

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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

JOINT TESTIMONY OF
Mark Kolesar and Agustin J. Ros, Ph.D.

Performance Based Regulation

On behalf of Public Service Company of New Hampshire
d/b/a Eversource Energy
March 10, 2025

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PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
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1 **I. INTRODUCTION**

2 *Mark Kolesar*

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

4 A. My name is Mark Kolesar. Currently I am the Managing Principal at Kolesar Buchanan
5 & Associates Ltd. (“KB&A”) and an Affiliate Consultant at Ankura Consulting Group.
6 My business address at KB&A is 47 Tuscany Glen Place NW, Calgary, Alberta, Canada,
7 T3L 2T6.

8 **Q. Please summarize your educational background.**

9 A. I have an Honors Degree in Philosophy and a Master of Business Administration in
10 Managerial Economics and Finance both from the University of Ottawa.

11 **Q. Please summarize your professional background.**

12 A. I have over 30 years of experience in the regulated utilities sector, having worked in the
13 areas of regulation and public policy, external relations, marketing, strategy and business

1 development, and mergers and acquisitions. This includes over 20 years of corporate
2 experience in the telecom sector, where I was Vice President, Economic Affairs at TELUS
3 Corporation. During this time, I was engaged in the adoption of performance-based
4 ratemaking (“PBR”) in the telecommunications sector.

5 In 2008, I joined the Alberta Utilities Commission (“AUC”). During my twelve-year
6 tenure as a member of the AUC, I served six years as Vice Chair and two years as Chair of
7 the commission. During my time at the AUC, my fellow commissioners and I worked
8 together to issue over 1,400 decisions, and I was instrumental in the initial adoption of PBR
9 in Alberta. During my AUC tenure, I adjudicated numerous PBR applications for two gas
10 distribution utilities, four electric distribution utilities and one electric transmission utility.

11 Since leaving the AUC in July 2020, I have been a researcher, author and consultant in
12 utility regulation and policy development, and a frequent participant in webinars and
13 conferences in both Canada and the United States. My current areas of research include
14 incentive regulation, the theory and practice of PBR, community energy projects, the
15 integration of distributed energy resources into the grid, the future of utility rate design,
16 utility business models, and regulatory renewal in response to emerging utility industry
17 dynamics. I have advised several utilities and regulators on matters related to PBR and
18 incentive regulation.

1 **Q. Have you previously testified before the Commission or other regulatory agencies?**

2 A. I have not previously testified before the New Hampshire Public Utilities Commission. I
3 have previously testified before the Commonwealth of Massachusetts Department of
4 Public Utilities in base distribution rate proceedings, D.P.U. 23-80 and D.P.U. 23-81.

5 *Dr. Agustin J. Ros*

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

7 A. My name is Agustin J. Ros. I am Senior Managing Director at Ankura Consulting Group
8 (“Ankura”) and Adjunct Professor at the International School of Business at Brandeis
9 University. My business address at Ankura is 265 Franklin Street, Suite 1005, Boston,
10 Massachusetts 02110.

11 **Q. Please summarize your educational background.**

12 A. I have a Bachelor of Arts degree in economics from Rutgers University-Newark and a
13 Master of Science in economics from the University of Illinois-Champaign-Urbana. I
14 received my Ph.D. in economics from the University of Illinois-Champaign-Urbana.

15 **Q. Please summarize your professional background.**

16 A. I began my career as a regulatory economist working as an Executive Assistant to the
17 Chairman of the Illinois Commerce Commission (“ICC”), where I provided economic and
18 policy advice to the Chairman on all matters before the ICC. During my tenure at the ICC,
19 I was seconded to the Federal Communications Commission (“FCC”) to participate in the
20 Federal-State partnership implementation of the Telecommunications Act of 1996. For the
21 past 28 years since my departure from the ICC, I have been employed by several economic

1 consulting firms, most recently by Ankura, where I have consulted and testified on matters
2 involving regulatory economic and antitrust issues in the energy, postal,
3 telecommunications, and water sectors. During that time, I have taught economics at
4 Northeastern University and am currently an Adjunct Professor at Brandeis University,
5 where I teach a class on regulation and antitrust.

6 **Q. Please describe your background involving PBR.**

7 A. I have 30 years of experience with PBR, beginning in 1994, where I advised the Chairman
8 of the ICC on the first PBR plan for a utility in Illinois, Illinois Bell Telephone. Since then,
9 I have worked on dozens of PBR plans -- many of which involved Total Factor Productivity
10 (“TFP”) and the establishment of the “X-Factor” for use in a PBR formula. Included in
11 my PBR and TFP experience is work on early studies before the FCC and before state
12 public utility commissions (“PUCs”) involving the incumbent local telephone companies,
13 as well as TFP studies involving telephone operators in Mexico and Peru.

14 I have experience working on TFP and PBR in the electricity sector. In 2010, I was an
15 expert on behalf of the AUC and conducted a TFP study for the electricity and natural gas
16 distributors in Alberta that the AUC utilized to determine the appropriate X-Factor. I
17 recently led a TFP, cost benchmarking and stretch factor study on behalf of Hydro-Québec
18 TransÉnergie before the Régie de l’énergie.

1 **Q. Have you published academic, peer-reviewed articles on TFP and PBR?**

2 A. Yes. I have several publications in academic journals discussing the theory and
3 implementation of TFP, PBR and, most recently, an article on econometric cost
4 benchmarking analysis.

5 **Q. Have you previously testified before the Commission or other regulatory agencies?**

6 A. Yes. I have testified twice before the New Hampshire Public Utilities Commission in
7 Docket Nos. DE 19-057 and DE 19-064, on behalf of the Staff of New Hampshire Public
8 Utilities Commission, involving electricity marginal cost of service studies. I have also
9 testified on dozens of occasions before federal agencies, state PUCs, federal district courts
10 and before international PUCs and regulatory agencies.

11 **II. JOINT REBUTTAL TESTIMONY**

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

13 A. Our rebuttal testimony provides expert opinion evidence with respect to Public Service
14 Company of New Hampshire's ("PSNH" or the "Company") performance-based
15 regulation application.

16 **Q. Please summarize your testimony.**

17 A. Our testimony provides a response set forth in the attached Joint Rebuttal Report to the
18 relevant issues raised in intervenor testimony including whether the Commission should
19 adopt PBR, the risks to consumers, whether the PBR formula functions as a price cap, the
20 productivity x-factor, the empirical industry productivity, the benchmarking study, the
21 stretch factor (consumer dividend), the K-Bar mechanism, an alternative to the K-Bar

1 mechanism, the earnings sharing mechanism, the Z factor, the prudence review, a reopener
2 provision, the renewal option, revenue decoupling, and an alternative revenue cap.

3 **Q. Are you presenting any attachments in addition to your testimony?**

4 A. Yes. We are presenting the following attachments in support of the proposed PBR plan:

Attachment Designation	Purpose/Description
Attachment ES-MK-AR-REBUTTAL-1	<i>Joint Rebuttal Report</i>

5

6 **III. CONCLUSION**

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

8 A. Yes.