

**STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

**Docket No. DE 23-004**

**Public Service Company of New Hampshire d/b/a/ Eversource Energy Proposed Purchase  
of Receivables Program**

Technical Statement of Amanda O. Noonan, Elizabeth R. Nixon, and Scott T. Balise  
New Hampshire Department of Energy

June 16, 2023

**Background and Summary**

Pursuant to RSA 53-E:7, X, the New Hampshire Public Utilities Commission (Commission) initiated a rulemaking in January 2022 to promulgate rules to implement RSA 53-E. See Docket No. DRM 21-142. On October 5, 2022, the Commission adopted Chapter Puc 2200, Municipal and County Aggregation Rules (Puc 2200 Rules) implementing the provisions of RSA 53-E and established October 12, 2022, as the effective date for the Puc 2200 Rules.

Among other things, the Puc 2200 Rules require each electric distribution utility to propose a purchase of receivables program (POR Program)<sup>1</sup> within 90 days of the effective date of the Puc 2200 Rules (i.e., by January 10, 2023). Consistent with that, Eversource Energy (Eversource or the Company) filed its proposed POR Program on January 10, 2023.<sup>2</sup> It is the opinion of the Department of Energy (Department) that the POR Program proposed by Eversource is consistent with the Puc 2200 Rules and RSA 53-E:9, and the Department recommends the Commission approve Eversource's proposed POR Program with the modifications and clarifications discussed below.

**Description of Proposal**

As proposed in its filing, Eversource will offer the option of a POR Program to any Community Power Aggregation (CPA) and Competitive Electric Power Supplier (CEPS) that elects to use consolidated billing for its customers. With consolidated billing, the CPA or CEPS charges for energy supply are included on the utility bill, providing a single bill containing distribution and energy charges for customers. A CPA or CEPS that elects to bill its customers separately, also

---

<sup>1</sup> SB 286, passed by the NH Legislature and signed by the Governor in 2019, directed the New Hampshire Public Utilities Commission to develop rules to implement the provisions of RSA 53-E. SB 315, passed in 2021, required electric distribution companies to propose a program for the purchase of receivables for review and approval by the New Hampshire Public Utilities Commission. The Commission adopted rules to implement the provisions of 53-E, including the requirement for electric distribution utilities to propose a purchase of receivables plan for the Commission's review.

<sup>2</sup> See Eversource's testimony and attachments.

known as stand-alone billing, cannot participate in the POR Program. For a CPA or a CEPS that elects consolidated billing, the CPA and CEPS customer accounts will automatically be enrolled in the POR Program. A CPA or CEPS may elect to have an account or group of accounts unenrolled from the POR Program and bill those accounts via stand-alone billing. As proposed, a CPA or CEPS electing consolidated billing and thereby participating in the POR Program will receive guaranteed payments from the utility for its energy supply charges. The receivables will be purchased from the CPA or CEPS by the utility at a discount rate, which is calculated using the discount percentage rate (DPR), which will be used for all classes as compared to Unitil Energy Systems, Inc.'s (Unitil) proposed POR Program in DE 23-002, which proposes the use of two DPRs, one for the residential class and one for the general class. for two classes. Eversource will make monthly payments to the CPA or CEPS.

There are three components that combine to make up the DPR: an uncollectible percentage (UP), an administrative cost percentage (ACP), and a past period reconciliation percentage. For the first year of the POR, the past period reconciliation percentage is not included in the calculation of the DPR. While Eversource has proposed purchasing the existing receivables of a CEPS electing to participate in the POR Program, no true up to reconcile actual and estimated uncollectible expenses would be conducted until the DPR is recalculated after the initial DPR.

### **Analysis and Recommendation**

The Department reviewed the petition and accompanying testimony as well as the data request responses and engaged in a technical session with Eversource and the other parties to this docket.

As described in Eversource's petition, the UP component of the DPR is based on uncollectible expense data for all customers, excluding uncollectible expense for third party suppliers for a 24-month period. In response to a data request asked by the Department, Eversource stated it had concluded that a two-year average based on 2021 and 2022 uncollectible expense did not appear to be appropriate, and an initial discount rate based on a three-year average including 2020, 2021, and 2022 would be more appropriate. Citing the impact of the pandemic and the related shut-off moratorium established in New Hampshire, Eversource noted it experienced an increase to bad debt expense in 2020. See DOE 2-010 in Attachment-1. The Department believes that bad debt experience and uncollectible expenses in 2020 are an anomaly and should not be included in the calculation of the UP. The Department recommends the look-back period for determining uncollectible expense be consistent across utilities and further recommends the use of a 12-month period when determining uncollectible expenses, as it would be more reflective of any changes in economic conditions that may impact uncollectible expenses than would be captured by a longer period.

In addition, Eversource's petition proposes using one DPR for all classes. The Department recommends that, to the extent possible and at reasonable cost, Eversource undertake efforts to calculate the DPR by class as was proposed by Unitil. The residential class and non-residential classes typically have distinct payment behavior, which would result in

different UP components, with the non-residential class generally experiencing lower uncollectible expenses and thus a lower UP component.

The Department notes that Eversource appropriately excludes unpaid amounts for customers enrolled in the NewStart arrears management program from uncollectible expenses during the pendency of the customer's active participation in those programs. The Department notes that Eversource does not specifically address how unpaid amounts for customers enrolled in a budget billing program or in a payment arrangement are handled as part of the uncollectible expenses. The Department recommends that these unpaid amounts not be included in uncollectible expenses while the budget billing or payment arrangement plan is active.

The ACP component of Eversource's proposed DPR consists of the cost of software changes to implement the POR Program. Eversource does not anticipate incurring any additional or ongoing administrative costs related to the POR Program; however, through its work order system, the company will monitor administration of the POR program and may request approval from the Commission to adjust the DPR at a later date should it incur incremental costs directly associated with administration of the POR Program. The Department supports Eversource's view that the pro rata share of the costs of administering collection efforts referenced in RSA 53-E:9, II should be interpreted as the incremental costs incurred by Eversource. In the Department's view, this approach is consistent with the requirement in RSA 53-E:9, II that a utility and its customers not participating in the POR Program should not bear costs associated with its use.

The Department has reviewed the cost estimate of \$1,900,000 and supporting documentation provided by Eversource for software changes necessary to implement the POR Program. Eversource did not go out to bid for the necessary software work, instead using a vendor with considerable experience with the company's two billing systems, C2 and LPB. Given the age of the C2 and LPB systems, the Department supports Eversource's decision to contract with a vendor that has familiarity with, and prior experience in modifying, the billing systems rather than going out to bid. The estimate to modify the C2 and LPB systems is not insignificant. As originally filed, Eversource proposed a three-year amortization for those costs. Eversource has now agreed to amortize the cost over five years and will recover those costs through the ACP component of the DPR for 5 years. See DOE 2-011 in Attachment-2. As no costs will be incurred by Eversource until it has received approval from the Commission for its proposed POR Program, the Department recommends that implementation costs be recorded in a deferral account, which does not require prior Commission approval.

As noted above, under Eversource's proposed POR Program, a CPA or a CEPS that elects consolidated billing must also participate in the POR Program. As proposed, Eversource would permit a CPA or CEPS to remove an account or accounts from the POR Program, billing those customers via stand-alone billing, while leaving other accounts in the POR Program and billed via consolidated billing. See DOE 2-002 in Attachment-3. In the Department's opinion, the option to remove an account or accounts from the POR Program while leaving other accounts enrolled in the POR Program creates an incentive for suppliers to leave only those accounts that are at higher risk for collection enrolled in the POR Program and increases potential exposure of Eversource's other customers to higher uncollectible expenses. The Department recommends that Eversource adopt the same approach as was adopted by Unitil in its POR Program proposal

whereby a CPA or CEPS that elects consolidated billing must have all of its customer accounts enrolled in the POR Program.

As proposed, Eversource would make monthly payments to a CPA or CEPS participating in the POR Program. Eversource has proposed that payments would be made monthly consistent with the combined average payment period of the company's customer classes. See DOE 2-005(a), page 13 in Attachment-4. RSA 53-E requires that payments be made to CPA or CEPS in a timely manner. Recognizing the lag utilities experience between the issuance of a bill and payment from a customer, the Department supports the monthly payment schedule proposed by Eversource.

The Department has reviewed Eversource's proposal for a POR Program, including the conditions under which the POR Program is available to a CPA or a CEPS and the methodology and calculations for the proposed DPR. Based on its review, the Department recommends the following program changes:

- 1) A 12-month look-back period for determining uncollectible expense, as the use of a 12-month period would be more reflective of any changes in economic conditions that may impact uncollectible expenses than would be captured by a longer period and would ensure consistency with the Unitil and Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty proposed POR programs in dockets DE 23-002 and DE 23-003, respectively;
- 2) Using a separate DPR for two customer classes (residential and non-residential) to the extent it can be accomplished at reasonable cost; and
- 3) Adopting an all-in policy for a CPA or CEPS that elects consolidated billing whereby a CPA or CEPS that elects consolidated billing must have all of its customer accounts enrolled in the POR Program.

With those modifications, the Department concludes that the POR Program proposed by Eversource is consistent with the Puc 2200 Rules and RSA 53-E:9. The Department recommends the Commission approve Eversource's POR program with the proposed modifications.

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 23-004****Date Request Received: May 10, 2023**  
**Data Request No. DOE 2-010****Date of Response: May 23, 2023**  
**Page 1 of 1****Request from: Department of Energy****Witness: O'BRIEN, BRENDAN J**

---

**Request:****Re: DOE 1-10**

Please provide data regarding the Company's annual uncollectible expenses from 2013-2023, in order to provide a picture of historical trends regarding the Company's annual uncollectible expenses.

**Response:**

Uncollectible expense for PSNH from 2013 – 2022 is as follows (2023 will not be finalized until early January 2024):

Year	Uncollectible Expense
2013	\$ 6,608,268
2014	6,814,925
2015	9,192,761
2016	7,572,242
2017	6,935,827
2018	6,590,251
2019	6,909,166
2020	8,531,549
2021	6,653,584
2022	5,381,668

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 23-004****Date Request Received: May 10, 2023**  
**Data Request No. DOE 2-011****Date of Response: May 23, 2023**  
**Page 1 of 1****Request from: Department of Energy****Witness: O'BRIEN, BRENDAN J**

---

**Request:****Re: DOE 1-11**

Please provide the DPR calculation (Attachment ES-BJO-1) and the live excel spreadsheet with the revenue requirement calculation included. If the revenue requirement calculation cannot be completed, please explain why.

**Response:**

Please see Attachment DOE 2-011(a) for the DPR calculation with the revenue requirement included. The detailed revenue requirement calculation is provided in Attachment DOE 2-011 (b).

Please note that, in order to be consistent with the proposal made in Docket No. DE 22-072 regarding the amortization period for billing system upgrades, the Company has adjusted the discount rate calculation to amortize the total revenue requirement over a five-year period rather than over the three-year period originally proposed.

**POR Sample Calculation**

Docket DE 23-004  
Data Request DOE 2-011  
Date issued May 10, 2023  
Attachment DOE 2-011 (a)  
Page 1 of 1

	2021	2020	Total
<u>Part 1 - Uncollectible expense</u>			
Uncollectible Expense	\$ 6,653,584	\$ 8,531,549	\$ 15,185,133
Customer Revenues	<u>\$ 1,046,840,638</u>	<u>\$ 957,675,878</u>	<u>\$ 2,004,516,516</u>
Uncollectible Factor per \$ of revenues	0.00636	0.00891	0.00758
<u>Part 2 - Implementation of POR costs</u>			
Revenue requirement of Cost to modify billing systems (estimate)		\$ 2,223,421	
Amortization period in years		5	
One year amortization		<u>\$ 444,684</u>	
2021 actual Supplier billings		205,801,977	
Implementation Factor per \$ of billings			<u>0.00216</u>
<u>Part 3 - Incremental Administrative Expenses</u>			
Place holder - no current estimate			
Combined Part 1, 2, 3 = POR discount rate			<u><u>0.00974</u></u>
Monthly Supplier Billing (Hypothetical)	\$ 1,000,000		
POR Discount Rate	<u>0.00974</u>		
<b>Reduction of Supplier Payment</b>	<b>\$ 9,740</b>		

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Illustrative Revenue Requirement**

**Exh. 2**

Docket DE 23-004

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 1 of 10

<u>Line #</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
1	Investment Return and Income Taxes	\$ 132,999	\$ 94,346	\$ 61,457	\$ 32,025	\$ 2,593
2	Amortization Expense (5 year life)	380,000	380,000	380,000	380,000	380,000
3	Revenue Requirement - Annual	\$ 512,999	\$ 474,346	\$ 441,457	\$ 412,025	\$ 382,593
4	<b>Revenue Requirement - Cumulative</b>	<b>\$ 512,999</b>	<b>\$ 987,346</b>	<b>\$ 1,428,802</b>	<b>\$ 1,840,827</b>	<b>\$ 2,223,421</b>



**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Assumptions**

Docket DE 23-004

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 2 of 10

**Key Assumptions**

Total Capital Cost	\$ 1,900,000	See Total Additions Worksheet
ROE	9.30%	DE 19-057 Settlement
Debt %	43.15%	DE 19-057 Settlement
Preferred %	2.44%	DE 19-057 Settlement
Equity %	54.41%	DE 19-057 Settlement
Estimated Useful Life	5	
Tax Life	6	See Depreciation (tax) Worksheets
Amortization Period - 5 years	20.00%	
Depreciation Period (Plant) - 5 years	\$ 380,000	

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Illustrative Investment Base**

Docket DE 23-004

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 3 of 10

<u>Line #</u>	<u>Description</u>		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
1	Gross Plant		\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
2	Accumulated Depr/Amortization		\$ (380,000)	\$ (760,000)	\$ (1,140,000)	\$ (1,520,000)	\$ (1,900,000)
3	Net Plant		\$ 1,520,000	\$ 1,140,000	\$ 760,000	\$ 380,000	\$ -
4	ADIT		\$ -	\$ (61,749)	\$ (57,633)	\$ (13,996)	\$ 29,640
5	Total Investment Base		\$ 1,520,000	\$ 1,078,251	\$ 702,367	\$ 366,004	\$ 29,640
6	Pre-Tax Return on Investment Base @	8.75%	\$ 132,999	\$ 94,346	\$ 61,457	\$ 32,025	\$ 2,593
7	After-Tax Return @	6.87%	\$ 104,432	\$ 74,082	\$ 48,257	\$ 25,146	\$ 2,036
8	Income Taxes on Equity @	1.88%	\$ 28,567	\$ 20,265	\$ 13,200	\$ 6,879	\$ 557

**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Illustrative Accumulated Deferred Income Taxes (ADIT)**

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 4 of 10

<u>Line #</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
1	Acc Tax Depreciation - Federal	\$ 380,000	\$ 988,000	\$ 1,352,800	\$ 1,571,680	\$ 1,790,560
2	Acc Book Depreciation	<u>380,000</u>	<u>760,000</u>	<u>1,140,000</u>	<u>1,520,000</u>	<u>1,900,000</u>
3	Excess Tax over Book - Federal	\$ -	\$ 228,000	\$ 212,800	\$ 51,680	\$ (109,440)
4	Federal Tax Rate	<u>19.38%</u>	<u>19.38%</u>	<u>19.38%</u>	<u>19.38%</u>	<u>19.38%</u>
5	ADIT - Federal	<u>\$ -</u>	<u>\$ 44,193</u>	<u>\$ 41,247</u>	<u>\$ 10,017</u>	<u>\$ (21,213)</u>
6	Acc Tax Depreciation - State	\$ 380,000	\$ 988,000	\$ 1,352,800	\$ 1,571,680	\$ 1,790,560
7	Acc Book Depreciation	<u>380,000</u>	<u>760,000</u>	<u>1,140,000</u>	<u>1,520,000</u>	<u>1,900,000</u>
8	Excess Tax over Book - State	\$ -	\$ 228,000	\$ 212,800	\$ 51,680	\$ (109,440)
9	State Tax Rate	<u>7.70%</u>	<u>7.70%</u>	<u>7.70%</u>	<u>7.70%</u>	<u>7.70%</u>
10	ADIT - State	<u>\$ -</u>	<u>\$ 17,556</u>	<u>\$ 16,386</u>	<u>\$ 3,979</u>	<u>\$ (8,427)</u>
11	Total ADIT - IT Investment	<u>\$ -</u>	<u>\$ 61,749</u>	<u>\$ 57,633</u>	<u>\$ 13,996</u>	<u>\$ (29,640)</u>

**DE 23-004 Purchase of Receivables (POR) IT Project  
Illustrative Book Depreciation**

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 5 of 10

<u>Line #</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
2	Cumulative Additions	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
3	Depreciation/Amortization Rate	<u>20.00%</u>	<u>20.00%</u>	<u>20.00%</u>	<u>20.00%</u>	<u>20.00%</u>
4	Depreciation/Amortization Expense	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ 380,000</u>
5	Accumulated Depreciation/Amortization	<u>\$ 380,000</u>	<u>\$ 760,000</u>	<u>\$ 1,140,000</u>	<u>\$ 1,520,000</u>	<u>\$ 1,900,000</u>

**DE 23-004 Purchase of Receivables (POR) IT Project  
Illustrative Federal Tax Depreciation**Data Request DOE 2-011  
Date issued May 10, 2023  
Attachment DOE 2-011(b)  
Page 6 of 10

<u>5 Year MACRS</u>										
Line #		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>			
1	Annual	20.000%	32.000%	19.200%	11.520%	11.520%	5.760%			
2	Cumulative	20.000%	52.000%	71.200%	82.720%	94.240%	100.000%			
										<u>Total</u>
3	<u>Year</u> Investment	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
4	Bonus Depreciation Rate @	0%	0%	0%	0%	0%	0%			
5	Annual Bonus Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Cumulative Bonus Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	Amount subject to 5 Year MACRS	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Year 1	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,000
9	Year 2	\$ 988,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 988,000
10	Year 3	\$ 1,352,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,352,800
11	Year 4	\$ 1,571,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,571,680
12	Year 5	\$ 1,790,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,790,560
13	Year 6	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000

**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Illustrative State Tax Depreciation**

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 7 of 10

**5 Year MACRS**

<u>Line #</u>		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
1	Annual	20.000%	32.000%	19.200%	11.520%	11.520%	5.760%
2	Cumulative	20.000%	52.000%	71.200%	82.720%	94.240%	100.000%

												<u>Total</u>
	<u>Year</u>											
3	Investment #REF!	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#REF!
4	Amount subject to 5 Year MACRS	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	Year 1	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,000
6	Year 2	\$ 988,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 988,000
7	Year 3	\$ 1,352,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,352,800
8	Year 4	\$ 1,571,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,571,680
9	Year 5	\$ 1,790,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,790,560
10	Year 6	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000

**DE 23-004 Purchase of Receivables (POR) IT Project**  
**DE 19-057, Settlement Order No. 26,433 dated 12/15/2020**  
**(\$ in 000's)**

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 8 of 10

Line	Class of Capital	Principal	Percent of Capital	Cost	Weighted Rate of Return	Tax Gross-up on Equity 0.3714	Weighted Pre-Tax Return
	Col.A	Col.B	Col.C	Col.D	Col.E	Col.F	
1	Long Term Debt	\$ 1,036,203	43.15%	4.08%	1.76%		1.76%
2	Short Term Debt	\$ 58,640	2.44%	2.07%	0.05%		0.05%
3	Common Equity	\$ 1,306,436	54.41%	9.30%	5.06%	1.88%	6.94%
4	Total	<u>\$ 2,401,279</u>	<u>100.00%</u>		<u>6.87%</u>	<u>1.88%</u>	<u>8.75%</u>
5	<u>Illustrative After Tax Return used for discounting</u>						
6	Long Term Debt				2.98%	1.28%	
7	Short Term Debt				1.51%	0.04%	
8	Common Equity				9.30%	5.06%	
9	Total After Tax Cost					<u>6.38%</u>	

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Income Tax Assumptions**

Docket DE 23-004

Data Request DOE 2-011

Date issued May 10, 2023

Attachment DOE 2-011(b)

Page 9 of 10

<u>Line #</u>	<u>Description</u>	<u>NH Rate</u>	
1	Taxable Income	100.000%	
2	NH State Income Tax	<u>7.700%</u>	
3	Taxable Income After NH State Income Tax	92.300%	Line 1 - Line 2
4	Federal Corporate Income Tax	<u>21.000%</u>	
5	Federal Income Tax	19.383%	Line 3 x Line 4
6	NH State and Federal Income Tax (T)	27.083%	Line 2 + Line 5
7	Net Income After Taxes on Income (1 - T)	72.917%	Line 1 - Line 6
8	State and Federal Taxes / Net Income After Taxes on Income (T / (1 - T))	0.3714	Line 6 / Line 7
9	Income Tax Gross-Up (1 / (1 - T))	1.3714	Line 1 / Line 7



**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**DE 23-004 Purchase of Receivables (POR) IT Project**  
**Illustrative Capital In-Service Additions**

Docket DE 23-004  
Data Request DOE 2-011  
Date issued May 10, 2023  
Attachment DOE 2-011(b)  
Page 10 of 10

<u>Line #</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>
1	Plant In-Service	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
2	<u>Cumulative Additions</u>							
3	Plant In-Service	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	

**Public Service Company of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 23-004****Date Request Received: May 10, 2023**  
**Data Request No. DOE 2-002****Date of Response: May 23, 2023**  
**Page 1 of 1****Request from: Department of Energy****Witness: O'BRIEN, BRENDAN J**

---

**Request:****Re: DOE 1-2**

Please confirm that if a CEPS or CPA chooses to participate in the POR program, all of the CEPS or CPA customers for whom complete billing has been chosen must be included in the POR. Please also confirm that a CEPS and CPA can opt to have a group of customers on complete billing and included in the POR and individual customers or a group of customers on pass through billing and not included in the POR.

**Response:**

All customers served by a Supplier and/or as part of a community power aggregation who are billed through consolidated (i.e., "complete") billing will automatically be covered by the proposed POR program. If a Supplier or CPA wants any customer account or accounts not to participate in POR, it can enroll or send a change transaction choosing passthrough billing as the applicable billing option.

(c) Timing of Payment to Participating Suppliers

The payment to Suppliers of the amounts computed in accordance with the provisions of subsection 9(d) below shall be made monthly consistent with the combined average payment period of the Company's Customer Classes. Unless otherwise ordered by the Commission, the average payment period shall be based on actual historical data for the most recent 12-month period for which data is available in the relevant classification, or other appropriate period, as approved by the Commission. On or about March 15th of each year, the Company shall file with the Commission data on the average historical payment period that will be in place the subsequent year beginning on May 1st. The Discount Rate computed in accordance with the provisions of subsection 9(d) below will remain in effect for the entire year, unless otherwise approved by the Commission.

(d) Amount of Payment to Participating Suppliers

The Company shall pay to the Supplier the full amounts due from Customer for Supplier Service, less the Discount Rate as defined below. For any Customer that has elected Budget Billing, or is subject to a periodic payment plan agreed to by the Company, the full amounts due for Supplier Service shall be based on the Customer's actual usage rather than on the amount the Customer is billed under the Budget Billing program or such periodic payment plan. In all other instances, the full amounts due for Supplier Service shall be based on the amount actually billed to the customer.

On or about March 15th of each year, the Company shall file with the Commission the said percentages that will be in place for the subsequent year beginning on May 1st. The percentages will remain in effect for the entire year unless otherwise approved by the Commission. The percentages shall be computed in accordance with the following formula:

DR = UP + ACP + AICE Where

DR = Discount Rate to be deducted from the full amounts due for Supplier Service.

UP = Uncollectible Percentage is the uncollectible expense for all of the Company's customers, based on actual data for the most recent two calendar years for which data is available prior to the annual filing, divided by the total amounts billed by the Company, including late payment charges only if included in uncollectible expense, for that same time period. The period to be used for purposes of calculating the Uncollectible Percentage shall be the same period the Company uses for calculating its uncollectible expense associated with the amounts the Company bills for default energy service supply.

During the first year of POR program operation, the Uncollectible Percentage is the Company's uncollectible expense for all Customers for the calendar years 2021 and 2022, divided by the total amounts billed by the Company, including late payment charges only if included in uncollectible expense.

ACP = Administrative Cost Percentage is the total forecasted incremental costs of POR program administration and collection to be recovered for the subsequent year divided by the total amounts billed for Supplier Service by the Company for the most recent 12-month period for which data is available prior to the annual filing. For the first year of the POR program, the Administrative