

**THE STATE OF NEW HAMPSHIRE**  
**BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**  
**PREPARED TESTIMONY OF CHRISTOPHER J. GOULDING**  
**MID-TERM ADJUSTMENT EFFECTIVE JULY 1, 2014**  
**2014 STRANDED COST RECOVERY CHARGE**  
**RATE CHANGE**  
**Docket No. DE 13-274**

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

2   A.     My name is Christopher J. Goulding. My business address is 780 North Commercial Street,  
3           Manchester, NH. I am employed by Northeast Utilities Service Company (NUSCO) as the  
4           Manager, Revenue Requirements – PSNH. NUSCO provides centralized services to the  
5           Northeast Utilities (NU) operating subsidiaries Public Service Company of New Hampshire  
6           (PSNH), The Connecticut Light and Power Company, Yankee Gas Services Company, Western  
7           Massachusetts Electric Company, NSTAR Electric Company and NSTAR Gas Company.

8   **Q.     Have you previously testified before the Commission?**

9   A.     No, I have not. The ES and SCRC mid-year rate adjustment filings are the first time I am  
10          sponsoring testimony before the Commission.

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

12  A.     I graduated from Northeastern University in Boston, MA in 2000 with a Bachelor of Science in  
13          Business Administration with a concentration in Accounting and from Boston College in  
14          Chestnut Hill, MA in 2009 with a Master's in Business Administration.

1    **Q.     Please describe your professional experience.**

2    A.     Upon graduation from Northeastern University, I was hired by NSTAR Electric & Gas Company  
3           (now NUSCO) and have held various positions in Accounting, Corporate Finance and Regulatory  
4           with increasing responsibility through my current position as Manager, Revenue Requirements –  
5           PSNH.

6    **Q.     What are your current responsibilities?**

7    A.     I am currently responsible for the coordination and implementation of revenue requirements  
8           calculations for PSNH, as well as the filings associated with PSNH's Energy Service charge, the  
9           Stranded Cost Recovery charge, the Transmission Cost Adjustment Mechanism, and the  
10          Alternate Default Energy Rate.

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

12   A.     The purpose of my testimony is to provide a detailed overview of PSNH's request for a mid-term  
13          adjustment to decrease the average Stranded Cost Recovery Charge (SCRC) rate effective on July  
14          1, 2014.

15   **Q.     What is PSNH requesting in this proceeding?**

16   A.     In this proceeding, PSNH is requesting that the Commission approve a mid-term adjustment to  
17          the average SCRC rate for all customers effective July 1, 2014. This adjustment, as calculated  
18          today and consistent with the concurrent ES rate filing, results in a decrease of 0.41¢/kWh to the  
19          current average SCRC rate of 0.35¢/kWh resulting in an average rate of (0.06)¢/kWh for effect  
20          from July 1 through December 31, 2014. This revised average SCRC rate was based on actual  
21          results through March 2014 and an updated forecast for the remainder of 2014. PSNH is  
22          proposing the SCRC rate change to take effect July 1, 2014 consistent with its concurrent

1 proposal to change the ES rate. In addition, in early June 2014, PSNH will file its proposal to  
2 change the Transmission Cost Adjustment Mechanism (TCAM) effective July 1, 2014 and will  
3 also file updated SCRC and ES rates.

4 **Q. Please describe the components of the SCRC and their impact on this rate request.**

5 A. The SCRC recovers certain costs under the authorities contained in RSA Chapters 374-F and 369-  
6 B. The PSNH Restructuring Settlement, approved in Order No. 23,549, defined PSNH's stranded  
7 costs and categorized them into three different parts (i.e., Parts 1, 2 and 3). Part 1 is composed of  
8 the RRB Charge which is calculated to recover the principal, net interest, and fees related to Rate  
9 Reduction Bonds. Part 2 costs are "ongoing" stranded costs consisting primarily of the over-  
10 market value of energy purchased from independent power producers (IPPs) and the amortization  
11 of payments previously made for IPP buy-downs and buy-outs as approved by the Commission.  
12 In addition, the SCRC has a return component, consisting primarily of the stipulated return on  
13 deferred taxes related to securitized stranded costs. The return is a benefit to  
14 customers which reduces the overall SCRC level. Part 3 costs, which were primarily the  
15 amortization of non-securitized stranded costs, were recovered fully in June 2006. Pursuant to  
16 Order No. 25,610 issued in Docket No. DE 13-274, PSNH is currently billing an average SCRC  
17 rate of 0.35¢/kWh which was made effective for the period January 1, 2014 through December  
18 31, 2014.

19 **Q. Please describe the detailed support for the calculation of the average SCRC rate provided**  
20 **in Attachment CJG-1.**

21 A. Attachment CJG-1, pages 1-3, provides a summary of 2014 cost information related to Part 1 and  
22 Part 2 costs, amortization of securitized assets and ongoing cost activity. Pages 4 through 7  
23 provide the detailed cost information by month related to Part 1 and Part 2 costs.

1    **Q.    How are PSNH's mandated purchased power obligations from IPPs valued in the SCRC?**

2    A.    The over-market portion of purchases from the IPPs is considered to be a stranded cost and is  
3        recovered through the SCRC. The market value of the IPP purchases is reflected in the Energy  
4        Service rate, which PSNH is proposing to increase on July 1, 2014 in a concurrent filing made  
5        under separate cover. This treatment is consistent with the Restructuring Settlement and the  
6        Commission's Order in Docket No. DE 02-166.

7    **Q.    Describe what has transpired during the SCRC period beginning January 1, 2014 that**  
8        **resulted in your request to decrease the average rate level.**

9    A.    The current average SCRC rate of 0.35¢/kWh became effective January 1, 2014 for the twelve-  
10       month period January through December 2014. The primary reason for the recommended  
11       decrease in the rate to (0.06)¢/kWh is due to proceeds of \$13.1 million from the Department of  
12       Energy Phase II litigation being refunded to customers.

13   **Q.    Please describe the Department of Energy litigation refund.**

14   A.    A credit to customers of \$13.1 million is included in the filing to reflect PSNH's portion of  
15       refunds of decommissioning costs resulting from FERC settlements regarding treatment of  
16       litigation proceeds between the Department of Energy and the following nuclear plants:  
17       Connecticut Yankee, Yankee Atomic and Maine Yankee. The refund is expected to be provided  
18       to PSNH in a lump sum in the second half of 2014.

19   **Q.    When will PSNH provide an update to the proposed average SCRC rate?**

20   A.    The filing will be updated in about 5 weeks to reflect actual results for April 2014 and for any  
21       other significant changes.

1   **Q.     Does the Commission need to make a determination at this time of the prudence of the costs**  
2       **incurred since January 1, 2014?**

3   A.    No. Those issues will be addressed in the Energy Service/Stranded Cost Recovery Charge  
4        reconciliation docket which has traditionally been filed in early May following the calendar year  
5        when those costs were incurred and collected.

6   **Q.     Does PSNH require Commission approval of this rate by a specific date?**

7   A.    Yes. Due to the number of rate components that will change, PSNH requests approval of the  
8        proposed SCRC rate by Thursday, June 26 to allow sufficient time to implement, test and bill the  
9        new rates on our regular schedule and to avoid any delay in billing for service rendered as of July  
10       1, 2014 (a Tuesday). Therefore, PSNH requests that the Commission reopen this proceeding so  
11       that the procedural schedule can be set to review this filing and approve the SCRC rate in a timely  
12       manner.

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

14   A.    Yes, it does.