600,391
8	303.00	MISCELLANEOUS INTANGIBLE PLANT - AMR	5-SQ	0	2,864,448.00	95,483 *	3.33	2,660,846
9	303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	486,807	1.53 **	28,607,554
10								
11		**TOTAL INTANGIBLE PLANT**			**52,915,064.86**	**2,352,125**	**4.45**	**45,868,791**
12								
13		**DISTRIBUTION PLANT**						
14								
15	360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	54,836	1.33	2,204,822
16	361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	438,700	1.66	6,187,652
17	362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	6,895,353	2.28	65,238,205
18	362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	126,238	4.00	1,015,444
19	364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	10,901,646	3.59	110,737,706
20	365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	14,302,089	2.46	154,119,837
21	366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	906,154	2.34	9,625,266
22	367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	3,463,913	2.59	42,368,714
23	368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	6,693,270	2.55	73,140,846
24	369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	4,173,922	5.11	47,501,588
25	369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	3,138,040	4.10	32,482,673
26	370.00	METERS	18-L1	0	44,821,891.75	2,479,416	5.53	19,961,157
27	370.00	METERS - AMR	18-L1	0	31,614,492.00	2,981,203 *	9.43	5,819,204
28	371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	578,892	8.82	3,082,834
29	373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	208,813	4.07	2,083,777
30								
31		**TOTAL DISTRIBUTION PLANT**			**1,903,906,643.80**	**57,342,485**	**3.01**	**575,569,725**
32								
33		**GENERAL PLANT**						
34								
35	389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	415	1.54	13,692
36	390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	1,854,713	2.20	20,052,815
37	390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	2,543	5.00	19,095
38	391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,755,154.62	487,758	5.00	4,695,337
39	391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	5-SQ	0	1,672,250.89	243,506	14.56	960,508
40								
41		*TRANSPORTATION EQUIPMENT*						
42								
43	392.00	OTHER	15-S4	15	30,225.00	1,714	5.67	14,507
44	392.10	CARS	6-L3	15	97,593.41	13,828	14.17	13,479
45	392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	664,878	7.73	2,687,250
46	392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	167,791	6.07	767,426
47	392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	1,496,262	5.67	8,212,511
48	392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	86,396	6.54	235,242
49	392.60	TRAILERS	13-L3	15	4,958,571.11	324,117	6.54	1,661,871
50	392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	790	10.00	5,244
51								
52		*TOTAL TRANSPORTATION EQUIPMENT*			*44,177,361.02*	*2,755,776*	*6.24*	*13,597,530*
53								
54	393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	162,895	5.00	1,109,379
55	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	567,787	4.00	4,037,342
56	395.00	LABORATORY EQUIPMENT	20-SQ	0	2,072,746.95	96,433	4.65	1,339,656
57	396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	10,633	6.67	71,720
58								
59		*COMMUNICATION EQUIPMENT*						
60								
61	397.10	MICROWAVE	15-SQ	0	5,646,707.11	240,089	4.25	3,854,488
62	397.20	OTHER	15-SQ	0	22,098,802.35	1,279,811	5.79	10,667,691
63	397.30	GPS	5-SQ	0	443,487.30	54,399	12.27	366,151
64								
65		*TOTAL COMMUNICATION EQUIPMENT*			*28,188,996.76*	*1,574,299*	*5.58*	*14,888,330*
66								
67	398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	63,958	5.00	658,566
68								
69		**TOTAL GENERAL PLANT**			**189,198,988.95**	**7,820,716**	**4.13**	**61,443,970**
70								
71		**TOTAL DEPRECIABLE PLANT**			**2,146,020,697.61**	**67,515,326**	**3.15**	**682,882,486**
72								
73		**NONDEPRECIABLE PLANT**						
74								
75	301.00	ORGANIZATION			45,057.29			
76	360.10	LAND			5,830,013.57			
77	389.10	LAND			4,806,992.04			
78								
79		**TOTAL NONDEPRECIABLE PLANT**			**10,682,062.90**			
80								
81		**TOTAL ELECTRIC PLANT**			**2,156,702,760.51**	**67,515,326**		**682,882,486**
82								
83		* AMR METERS NET BOOK VALUE BEING DEPRECIATED OVER 9 YEARS						
84		** NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						
85								
86		Less Transportation Equipment				(2,755,776)		
87		**TOTAL ELECTRIC PLANT**				**64,759,550**		

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROPERTY TAX RATE CALCULATION

Line	Description	Year-Ended 12/31/2020	Reference
1	Total Distribution Property Taxes	$ 48,644,096	Reflects CY 2020 property tax expense
2	Gross Distribution Plant In Service	$ 2,366,075,567	Reflects total distribution plant @ 12/31/2020
3	Gross Property Tax Rate	2.06%	Line 1 / Line 2

CALCULATION OF STEP ADJUSTMENT #3 (EXCLUDES NEW BUSINESS)

Line	Description	AS FILED Year-Ending 12/31/2020 (A)	(effective 8/1/2022) Year-Ending 12/31/2021 (B)	Attachment/Reference	Updated (i), (ii)	Change
1	Total Utility Plant in Service	$ 2,345,505,174	$ 2,448,011,579	MBP/EAD-1, Page 2, Line 1	$ 2,438,657,154	$ (9,354,425)
2	Accumulated Provision for Depreciation	633,383,629	670,563,352	MBP/EAD-1, Page 2, Line 2	670,621,180	57,828
3	Net Utility Plant	$ 1,712,121,545	$ 1,777,448,227	Line 1 - Line 2	$ 1,768,035,973	$ (9,412,253)
4	Gross Plant Change (year over year)		$ 102,506,405	Line 1 Col. (B) - Line 1 Col. (A)	$ 93,151,980	$ (9,354,425)
5	Net Plant Change (year over year)		$ 65,326,682	Line 3 Col. (B) - Line 3 Col. (A)	$ 55,914,429	$ (9,412,253)
6	Rate of Return		6.87%	MBP/EAD-1, Page 3, Line 8	6.87%	-
7	Gross Revenue Conversion Factor		1.37142	MBP/EAD-1, Page 4, Line 7	1.37142	-
8	Return		$ 6,154,238	Line 5 x Line 6 x Line 7	$ 5,267,537	$ (886,701)
9	Depreciation Rate		3.15%	MBP/EAD-1, Page 5, Line 71	3.15%	-
10	Depreciation		$ 2,057,790	Line 5 x Line 9	$ 1,761,305	$ (296,486)
11	Property Tax Rate		2.11%	MBP/EAD-1, Page 6, Line 3	2.04%	-0.07%
12	Property Taxes		$ 2,160,566	Line 4 x Line 11	$ 1,899,250	$ (261,316)
13	Total Revenue Requirement		$ 10,372,595	Line 8 + Line 10 + Line 12	$ 8,928,092	$ (1,444,503)
14	Step 3 Revenue Requirement Capped Amount		$ 9,300,000	DE 19-057 Settlement, Section 10.1(c)(i), Bates Page 20	$ 9,300,000	$ -
15	**Step 3 Revenue Increase ($000s)**		**$ 9,300**	If (Line 13 > Line 14), (Line 14 / 1000)	**$ 8,928**	**$ (372)**

(i) Page 2 of 6
(ii) Page 6 of 6

DISTRIBUTION PLANT

Line	Description	AS FILED Year-Ending 12/31/2020 (A)	AS FILED Year-Ending 12/31/2021 (B)	Reference	Updated (i)	Change
1	Total Utility Plant In Service	$ 2,345,505,174	$ 2,448,011,579	FERC Form 1 adj to excl New Business	$ 2,438,657,154	$ (9,354,425)
2	Accumulated Provision for Depreciation	633,383,629	670,563,352	FERC Form 1 adj to excl New Business	670,621,180	57,828
3	Net Utility Plant	$ 1,712,121,545	$ 1,777,448,227	Line 1 - Line 2	$ 1,768,035,973	$ (9,412,253)
4	Gross Distribution Plant Change (year over year)		$ 102,506,405	Line 1 Col. (B) - Line 1 Col. (A)	$ 93,151,980	$ (9,354,425)
5	Net Distribution Plant Change (year over year)		$ 65,326,682	Line 3 Col. (B) - Line 3 Col. (A)	$ 55,914,429	$ (9,412,253)
6	Beginning Plant Balance	$ 2,250,917,651	$ 2,345,505,174	Prior Year Line 9 Col. (A)	$ 2,345,505,174	$ -
7	Additions (excluding New Business)	123,141,060	122,492,045	FERC Form 1 adj to excl New Business	113,137,619	(9,354,425)
8	Retirements (excluding New Business)	(28,553,538)	(19,985,639)	FERC Form 1 adj to excl New Business	(19,985,639)	-
9	Ending Plant Balance	$ 2,345,505,174	$ 2,448,011,579	Line 6 + Line 7 + Line 8	$ 2,438,657,154	$ (9,354,425)

(i) Please see below for the total value of the Audit Issues agreed to by the Company and the Nashua Renovation and Millyard removal impacts:

Line	Description	Plant in Service	Acc Depreciation	Total
10	Audit Issue #2 - Hooksett-1250 LED Lighting (Specific Project #21799)	$ 183,770	$ -	$ 183,770
11	Audit Issue #2 - 55 W Brook LED Lighting (Specific Project #217129)	289,086	-	289,086
12	Audit Issue #4 - Vehicles (Carryover Projects #19/20CGVE06)	-	57,828	57,828
13	Audit Issue #6 - Carryover Project #IT19433	367,212	-	367,212
14	Subtotal: Audit Adjustments per 8/31/22 Final Report	$ 840,068	$ 57,828	$ 897,896
15	Nashua Renovation Deferral (Specific Project # 19720)	$ 8,427,374	$ -	$ 8,427,374
16	Emerald Street Substation Deferral (Specific Project # A14W01)	-	-	-
17	Goffstown Disallowance (Specific Project #A20C24)	-	-	-
18	Transformers Disallowance (Annual Project # DT7P)	-	-	-
19	Annual Reliability Disallowance (Annual Project # DR9R)	-	-	-
20	Maintain Voltage Disallowance (Annual Project # DK9R)	-	-	-
21	Submarine Cable Reclass (Carryover Project #A16N01) (ii)	-	-	-
22	Millyard SS Replacement Disallowance (Specific Project # A17S03)	86,984	-	86,984
23	Subtotal: DOE Proposed Project Deferral/Disallowance	$ 8,514,358	$ -	$ 8,514,358
24	Total	$ 9,354,425	$ 57,828	$ 9,412,253

COST OF CAPITAL

AS FILED

Line	Description	Fixed Percentage	Cost	Rate of Return	Reference
		(A)	(B)	(C) = (A) x (B)	
1	Short-Term Debt	2.44%	2.07%	0.05%	
2	Long-term Debt	43.15%	4.08%	1.76%	
3	Common Equity	54.41%	9.30%	5.06%	
4	Total Capital	100.00%		6.87%	Line 1 + Line 2 + Line 3
5	Weighted Cost of				
6	Debt			1.81%	Line 1 + Line 2
7	Equity			5.06%	Line 3
8	Cost of Capital			6.87%	Line 6 + Line 7

COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

AS FILED

Line	Description	Step 3 12/31/2020	12/31/2021	Reference
1	Operating revenue percentage	100.000%	100.000%	
2	Less: New Hampshire corporate business tax	7.700%	7.700%	
3	Operating revenue percentage after state taxes	92.300%	92.300%	Line 1 - Line 2
4	Federal income tax rate	21.000%	21.000%	
5	Federal income tax	19.383%	19.383%	Line 3 x Line 4
6	Operating income after federal income tax	72.917%	72.917%	Line 3 - Line 5
7	Gross revenue conversion factor	137.142%	137.142%	1 / Line 6

Attachment PUC 1-007(c)

SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018
WHOLE LIFE DEPRECIATION - AMR RECOVERY OVER 9 YEARS

AS FILED

LINE	PLANT ACCOUNT	DESCRIPTION	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ACCRUED DEPRECIATION
1	(A)	(B)	(C)	(D)	(E)	(F)	(G)=(F)/(E)	(H)
3		**ELECTRIC PLANT**						
5		**INTANGIBLE PLANT**						
7	303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	18,278,819.53	1,769,835	9.68	14,600,391
8	303.00	MISCELLANEOUS INTANGIBLE PLANT - AMR	5-SQ	0	2,864,448.00	95,483 *	3.33	2,660,846
9	303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	486,807	1.53 **	28,607,554
11		**TOTAL INTANGIBLE PLANT**			**52,915,064.86**	**2,352,125**	**4.45**	**45,868,791**
13		**DISTRIBUTION PLANT**						
15	360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	54,836	1.33	2,204,822
16	361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	438,700	1.66	6,187,652
17	362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	6,895,353	2.28	65,238,205
18	362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	126,238	4.00	1,015,444
19	364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	10,901,646	3.59	110,737,706
20	365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	14,302,089	2.46	154,119,837
21	366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	906,154	2.34	9,625,266
22	367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	3,463,913	2.59	42,368,714
23	368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	6,693,270	2.55	73,140,846
24	369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	4,173,922	5.11	47,501,588
25	369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	3,138,040	4.10	32,482,673
26	370.00	METERS	18-L1	0	44,821,891.75	2,479,416	5.53	19,961,157
27	370.00	METERS - AMR	18-L1	0	31,614,492.00	2,981,203 *	9.43	5,819,204
28	371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	578,892	8.82	3,082,834
29	373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	208,813	4.07	2,083,777
31		**TOTAL DISTRIBUTION PLANT**			**1,903,906,643.80**	**57,342,485**	**3.01**	**575,569,725**
33		**GENERAL PLANT**						
35	389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	415	1.54	13,692
36	390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	1,854,713	2.20	20,052,815
37	390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	2,543	5.00	19,095
38	391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,755,154.62	487,758	5.00	4,695,337
39	391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPM	5-SQ	0	1,672,250.89	243,506	14.56	960,508
41		*TRANSPORTATION EQUIPMENT*						
43	392.00	OTHER	15-S4	15	30,225.00	1,714	5.67	14,507
44	392.10	CARS	6-L3	15	97,593.41	13,828	14.17	13,479
45	392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	664,878	7.73	2,687,250
46	392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	167,791	6.07	767,426
47	392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	1,496,262	5.67	8,212,511
48	392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	86,396	6.54	235,242
49	392.60	TRAILERS	13-L3	15	4,958,571.11	324,117	6.54	1,661,871
50	392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	790	10.00	5,244
52		*TOTAL TRANSPORTATION EQUIPMENT*			*44,177,361.02*	*2,755,776*	*6.24*	*13,597,530*
54	393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	162,895	5.00	1,109,379
55	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	567,787	4.00	4,037,342
56	395.00	LABORATORY EQUIPMENT	20-SQ	0	2,072,746.95	96,433	4.65	1,339,656
57	396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	10,633	6.67	71,720
59		*COMMUNICATION EQUIPMENT*						
61	397.10	MICROWAVE	15-SQ	0	5,646,707.11	240,089	4.25	3,854,488
62	397.20	OTHER	15-SQ	0	22,098,802.35	1,279,811	5.79	10,667,691
63	397.30	GPS	5-SQ	0	443,487.30	54,399	12.27	366,151
65		*TOTAL COMMUNICATION EQUIPMENT*			*28,188,996.76*	*1,574,299*	*5.58*	*14,888,330*
67	398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	63,958	5.00	658,566
69		**TOTAL GENERAL PLANT**			**189,198,988.95**	**7,820,716**	**4.13**	**61,443,970**
71		**TOTAL DEPRECIABLE PLANT**			**2,146,020,697.61**	**67,515,326**	**3.15**	**682,882,486**
73		**NONDEPRECIABLE PLANT**						
75	301.00	ORGANIZATION			45,057.29			
76	360.10	LAND			5,830,013.57			
77	389.10	LAND			4,806,992.04			
79		**TOTAL NONDEPRECIABLE PLANT**			**10,682,062.90**			
81		**TOTAL ELECTRIC PLANT**			**2,156,702,760.51**	**67,515,326**		**682,882,486**
83		* AMR METERS NET BOOK VALUE BEING DEPRECIATED OVER 9 YEARS						
84		** NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						
86		Less Transportation Equipment				(2,755,776)		
87		**TOTAL ELECTRIC PLANT**				**64,759,550**		

PROPERTY TAX RATE CALCULATION

AS FILED

Line	Description		Year-Ended 12/31/2021	Reference		Updated (ii)		Change
1	Total Distribution Property Taxes	$	52,266,266	Reflects CY 2021 Property Tax expense	$	50,558,605	$	(1,707,661)
2	Gross Distribution Plant In Service	$	2,479,733,073	Reflects Total Distribution Plant @ 12/31/2021	$	2,479,733,073	$	-
3	Gross Property Tax Rate		2.11%	Line 1 / Line 2		2.04%		-0.07%

(ii)	Audit Issue #5		
	As filed Distribution Property Taxes	$	52,266,266
	Audit Adjustment 1		(1,366,129)
	Audit Adjustment 2		(341,532)
	Revised Distribution Property Taxes	$	50,558,605

Aquarion Water Company of New Hampshire
Step Adjustment Updated Filing

Attachment PUC 1-007(d)

Docket No. 20-184

CALCULATION OF STEP ADJUSTMENT

Line		Schedule Ref.	DOE 6-9 Attachment 1	Settlement Agreement Appendix 4	Change	Comments
1						
2	Total non revenue plant additions for 2020 and 2021	Page 3, line 30, column D	$ 13,143,086	$ 13,143,086	$ -	
3	Exclude pending receipt of grant from allowed return on investment	Page 3, lines 9 and 10, column F	$ (1,769,509)	$ (428,250)	(1,341,259)	Second grant received from NHDES, note 1 of page 3
4	Exclude cost of main extension contributed and other adjustment	Page 3, line 13, column F	$ (266,122)	$ (264,122)	(2,000)	Error in App. 4, refer to response to DOE 6-10
5	Exclude adjustment from Audit review	Page 3, line 25, column F	$ (97,447)		(97,447)	Audit Adjustment, refer to tab "Adjustments" and Audit Report
6	Accumulated Depreciation	Page 3, line 30, column H	$ (329,431)	$ (356,134)	26,703	Adjustments to plant and add'l retirement of $161,995 for meters, note 3 of page 3
7						
8	Net Plant Additions		$ 10,680,576	$ 12,094,580	**$ (1,414,004)**	
9						
10	Allowed Return on Rate Base		7.54%	7.54%		
11						
12	Allowed Return on Investment	Line 8 x Line 10	$ 805,315	$ 911,931	(106,616)	
13						
14	Income Tax on Equity Component					

Line		(a) Weighted Cost	(b) Tax Multiplier	(c) Pre tax Cost	(d) Tax Gross Up Col (c) - Col (a)
15					
19					
20	Debt	2.59%	1.00	2.59%	0.00%
21	Equity	4.95%	1.37	6.79%	1.84%
22					
23		7.54%		9.38%	1.84%
24					
25	Total Eligible Investment				$ 10,680,576

Line		Schedule Ref.	DOE 6-9 Attachment 1	Settlement Agreement Appendix 4	Change	Comments
25	Total Eligible Investment	Line 8				
26						
27						
28	Income Tax Expense	Line 23 (d) x Line 25	196,523	222,540	(26,017)	Due adjustments to net plant additions
29						
30	Depreciation Expense	Page 3, Line 28, Column H	250,009	309,418	(59,409)	Due adjustments to net plant additions
31						
32	Property Tax Expense	Page 3, Line 28, Column K	76,241	73,105	3,136	Due adjustments to net plant additions
33						
34	Revenue requirement for payroll increase and payroll benefits					
35	effective April 2021 per Settlement Agreement		-	44,442	(44,442)	PUC Order 26,680
36						
37	Total revenue requirement for step adjustment (Line 10 + Lines 27 though 33)		$ 1,328,088	$ 1,561,436	$ (233,348)	
38						
39						
40	Total Approved water revenue per Docket 20-184		$ 7,311,566	$ 7,311,566		
41	Exclude: Misc revenues		(221,244)	(227,665)		Refer to response to DOE 7-2
42	Revenues step adjustment to be applied against		$ 7,090,322	$ 7,083,901		
43						
44	Step adjustment as % of allowed water revenue per perm rates (line 37 / line 42)		18.73%	22.04%	-3.31%	

Aquarion Water Company of New Hampshire
Step Adjustment Filing Update
Non-Revenue Generating Plant Additions for Year 2020

Attachment PUC 1-007(d)

Docket No. 20-184

	A	B	C	D	E	F	G	H = (D-E-F)*B	I = (D-E-F)*K/100*1.5	J	K = (D-E-F-G)/1000*H	L
Line No.	NH PUC Code	Depr Rate	Plant Description	Capital Costs	Retirements	Adjustments	Audit Adustment	Depreciation Expense	Accumulated Depreciation	State Rate	Property Tax Expense	Depr Rate for 2020-2021
1	**2020 Additions**											
2												
3	303	0.00%	Source Land and Land Rights	$ 193,875.00	$ -			$ -	$ -	6.60	$ 1,280	-
4	304	2.50%	Structures and Improvements	$ 23,565.01	$ 27,924			$ (109)	$ (180)	6.60	$ (28)	2.75
5	307	3.49%	Wells and Springs	$ 1,316,321.93	$ 65,387			$ 43,658	$ 65,674	6.60	$ 7,823	3.50
6	311	4.20%	Pumping Equipment	$ 85,946.40	$ 70,957			$ 630	$ 771	6.60	$ 94	3.43
7	339	4.33%	Other Water Source Plant - 2008 and prior	$ -	$ 72,502			$ (3,139)	$ (5,438)	6.60	$ (443)	5.00
8	339	5.00%	Other Water Source Plant - 2009 and subsequent	$ 12,538.69	$ -			$ 627	$ 940	6.60	$ 77	5.00
9	304	2.50%	Treatment Structures and Improvements	$ 851,538.00	$ -			$ 21,288	$ 35,126	6.60	$ 5,388	2.75
10	320	4.00%	Treatment Equipment	$ 2,160,062.97	$ 1,635		$ 15,561	$ 85,715	$ 112,501	6.60	$ 13,503	3.50
11	304	2.50%	T&D Structures and Improvements	$ 8,731.20	$ -			$ 218	$ 360	6.60	$ 55	2.75
12	330	1.85%	Distribution Reservoirs and Standpipes	$ 5,071.73	$ -			$ 94	$ 152	6.60	$ 32	2.00
13	331	1.24%	Transmission and Distribution Mains	$ 3,689,335.48	$ 142,429			$ 43,982	$ 63,844	6.60	$ 22,988	1.20
14	333	2.33%	Services	$ 172,741.76	$ -			$ 4,025	$ 4,794	6.60	$ 1,108	1.85
15	334	6.34%	Meters	$ 88,277.55	$ 191,153			$ (6,522)	$ (5,864)	6.60	$ (640)	3.80
16	335	2.22%	Hydrants	$ 8,100.06	$ -			$ 180	$ 292	6.60	$ 52	2.40
17	339	3.33%	Other T&D Plant	$ -	$ 3,741			$ (125)	$ (281)	6.60	$ (23)	5.00
18	340	5.00%	Office Furniture and Equipment	$ 2,316.01	$ -			$ 116	$ 259	6.60	$ 14	7.46
19	340	20.00%	Computer Equipment - Hardware	$ 65,247.53	$ 238			$ 13,002	$ 19,503	6.60	$ 300	20.00
20	340	20.00%	Computer Equipment - Software	$ 40,253.10	$ -			$ 8,051	$ 12,076	6.60	$ 186	20.00
21	341	9.50%	Transportation Equipment	$ 43,022.29	$ 28,945			$ 1,337	$ 2,375	6.60	$ 77	11.25
22	343	5.00%	Tools, Shop, and Garage Equipment	$ 1,344.19	$ 9,893			$ (427)	$ (641)	6.60	$ (52)	5.00
23	347	6.67%	Miscellaneous Equipment	$ 83,560.36	$ 1,635			$ 5,464	$ 8,197	6.60	$ 487	6.67
24												
25				$ 8,851,849.26	$ 616,441.07	$ -	$ 15,561	$ 218,063	$ 314,461		$ 52,278	
26												

Aquarion Water Company of New Hampshire
Step Adjustment Filing Update
Non-Revenue Generating Plant Additions for Year 2021

Attachment PUC 1-007(d)

Docket No. 20-184

	A	B	C	D	E	F		G	H = (D-E-F-G)*B	I = (D-E-F-G)*K/100*0.5	J	K = (D-E-F-G)/1000*H	L
Line No.	NH PUC Code	Depr Rate	Plant Description	Capital Costs	Retirements	Adjustment		Audit Adustment	Depreciation Expense	Accumulated Depreciation	State Rate	Property Tax Expense	Depr Rate for 2020-2021
1	**2021 Additions**												
2													
3	303	0.00%	Source Land and Land Rights	$ 1,940	$ -				$ -	$ -	6.60	$ 13	-
4	304	2.50%	Structures and Improvements	$ 57,173	$ -				$ 1,429	$ 786	6.60	$ 372	2.75
5	307	3.49%	Wells and Springs	$ 31,236	$ 54,073				$ (797)	$ (400)	6.60	$ (148)	3.50
6	311	4.20%	Pumping Equipment	$ 55,389	$ 70,377				$ (630)	$ (257)	6.60	$ (97)	3.43
7	339	4.33%	Other Water Source Plant - 2008 and prior	$ -	$ 14,520				$ (629)	$ (363)	6.60	$ (93)	5.00
8	339	5.00%	Other Water Source Plant - 2009 and subsequent	$ 9,223					$ 461	$ 231	6.60	$ 59	5.00
9	304	2.50%	Treatment Structures and Improvements	$ 576,504	$ 54,644	$ 553,387	(1)	$ 8,714	$ (1,006)	$ (553)	6.60	$ 3,390	2.75
10	320	4.00%	Treatment Equipment	$ 1,504,446	$ 1,672	$ 1,216,122	(1)	$ 73,045	$ 8,544	$ 3,738	6.60	$ 9,412	3.50
11	304	2.50%	T&D Structures and Improvements	$ -	$ -				$ -	$ -	6.60	$ -	2.75
12	330	1.85%	Distribution Reservoirs and Standpipes	$ 2,534	$ -				$ 47	$ 25	6.60	$ 17	2.00
13	331	1.24%	Transmission and Distribution Mains	$ 1,731,470	$ 143,569	$ 266,122	(2)		$ 16,390	$ 7,931	6.60	$ 10,428	1.20
14	333	2.33%	Services	$ 80,884	$ 50,997			$ 127	$ 693	$ 275	6.60	$ 195	1.85
15	334	6.34%	Meters	$ 150,329	$ 161,995		(3)		$ (739)	$ (222)	6.60	$ (76)	3.80
16	335	2.22%	Hydrants	$ (31,555)	$ -				$ (701)	$ (379)	6.60	$ (206)	2.40
17	339	3.33%	Other T&D Plant	$ 47,809	$ -				$ 1,592	$ 1,195	6.60	$ 308	5.00
18	340	5.00%	Office Furniture and Equipment	$ -	$ -				$ -	$ -	6.60	$ -	7.46
19	340	20.00%	Computer Equipment - Hardware	$ 16,604	$ -				$ 3,321	$ 1,660	6.60	$ 99	20.00
20	340	20.00%	Computer Equipment - Software	$ 23,620	$ -				$ 4,724	$ 2,362	6.60	$ 140	20.00
21	341	9.50%	Transportation Equipment	$ (78,035)	$ -				$ (7,413)	$ (4,389)	6.60	$ (486)	11.25
22	345	6.67%	Power Operated Equipment	$ -	$ 11,845				$ (790)	$ (395)	6.60	$ (76)	6.67
23	347	6.67%	Miscellaneous Equipment	$ 111,666	$ -				$ 7,448	$ 3,724	6.60	$ 712	6.67
24													
25				$ 4,291,237	$ 563,692	$ 2,035,631		$ 81,886	$ 31,945	$ 14,970		$ 23,963	
26													
27													
28			**2020 and 2021 TOTAL**	**$ 13,143,086**	**$ 1,180,133**	**$ 2,035,631**	**#**	**$ 97,447**	**$ 250,009**	**$ 329,431**		**$ 76,241**	

(1) Receipt of a grant from Drinking Water and Groundwater Trust Fund ("DWGTF") for the amount of $428,250 and pending receipt of second grant from Department of Environmental Services ("NHDES") for $1,341,259 for a total of $1,769,509.

(2) Contribution from developer (WBS EN230-2020-002): $247,465 and project closed in error in 2021 (WBS ER230-2019-007): $18,657

(3) Retirement for meters of $161,995 should have been recorded for year 2021. The amount was posted in June 2022.

Attachment PUC 1-007(d)

Line	NHPUC	WBS #		Original filing	Audit Issue #2 Adj	Audit Report	Adjustment for Grant
	PFAS Well #6						
1	304	XC230-2020-003-D03		$ 242,601	$ -	$ 242,601	
2	304	XC230-2020-003-E04-331		333,903	(8,714)	325,189	
3	320	XC230-2020-003-E04-332		1,320,673	(73,045)	1,247,628	
4	340	XC230-2020-003-E04-91S		146	-	146	
5				$ 1,897,323	$ (81,759)	$ 1,815,564	
6							
7	304	Adjustment	[Lines 1 + 2]	576,504	(8,714)	567,790	(553,387)
8	320	Adjustment	[Lines 3 + 4]	1,320,819	(73,045)	1,247,774	(1,216,122)
9				$ 1,897,323	$ (81,759)	$ 1,815,564	$ (1,769,509)
10							
11	**WTP Centralized Treatment**						
12	320	XC230-2016-004-E04-332		$ 1,044,838	$ (15,561)	$ 1,029,277	
13							
14	**New Fire Service**						
15	333	SN230-0000-00100		$ 127	$ (127)	$ -	
16							
17	**Total Audit Adjustments**		[Lines 9 +12 +15]	**$ 2,942,288**	**$ (97,447)**	**$ 2,844,841**	

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. IR 22-048

Date Request Received: March 21, 2023 **Date of Response: April 20, 2023**
Data Request No. PUC 1-008

Request from: New Hampshire Public Utilities Commission

Request:
Please provide the Excel version of the models used to currently calculate approved step adjustments in other jurisdictions in which the company's affiliates operate, as applicable.

A. Provide explanations with the theoretical basis of inclusion for each component/item, and how it is calculated or treated in the model

B. If any of those components are part of a settlement,

1. please explain why it is reasonable to include it in the model
2. please explain how it is treated in the model and why.

Response:

There is only one other Eversource affiliate that includes an approved step adjustment outside of New Hampshire - Eversource Gas of Massachusetts (EGMA). Please refer to discussion in response to request 2. EGMA entered into a settlement, which allowed for a two-step base distribution rate increase at the beginning of the eight-year rate plan. This rate plan also included two rate-base updates over the term of that rate plan with a process for review and justification of the capital costs that will be allowed to be reflected in rates. Because EGMA has not yet been required to file a step, there is no model available at this time.

Although Eversource affiliates operating in other jurisdictions do not utilize steps adjustments as has been the precedent in New Hampshire, each of Eversource's affiliates in other jurisdictions have in place some form of revenue support mechanism (or mechanisms) in operation between full base rate proceedings. As described in response to request 2 above, these mechanisms include performance-based rate plans, inclusive of formulaic annual base rate changes, cost recovery mechanisms that adjust rates annually outside of base rates to collect a specified set of costs (capital related and / or O&M related for costs incremental to base rates), multi-year rate plans, or a combination of the above.