

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 24-070
REQUEST FOR CHANGE IN RATES

DIRECT TESTIMONY OF

Edward A. Davis

Temporary Rates and Tariff Changes

On behalf of Public Service Company of New Hampshire

d/b/a Eversource Energy

June 11, 2024

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PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY

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1 **I. INTRODUCTION**

2 **Q. Please state your name, position and business address.**

3 A. My name is Edward A. Davis. I am employed by Eversource Energy Service Company as
4 the Director of Rates. In this position, I provide support to Public Service Company of
5 New Hampshire, d/b/a Eversource Energy (“PSNH” or the “Company”). My business
6 address is 107 Selden Street, Berlin, Connecticut.

7 **Q. What are your principal responsibilities in this position?**

8 A. As the Director of Rates, I am responsible for activities related to rate design, cost of service
9 and rates administration for all electric and gas subsidiaries of Eversource Energy,
10 including PSNH.

1 **Q. Please describe your educational and professional background.**

2 A. I hold a Bachelor of Science degree in Electrical Engineering from University of Hartford
3 and a Master of Business Administration degree from the University of Connecticut. I
4 joined Northeast Utilities in 1979 and have held various positions in the areas of consumer
5 economics, engineering and operations, wholesale and retail marketing and rate design,
6 regulation and administration. Attachment ES-EAD-7 provides further information on my
7 professional background and experience.

8 **Q. Have you testified previously before the New Hampshire Public Utilities Commission**
9 **or other regulatory bodies?**

10 A. Yes. I have testified before the New Hampshire Public Utilities Commission
11 (“Commission”) on behalf of PSNH, and at the state utility commissions in Connecticut
12 and Massachusetts on behalf of other Eversource Energy companies on rate related matters.

13 **II. SCOPE AND PURPOSE**

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to present the Company’s requested changes to temporary
16 base distribution rates and corresponding tariff changes, consistent with the revenue
17 requirements proposals presented in the revenue requirements testimony of Ashley N.
18 Botelho and Yi-An Chen (“Temporary Rate Revenue-Requirement Analysis Testimony”).
19 Details and timing for implementation of these rates and mechanisms are discussed in the
20 Temporary Rate Revenue-Requirement Analysis Testimony.

1 In support of the Company’s temporary rate proposal, I will discuss the development of
2 temporary distribution rates for effect August 1, 2024.

3 **Q. Please describe the exhibits being included with this testimony.**

4 A. The following is a brief description of the attachments included with my testimony in
5 support for the requested proposed rate changes.

Attachment Designation	Purpose/Description
Attachment ES-EAD-1 (Temp)	Clean Tariff – Temporary Rates
Attachment ES-EAD-2 (Temp)	Marked Tariffs – Temporary Rates
Attachment ES-EAD-3 (Temp)	Summary of Current and Temporary Proposed Distribution Rates
Attachment ES-EAD-4 (Temp)	Report of Proposed Changes – Temporary Rates
Attachment ES-EAD-5 (Temp)	Typical Bill Comparisons – Temporary Rates
Attachment ES-EAD-6 (Temp)	Development of Proposed Temporary Distribution Rates and Revenue by Rate Class
Attachment ES-EAD-7	Professional Background and Experience

6 **III. TEMPORARY RATES**

7 **Q. Please provide a summary of the temporary rate changes proposed in this filing.**

8 A. The Company has designed proposed rates to recover a distribution revenue increase of
9 \$77 million, consistent with the overall temporary revenue requirement. Specifically, the
10 attached tariff pages present the temporary distribution rates that will remain in effect until
11 new permanent rates are approved by the Commission and go into effect pursuant to RSA
12 378:28. On a total bill basis, this represents an overall average increase of approximately
13 5.04 percent relative to current rates. The amount of this increase varies among rate classes,
14 depending on the level of distribution revenue included in the overall class revenue. For
15 example, distribution cost-of-service for secondary-voltage classes (like Residential Rate

1 R) is a larger share of the class's overall cost-of-service compared to higher voltage classes.
2 As such, while the company-wide average impact on total bills is 5.04 percent, Residential
3 class impacts average 6.57 percent while Large General Service impacts average 2.03
4 percent.

5 Class level summaries and details of the proposed increases for the five categories of
6 customer rate classes (residential service, small general service, primary-voltage general
7 service, large general service and outdoor lighting) are presented on Attachment
8 ES-EAD-4 (Temp).

9 **Q. How has the Company proposed to recover the increased temporary distribution**
10 **revenue requirement from customers?**

11 A. For temporary rates that will be effective August 1, 2024, the Company has proposed to
12 increase current distribution rates across-the-board by a uniform percentage. That is, each
13 class's distribution rates were adjusted by the same percentage necessary to generate the
14 new temporary revenue requirement. Attachment ES-EAD-3 (Temp) demonstrates this
15 rate adjustment showing each component distribution rate increased by the same
16 +18.33 percent. By adjusting each rate in this manner, the Company has maintained the
17 relative revenue responsibility and rate design among rate classes that exists under current
18 rates.

19 Attachment ES-EAD-6 (Temp) provides revenue proof calculations to demonstrate that the
20 proposed rates meet the proposed target revenue requirement. Attachment
21 ES-EAD-5 (Temp) provides detailed rate and bill impact comparisons for each rate class

1 to show the effect of an across-the-board increase on customers across a comprehensive
2 set of usage and, where appropriate, demand characteristics.

3 **Q. Please describe the bill impact for a typical residential customer.**

4 A. Table 1 below summarizes the monthly bill impact for a typical residential customer using
5 600 kilowatt-hours per month. Under the Company’s proposal, a residential customer who
6 consumes 600 kilowatt-hours of electricity per month will see an increase to their monthly
7 bill of \$8.42, or 6.56 percent. A comprehensive set of bill impacts for residential customers
8 at various levels of usage is provided in Attachment ES-EAD-5 (Temp).

Monthly Usage (kWh)	Monthly Bill		Change (\$)	Change (%)
	Current	Proposed		
600	\$128.35	\$136.77	\$ 8.42	6.56%

9
10 **Q. Will the Company reconcile the temporary distribution rates to the permanent
11 distribution rates that will be filed subsequently with the Commission?**

12 A. Yes. Upon approval by the Commission of permanent rates, the Company’s temporary
13 rates will be reconciled from August 1, 2024 to the date the permanent rates take effect.
14 Assuming the Commission accepts PSNH’s proposed permanent rate level, the
15 reconciliation would produce a short-term increase to distribution rates (to recover the
16 revenue shortfall that occurs during the time frame in which temporary rates are in effect),
17 plus a permanent increase to distribution rates equal to the difference between the
18 temporary and permanent rate levels. PSNH recommends implementing temporary rates at
19 the proposed level, with the understanding that any difference between the permanent rate

1 level and the temporary rate level will be recovered from or refunded to customers, as
2 authorized by the Commission, over a future period.

3 **Q. Has the Company proposed any other changes for temporary rates effective August**
4 **1, 2024?**

5 A. No. Distribution rates have simply been adjusted by a uniform percentage necessary to
6 collect the temporary revenue requirement. No other changes to the tariff are proposed for
7 this rate change. Attachment ES-EAD-1 (Temp) and ES-EAD-2 (Temp) shows the
8 distribution rate changes proposed for effect August 1, 2024.

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

10 A. Yes, it does.