

**STATE OF NEW HAMPSHIRE**  
**BEFORE THE PUBLIC UTILITIES COMMISSION**  
**DIRECT TESTIMONY OF ASHLEY N. BOTELHO AND EDWARD A. DAVIS**  
**PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**d/b/a EVERSOURCE ENERGY**  
**DEFAULT ENERGY SERVICE RATE CHANGE**

**December 12, 2024**

**Docket No. DE 24-046**

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1 **I. INTRODUCTION**

2 **Q. Ms. Botelho, please state your name, business address and position.**

3 A. My name is Ashley N. Botelho. My address is 247 Station Drive, Westwood,  
4 Massachusetts. I am the Director of Revenue Requirements, Distribution for Eversource  
5 Energy Service Company (“ESC). In that position, I support Public Service Company of  
6 New Hampshire d/b/a Eversource Energy (“PSNH”, “Eversource,” or the “Company”)  
7 regarding revenue and rate-related matters.

8 **Q. Ms. Botelho, please describe your educational and professional background.**

9 A. I graduated from Drexel University in Philadelphia, Pennsylvania in 2010 with a Bachelor  
10 of Science in Business Administration, with a concentration in finance. In 2013, I  
11 graduated from the Bryant University Graduate School of Business with a Master of  
12 Business Administration degree.

13

1 I began working as a contractor for NSTAR Electric in July 2010 in support of NSTAR  
2 Electric's Smart Grid programs. In October 2011, I was hired as a Smart Grid Associate  
3 Project Manager. In December 2012, I assumed the role of Analyst in Revenue  
4 Requirements. In July 2014, I was promoted to a Senior Revenue Requirements Analyst.  
5 In January 2018, I was promoted to Manager, Revenue Requirements. In July 2022, I was  
6 promoted to my current role of Director, Revenue Requirements, for Distribution.  
7

8 **Q. What are your responsibilities in your current position?**

9 A. In this position, I am responsible for the oversight, coordination, and implementation of  
10 revenue requirement calculations in base distribution rate proceedings as well as other  
11 proceedings before state regulatory agencies. I have previously supported base distribution  
12 rate proceedings for the Connecticut operating subsidiaries of Eversource Energy. I am  
13 also responsible for the oversight, coordination, and implementation of revenue  
14 requirement calculations for the Massachusetts and New Hampshire operating subsidiaries  
15 of Eversource Energy, including NSTAR Electric Company, NSTAR Gas Company,  
16 Eversource Gas Company of Massachusetts, and PSNH. In addition, I have the overall  
17 responsibility for regulatory interfaces for all revenue requirement-related filings before  
18 the Massachusetts Department of Public Utilities (the "Department") and the New  
19 Hampshire Public Utilities Commission (the "Commission"), including filings associated  
20 with PSNH's default Energy Service ("ES"), Stranded Cost Recovery Charge ("SCRC"),  
21 Transmission Cost Adjustment Mechanism ("TCAM"), System Benefits Charge ("SBC"),

1 Regulatory Reconciliation Adjustment (“RRA”) mechanism, Pole Plant Adjustment  
2 Mechanism (“PPAM”), and Base Distribution Rates.

3 **Q. Ms. Botelho, have you previously testified before this Commission?**

4 A. Yes, I have.

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

6 A. My name is Edward A. Davis. My business address is 107 Selden Street, Berlin,  
7 Connecticut. My position is Director, Rates at Eversource Energy Service Company.

8 **Q. Mr. Davis, what are your responsibilities in your current position?**

9 A. In my position as Director of Rates at Eversource, I provide rate and tariff related services  
10 to the operating companies of Eversource Energy, including PSNH.

11 **Q. Mr. Davis, please describe your educational and professional background.**

12 A. I hold a Bachelor of Science degree in Electrical Engineering from the University of  
13 Hartford and a Master of Business Administration from the University of Connecticut. I  
14 joined Northeast Utilities, now Eversource Energy, in 1979, and have held various  
15 positions in the areas of consumer economics, engineering and operations, wholesale and  
16 retail marketing and rate design, regulation and administration.

17 **Q. Mr. Davis, have you previously testified before the Commission or other regulatory**  
18 **bodies?**

1 A. Yes. I have on many occasions testified before the New Hampshire Commission on behalf  
2 of Eversource, as well as before the state utility commissions in Connecticut and  
3 Massachusetts on behalf of other Eversource Energy affiliates on rate-related matters.

4 **Q. What is the purpose of your joint testimony?**

5 A. The purpose of our testimony is to seek the necessary approvals to set (i) a fixed average  
6 ES rate for the Small Customer group, and (ii) variable monthly ES rates for the Large  
7 Customer group, that will be applicable to both groups for the six-month period  
8 beginning February 1, 2025 and ending July 31, 2025, for the rate classes noted in the  
9 table below

Small Customer Rates (i)	Large Customer Rates (ii)
R	GV
R-OTOD	LG
G	B
G-OTOD	OL (billed outdoor lighting associated with rates above)
EOL, EOL-2 and OL (billed outdoor lighting associated with rates above)	

10

11 **Q. Have the ES rates been calculated consistent with the Commission’s Order Nos.**  
12 **27,022 (June 20, 2024), 27,034 (July 12, 2024), and 27,064 (October 15, 2024) in**  
13 **Docket No. DE 24-046?**

1 A. Yes, the proposed February 1, 2025 ES rates have been prepared consistent with the  
2 recent Commission orders directing the Company to establish ES rates for effect  
3 February 1, 2025 based on a combination of procurement methods to include (i)  
4 competitive Requests for Proposals (RFP) for the purchase of wholesale market power to  
5 serve 70% of the Small Customer load, and (ii) the Company's direct market-based  
6 participation and procurement of power and forecast/actual market prices from the ISO-  
7 NE market to serve 30 % of the Small Customer group load and 100% of the Large  
8 Customer group load. The two procurement approaches and related pricing are described  
9 in more detail and presented in the testimony of Parker Littlehale and Luann  
10 Lamontagne.

11 **Q. Has the Company complied with the Commission's directives in Order No. 27,022**  
12 **(June 20, 2024) by including a proposal to recover the approximate \$6.5 million**  
13 **Large Customer under-recovery<sup>1</sup> through the SCRC?**

14 A. Yes, the Company has complied with the Order No. 27,022 directives by (i) establishing  
15 a separate deferral account for the Large Customer under-recovery, including carrying  
16 charges, and (ii) including a proposal in the preliminary SCRC filing submitted on  
17 November 20, 2024 in Docket No. DE 24-112,<sup>2</sup> to recover the Energy Service  
18 Reconciliation Adder from all customers beginning February 1, 2025, as an equitable and  
19 reasonable approach due to the "backstop" nature of Energy Service.

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

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<sup>1</sup> Order No. 27,022 (June 20, 2024) at 9.

<sup>2</sup> Docket No. 24-112, Attachment ANB/EAD-13, Bates 72-74.

1 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE  
2 17-113, Eversource is requesting that the Commission review and approve a fixed six-  
3 month ES rate for the Small Customer group for the period of February 1, 2025 through  
4 July 31, 2025 based on the weighted average of the combination of (i) the RFP process  
5 for 70 percent of Small Customer load based on six monthly-contracted prices contained  
6 in the supply agreement(s) with the winning wholesale market bid selection(s), and (ii)  
7 the Company’s direct market-based participation/procurement of power and forecast  
8 market prices for 30 percent of Small Customer load in the ISO-NE market. For the  
9 Small Customer group, the proposed fixed ES rate for the period of February 1, 2025  
10 through July 31, 2025 is \$0.08929 per kWh, as calculated on page 1 of Attachment  
11 ANB/EAD-1 as follows:

<b>Small Customer Energy Service Rates (Average \$ per kWh)</b>					
<b>Docket No. DE 23-043 Approved Rates Order No. 26,920 (December 21, 2023)</b>		<b>Docket No. DE 24-046 Approved Rates Order No. 27,034 (July 12, 2024)</b>		<b>Docket No. DE 24-046 Proposed Rates (December 12, 2024)</b>	
February 2024 to July 2024	\$0.08285	August 2024 to January 2025	\$0.10403	February 2025 to July 2025	\$0.08929

12

13 The Company is also requesting that the Commission review and approve a monthly-  
14 variable ES rate for the Large Customer group for the period of February 1, 2025 through  
15 July 31, 2025 based on 100 percent of the Company’s direct market-based participation  
16 and procurement of power and forecast/actual market prices from the ISO-NE market.  
17 The proposed monthly ES rates for the period of February 1, 2025 through July 31, 2025,

1 for the Large Customer group, as calculated on page 2 of Attachment ANB/EAD-1, are  
2 as follows:

<b>Large Customer Energy Service Rates (\$ per kWh)</b>					
<b>Docket No. DE 23-043 Approved Rates Order No. 26,920 (December 21, 2023)</b>		<b>Docket No. DE 24-046 Approved Rates Order No. 27,034 (July 12, 2024)</b>		<b>Docket No. DE 24-046 Proposed Rates (December 12, 2024)</b>	
February 2024	\$0.18173	August 2024	\$0.08614	February 2025	\$0.10937
March 2024	\$0.12061	September 2024	\$0.07540	March 2025	\$0.06827
April 2024	\$0.09495	October 2024	\$0.06974	April 2025	\$0.06026
May 2024	\$0.09004	November 2024	\$0.09212	May 2025	\$0.05942
June 2024	\$0.09443	December 2024	\$0.13595	June 2025	\$0.06505
July 2024	\$0.11602	January 2025	\$0.18333	July 2025	\$0.07727

3  
4 **Q. Please describe the detailed support for the calculation of the Small Customer and**  
5 **Large Customer ES rates.**

6  
7 A. Attachment ANB/EAD-1, Page 1, provides the calculation of the total monthly ES rate  
8 for the Small Customer group, including the cost/(credit) of RPS compliance, prior period  
9 reconciliations for ES, RPS, cost of administrative and general (A&G) expense, and  
10 working capital requirement associated with the ES offering. The weighted average  
11 Small Customer group fixed ES rate for the period of February 1, 2025 through July 31,  
12 2025 is calculated on Line 13.

13  
14 Attachment ANB/EAD-1, Page 2, provides the calculation of the total monthly ES rates  
15 for the Large Customer group, including (i) the cost of RPS compliance, (ii) prior period  
16 reconciliation for RPS, (iii) the cost of administrative and general expense associated

1 with the ES offering and, (iv) a Working Capital adjustment. The monthly rates for the  
2 six-month period are calculated on Line 11.

3  
4 Attachment ANB/EAD-1, Page 3, provides the forecasted A&G expenses associated with  
5 the ES offering. The A&G adjustment factor is calculated on Line 8.

6  
7 Attachment ANB/EAD-1, Page 4, provides the forecasted working capital associated  
8 with the ES offering for both the Small Customer and Large Customer groups. The  
9 monthly ES rates for the six-month period are calculated on Lines 7, 14, and 19, whereby  
10 the sum of Lines 7 and 19 are for the Small Customer group and Lines 14 and 19 are for  
11 the Large Customer group.

12 **Q. Did the Company update the reconciliation factors provided in this rate request for**  
13 **rates effective February 1, 2025?**

14  
15 A. No. This rate filing includes the reconciliation factors as presented and approved in the  
16 July 3, 2024 ES rate filing and Order No. 27,034 for rates effective August 1, 2024, with  
17 the exception of the deferred Large Customer group under-recovery balance. Going  
18 forward, the Company proposes that the over- or under-recoveries in the Energy Service  
19 Reconciliation Adjustment Factor be determined in connection with the ES rate  
20 adjustment filing in June 2025, and then deferred and accrue carrying charges until they  
21 are included in the SCRC rate adjustment effective on February 1, 2026 (as described in  
22 the pre-filed testimony submitted in Docket No. DE 24-112, the Company proposes to



1 recover ES over/under recoveries through an “Energy Service Reconciliation Adder” as  
2 part of the non-bypassable SCRC mechanism from all customers). The RPS  
3 reconciliation adjustment factor will continue to be made on an annual basis and will also  
4 be filed in the upcoming June 2025 ES filing for ES rates effective August 1, 2025.

5 **Q. Did the Company comply with the Commission’s directives in Order No. 27,022**  
6 **(June 20, 2024) regarding the deferral of the projected Large Customer under-**  
7 **recovery at July 31, 2024?**

8  
9 A. Yes. In accordance with the Commission’s directives in Order No. 27,022 at 9, the  
10 Company (i) reclassified the projected \$6.5 million Large Customer under-recovery at  
11 July 31, 2024 to a separate deferral account, and (ii) proposes to integrate the Energy  
12 Service Reconciliation Adjustment Factor for recovery through the SCRC as follows:

13 • Having the Energy Service Reconciliation assessed through the SCRC as an  
14 equitable and reasonable approach due to the “backstop” nature of the Company’s Energy  
15 Service offering. In connection with what is proposed in SCRC Docket No. DE 24-112,  
16 the only part of the Energy Service Reconciliation Adjustment Factor that is being  
17 transferred from the ES rate to the SCRC rate at this time is the previously-deferred  
18 Large Customer Group under-recovery balance of approximately \$6.9 million (including  
19 carrying charges) to be recovered from all distribution customers.<sup>3</sup>

20 • As recognized in Order No. 27,022, that approach is equitable because all  
21 distribution customers benefit from the universal availability of default service as an

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<sup>3</sup> Docket No. DE 24-112 Attachment ANB/EAD-13, Bates 72-74.

1 alternative choice or “last resort” backstop option. In addition, this proposed approach is  
2 consistent with the rate recovery treatment currently in effect for the Company’s  
3 affiliated electric distribution company in Massachusetts.

4 **Q. Did the Company include a working capital component for energy supply and**  
5 **renewable energy certificates in the calculation of the Energy Service rates in this**  
6 **filing?**

7  
8 A. Yes. In Docket No. DE 18-073, Order No. 26,237 (April 25, 2019), the Commission  
9 authorized Eversource to use the results of a lead/lag study in the calculation of working  
10 capital requirements for ES rates. The Company’s most recent lead-lag study was  
11 included with the June 13, 2024 filing and approved by the Commission for ES rates  
12 effective August 1, 2024.<sup>4</sup> That same study is included as Attachment ANB/EAD-4,  
13 page 1, in this filing, and utilizes the results of the study to calculate cash working capital  
14 requirements for ES rates effective February 1, 2025.

15 **Q. Has the Company calculated the customer bill impacts for the proposed February 1,**  
16 **2025 Small Customer and Large Customer ES rate changes?**

17  
18 A. Yes. The Small Customer and Large Customer rate impacts are provided in Attachment  
19 ANB/EAD-5.

- 20 • Page 1 provides a comparison of residential rates proposed for effect February 1,  
21 2025 to current rates effective November 1, 2024 for a 550 kWh monthly bill, a

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<sup>4</sup> Order Nos. 27,022 (June 20, 2024) and 27,034 (July 12, 2024).

1           600 kWh monthly bill, and a 650 kWh monthly bill. For a 600 kWh monthly bill,  
2           the impact would be a decrease of approximately 5.9%.

3           • Page 2 provides a comparison of residential rates proposed for effect February 1,  
4           2025 to rates effective February 1, 2024 for a 550 kWh monthly bill, a 600 kWh  
5           monthly bill, and a 650 kWh monthly bill. For a 600 kWh monthly bill, the  
6           impact would be an increase of approximately 9.3%.

7           • Page 3 provides the average impact of each change on bills for all rate classes by  
8           rate component and on a total bill basis, including Energy Service.

9           The rate impacts provided in Attachment ANB/EAD-5 incorporate all recovery  
10          mechanism rate changes effective as of November 1, 2024, and the ES rate change  
11          proposed in this filing.

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

13    A.    Yes, updated tariff pages have been provided as Attachment ANB/EAD-6.

14   **Q.    Does Eversource require Commission approval of the Small Customer and Large**  
15   **Customer ES rates by a specific date?**

16  
17    A.    Yes, in order to lock in the RFP results and execute contracts with the proposed bidders  
18          selected through the RFP process for the Small Customer group tranches, Eversource is  
19          seeking final approval of the proposed Small Customer and Large Customer ES rates by  
20          December 19, 2024.

1 **Q. Would Commission approval of the Small Customer and Large Customer bids, self-**  
2 **supply proxy prices, and the corresponding ES rates result in just and reasonable**  
3 **rates?**

4  
5 A. Yes, it would.

6

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

8 A. Yes, it does.

9

10