

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-050

Date of Response: December 06, 2024
Page 1 of 2

Request from: New Hampshire Public Utilities Commission

Witness: Horton, Douglas P.

Request:

Please refer to PUC TS-002 correcting PUC 1-3, the proposed modifications and corrections represent a large change, please provide the accompanying corrected illustrative PBRA attachments (ES-DPH-1 and ES-DPH-2) to provide the details of the changes in clean and track change versions.

Response:

As a point of clarification, the Company's response to PUC TS1-002 provided an *alternative presentation* of the same information that was provided in response to PUC-1-003, rather than correcting or changing any of the information that had been relied upon or presented in the Company's response to PUC 1-003.

The graph provided in response to information request PUC 1-003 showed illustrative annual incremental revenue changes year over year resulting from the PBR adjustments, inclusive of I-X and K-bar adjustments, whereas the graph presented in response to PUC TS1-002 presented the same information on a cumulative basis. The response to PUC TS1-002 also included the impact of the permanent base rate change, which the Company did not include in the response to PUC 1-003, since, in that response, the Company had originally intended to focus on the incremental annual impacts of the I-X and K-bar adjustment. The Company's understanding of the PUC's request from the technical session was to present the full (rather than incremental increase) in the response to PUC TS1-002.

Please see Table PUC 4-050 below which compares the revenue increases included in PUC 1-003 (incremental revenue increases) vs. PUC TS1-002 (cumulative revenue increases). This is also provided as Attachment PUC 4-50(a).

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-050

Date of Response: December 06, 2024
Page 2 of 2

TABLE PUC 4-050

	<u>8/2025</u>		<u>8/2026</u>		<u>8/2027</u>		<u>8/2028</u>		<u>8/2029</u>		<u>8/2030</u>	
	<u>Modified Proposal</u>	<u>Initial Proposal</u>	<u>Modified Proposal</u>	<u>Initial Proposal</u>	<u>Modified Proposal</u>	<u>Initial Proposal</u>	<u>Modified Proposal</u>	<u>Initial Proposal</u>	<u>Modified Proposal</u>	<u>Initial Proposal</u>	<u>Modified Proposal</u>	<u>Initial Proposal</u>
<i>Cumulative Revenue</i>												
K-Bar	44		65	42	85	60	106	81	106	81	106	81
2024 Rate Case - Perm 8/2025 excl 2024 Plant	97	97	97	97	97	97	97	97	97	97	97	97
RR on 2024 Plant in Perm COS		24		24		24		24		24		24
I-X			9	10	19	20	29	31	29	31	29	31
2029 Rate Case - Temp 8/2029									21	21	21	21
2029 Rate Case - Perm 8/2030											53	53
Total	141	121	171	172	201	201	233	233	254	254	307	307
Per TS 1-002	141	121	171	172	201	201	233	233	254	254	307	307
Exclude Perm Rate Increase without 2024 Plant	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)
Cumulative Revenue post 2023TY	44	24	74	75	104	104	136	136	157	157	210	210
Annual Incremental Revenue	44	24	31	52	29	29	32	32	21	21	53	53
Per PUC 003	44	24	31	52	29	29	32	32	21	21	53	53

Please refer to Attachment PUC 4-50(b) that provide calculations in Attachment ES-DPH-1 for the modified proposal discussed in PUC 1-3. Changes in inputs from the original Attachment ES-DPH-1 have been highlighted. Please note, there are no changes to Attachment ES-DPH-2 resulting from the modified proposal. As discussed during technical sessions, the Company’s modified proposal includes the removal of the revenue requirements related to incremental 2024 investment from permanent rates effective August 1, 2025 (estimated at approximately \$24 million in the Company’s permanent rate request)¹ to be replaced by a K-bar revenue adjustment (estimated at approximately \$44 million) to take effect on August 1, 2025. The first K-bar adjustment would rely on average annual investment for the years 2022-2024 escalated to 2025 dollars using the I-X formula. Though the Company’s modified proposal includes K-bar revenues effective August 1, 2025, there would be no I-X revenue increase taking effect at that time. The subsequent PBR increases (both K-bar and I-X) would proceed as normal with rates effective August 1st of 2026, 2027, and 2028, consistent the Company’s initial proposal.

As a final point, please note that the amounts presented in PUC 1-003 and TS-1-002 are illustrative in that they are based on estimated 2024 plant activity, both in terms of the K-bar calculation, and in terms of the capital related components included in the Company’s permanent rate request. These illustrative calculations will be updated for actual amounts during the pendency of this proceeding, once 2024 actual results are known and final.

¹ The proposed modification is an alternative approach to reviewing the 2024 capital documentation that will be fully provided in March 2025.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-051

Date of Response: December 06, 2024
Page 1 of 1

Request from: New Hampshire Public Utilities Commission

Witness: Horton, Douglas P.

Request:

The response in PUC TS1-002 states that the chart is a “replacement table to that which appears in the response to PUC1-3.” Regarding the TS1-002 chart, the modified proposal’s rate increases are higher over the years than the initial proposal, specifically, August 2025 where there is a rate increase that is \$20 million higher, but in the subsequent years all rate increases are equal. Please explain why the modified proposal results have overall higher rates by \$20 million.

Response:

As a point of clarification, the Company’s response to PUC TS1-002 is not a “replacement table” to PUC 1-3. As discussed in PUC TS1-002 (Corrected) submitted on November 6, 2024, the chart is similar to PUC 1-3 and shows the rate increases cumulatively over the rate plan period.

Please see the Company’s responses to PUC 4-050 and PUC-1-003. PUC 1-003 initially asked the Company why the 2026 K-bar revenue adjustment was so much higher than the K-bar revenue adjustment in 2027 and 2028. The Company explained in that response that the estimated K-bar adjustment is higher in 2026 than in 2027 and 2028 because 2026 is a transition year and encompasses two years of capital additions. Also in that response, the Company presented a modified proposal for consideration which would result in a K-bar increase effective August 1, 2025, of \$44 million. This number compares to the 2024 capital additions reflected in the Company’s permanent rate application of \$24 million, which means that the Company’s alternative proposal is \$20 million greater on August 1, 2025, than the Company’s initial filing request. However, conversely, the Company’s alternate proposal *lowers* the PBR adjustment effective August 1, 2026 by \$21 million, as compared with the Company’s original computation of \$52 million on that date. Changes in other years are essentially identical in either scenario.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-052

Date of Response: December 06, 2024
Page 1 of 3

Request from: New Hampshire Public Utilities Commission

Witness: Horton, Douglas P.

Request:

Regarding the PUC TS1-002 Chart, in 2029 and 2030, the orange and green increases represent a future rate case, please elaborate if the chart assumes the PBR is extended in those years. Please provide the alternative graphical representation of a continuation of the PBR framework as was provided in PUC 1-003.

Response:

No. The chart provided in PUC TS1-002 does not assume PBR is extended in 2029 and 2030. The chart provided in response to PUC-1-003 presented data through 2029, both assuming (1) a continuation of PBR in lieu of a rate case and (2) assuming that PBR ended, and in its place, the Company instead filed a rate case. In the illustrative presentation presented in response to PUC-1-003, the Company intended to demonstrate an important benefit of the PBR Plan, which is future rate stability once the transition to a PBR framework is made. Specifically, the chart in PUC-1-003 showed that, in the absence of PBR continuing, the Company would anticipate a rate case to be filed for temporary rates effective August 1, 2029 based on a calendar year-end plant in service of December 31, 2028. In that case, permanent rates are assumed to take effect August 1, 2030, including plant in service through December 31, 2029, similar to the Company's initial proposal in this proceeding.

Referring to the chart provided in response to PUC-1-003, for "8/2029" and "8/2030," the solid magenta and green/gray bars reflect a temporary and permanent rate change computed using the estimated revenue deficiency at that time. With a smaller increase in 2029 of \$21 million (for temporary rates) followed by a relatively larger increase in 2030 of \$53 million (for permanent rates). These bars indicate the impact of ending the PBR Plan and conducting a traditional rate case.

The chart provided in PUC TS1-002 does not assume PBR is extended in 2029 and 2030 and, instead, presented the rate case scenario (represented by solid magenta and green/gray bars presented in response to PUC-1-003).

Below, the Company is providing a presentation (PUC 4-052 Chart) consistent with the graph provided in PUC TS1-002 that aligns with the assumption that PBR was extended in 2029 and

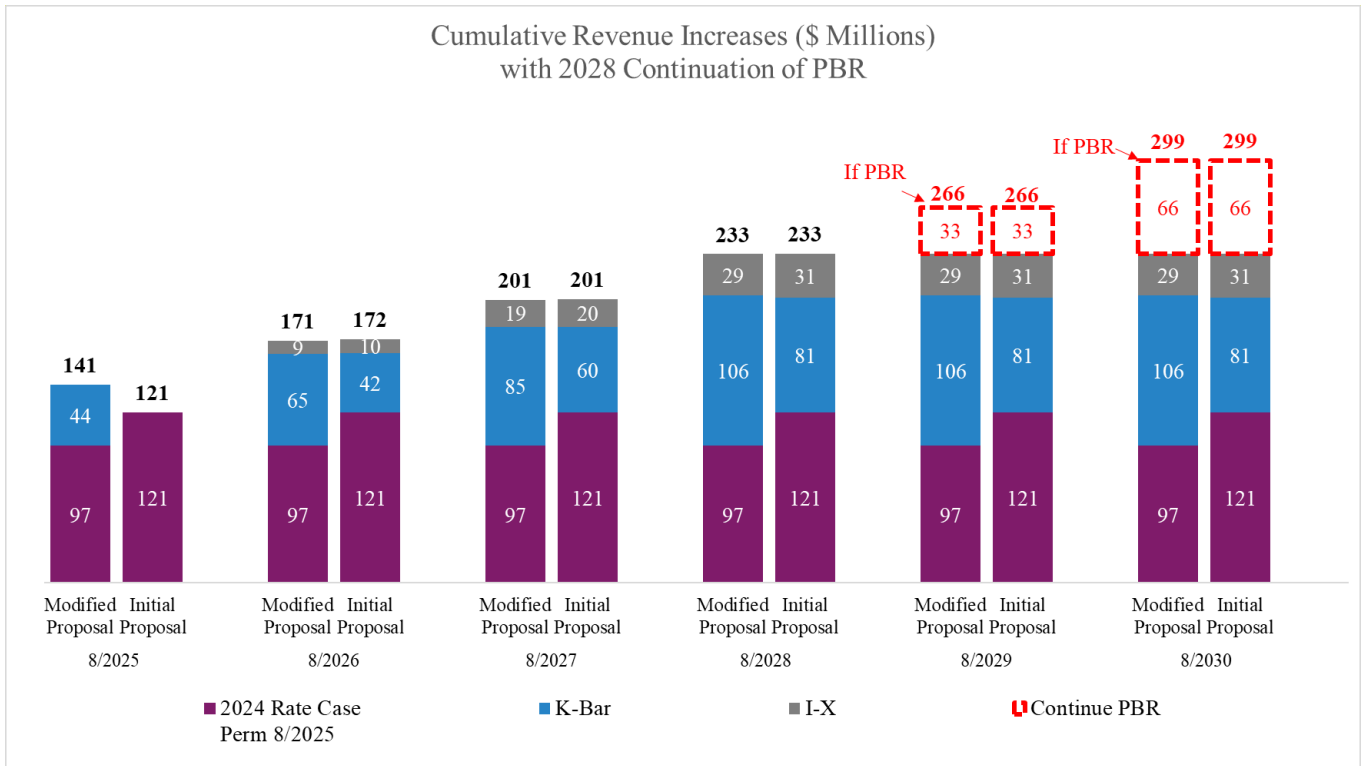
Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-052

Date of Response: December 06, 2024
Page 2 of 3

2030, in lieu of a full rate case, and consistent with the same scenario in PUC-1-003. The red dotted lines shown for “8/2029” and “8/2030” show the illustrative revenue increases assuming *no rate case* and – instead – continuation of the PBR and K-bar framework. With continuation of the PBR framework, the annual increase is lowered to \$33 million per year. The important point here is that the impact to customers would be smoothed considerably as compared to the traditional model of temporary rates followed by a permanent rate change. In addition, the Company has reproduced the TS1-002 Chart, which assumes the PBR term is not extended and instead the Company files a new rate case under traditional ratemaking, for comparison purposes.

PUC 4-052 Chart:



Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 24-070

Date Request Received: November 21, 2024
Data Request No. PUC 4-052

Date of Response: December 06, 2024
Page 3 of 3

TS1-002 Chart (reproduced for ease of comparison):

