Public Service Company of New Hampshire d/b/a Eversource Energy Docket No. DE 22-049

Date Request Received: November 29, 2022 Date of Response: December 07, 2022

Data Request No. RR-001 Page 1 of 1

Request from: New Hampshire Public Utilities Commission

Witness: Paruta, Marisa B

Request:

Please provide the impact the financing will have on rate base and customer rates, using the September 30, 2022 financial information.

Response:

Please see Attachment RR-01.

Using the key assumptions provided in DE 22-049 Exhibit 2, page 11, the Company calculated the impact to rate base costs of issuing \$600 million debt at an interest rate of 5.27% and a maturity date of 30 years to be an increase of base distribution revenue requirements of approximately \$5 million. This amount is about a 1.2% increase to base distribution rates, and a 0.2% increase to total customer rates. The average monthly customer bill using 600 kWh would see a total increase of approximately \$0.40 per month.

FOR ILLUSTRATIVE PURPOSES ONLY

PSNH Pro-Forma Rate Base Impact of Financing Application
Rate Base in Base Distribution Rates as of November 1, 2022

1 2

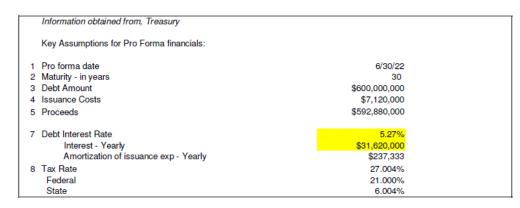
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3	(a) Distribution Data Data Cost Calculation		Amanunt
4	(a) Distribution Rate Debt Cost Calculation	<u></u>	Amount
5	Total Allowed Distribution Rate Base as of 11/1/22	\$	1,416,606,382
6	Allowed Weighted Debt Cost (DE 19-057)		1.81%
7	Total Return of Debt Cost	\$	25,674,711
8			_
9	(b) Distribution Rate Debt Cost Calculation, As Adjusted		
10	Total Allowed Distribution Rate Base as of 11/1/22	\$	1,416,606,382
11	Allowed Weighted Debt Cost (Pro Forma)	-	2.19%
12	Total Return of Debt Cost	\$	30,976,108
1	(c) Impacts of Financing to Base Distribution Revenue & Rates		
2	Incremental Cost to Base Distribution Revenue	\$	5,301,396
3			
4	Base Distribution Revenue (DE 22-030 Order No. 26,709)	\$	426,362,258
5	, ,		, ,
6	Increase to Base Distribution Rate		1.24%
7			·
8	Total Revenue Requirements (all Rates)	Ś	2,667,091,082
9	Total Neverlae negatiements (all Nates)	Y	2,007,031,002
10	Increase to total Customer Rates		0.20%
11	increase to total customer nates		0.20/0
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12	Billed Sales in kWh (DE 19-057 Settlement Agreement)		7,954,422,010
13			2 2225
14	Increase to Customer Rates per kWh	\$	0.00067
15			
16	Increase to Average Customer's Bill per Month (600 kWh)	\$	0.39988

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Note> Assumes Series (New) issuance of \$600M used to paydown maturity of Series S \$325M and STD as of beginning of period.

1	Balance Sheet (5Q Average):		DE 19-057 Debt	<u>P</u>	<u>'ro-Forma Adj's</u>	<u>P</u>	ro-Forma Est.
2	Series S	\$	325,000,000	\$	(325,000,000)	\$	-
3	Series S Debt Issuance Costs	\$	(726,537)	\$	726,537	\$	-
4	Series (New)	\$	-	\$	600,000,000	\$	600,000,000
5	Series (New) Debt Issuance Costs	\$	-	\$	(7,001,333)	\$	(7,001,333)
6	LTD Balance (5 Qtr Average)	\$	1,036,202,586	\$	268,725,204	\$	1,304,927,790
7	STD (5 Qtr Average)	\$	58,640,000	\$	(58,640,000)	\$	-
8							
9	Income Statement:]	<u>DE 19-057 Expense</u>	<u>P</u>	<u>'ro-Forma Adj's</u>	<u>P</u>	<u>ro-Forma Est.</u>
10	Series S Interest Expense	\$	11,375,000	\$	(11,375,000)	\$	-
11	Series (New) Interest Expense	\$	-	\$	31,620,000	\$	31,620,000
12	Series S Amortization Expense	\$	205,928	\$	(205,928)	\$	-
13	Series (New) Amortization Expense	\$	-	\$	237,333	\$	237,333
14	Annual LTD Int/Amort Expense	\$	42,312,094	\$	20,276,405	\$	62,588,499
15	Annual STD Interest Expense	\$	1,211,998	\$	(1,211,998)	\$	-
16							
17	WACC - LTD (per Settlement Agreement)		4.08%		7.55%		4.80%
18	WACC - STD (per Settlement Agreement)		2.07%		2.07%		0.00%
19	WACC - Debt (Capital Structure)		1.81%		3.31%		2.19%

Source> DE 22-049 Exhibit 2 Pro Forma (page 11 of 12)



Source> DE 19-057 Attachment EHC/TMD-1 (Perm); Schedule EHC/TMD-40 (Perm)

	ACTUAL 6/30/20 BALANCES (reflecting new debt issuance) 5 - QUARTER AVERAGE - JUNE 30, 2020 (USING 9.3% ROE)						
	PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN			
Short-Term Debt	\$ 58,640,000	2.44%	2.07%	0.05			
Long-term Debt	\$ 1,036,202,586	43.15%	4.08%	1.76			
Common Equity	\$ 1,306,436,254	54.41%	9.30%	5.06			
Total Capital	\$ 2,401,278,840	100.00%		6.87			
Weighted Cost of							
Debt				1.81			
Equity				5.06			
Cost of Capital			,	6.87			