

**BEFORE THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION**

DOCKET NO. DE 25-017

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

**RECONCILIATION OF DEFAULT ENERGY SERVICE FOR THE PERIOD
AUGUST 1, 2025 THROUGH JANUARY 31, 2026**

**DIRECT TESTIMONY OF
Bryant K. Robinson
AND
Richard D. Chin**

JUNE 19, 2025

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Direct Testimony of Bryant K. Robinson and Richard D. Chin

June 19, 2025

1 **I. INTRODUCTION**

2 **Q. Mr. Robinson, please state your name, business address, and position.**

3 A. My name is Bryant K. Robinson. My business address is 780 North Commercial Street,
4 Manchester, New Hampshire. I am a Team Leader of Revenue Requirements, Distribution,
5 for Eversource Energy Service Company (“ESC”).

6 **Q. Mr. Robinson, please provide your educational and professional background.**

7 A. I graduated from the University of Massachusetts at Dartmouth in North Dartmouth,
8 Massachusetts with a Bachelor of Science in Finance. I graduated from Northeastern
9 University with a Master of Business Administration degree. I’ve been working with ESC
10 and its predecessor companies in the Revenue Requirements function for a number of
11 years. In May 2020, I assumed the responsibilities of the Team Leader, New Hampshire
12 Revenue Requirements position.

1 **Q. Mr. Robinson, what are your responsibilities in your current position?**

2 A. I am currently responsible for the coordination and implementation of revenue requirement
3 calculations and regulatory filings for Public Service Company of New Hampshire, d/b/a
4 Eversource Energy (“Eversource” or the “Company”), including the filings associated with
5 PSNH’s default Energy Service (“ES”), Stranded Cost Recovery Charge (“SCRC”),
6 Transmission Cost Adjustment Mechanism (“TCAM”), System Benefits Charge (“SBC”),
7 Regulatory Reconciliation Adjustment (“RRA”) mechanism, Pole Purchase Adjustment
8 Mechanism (“PPAM”), and Base Distribution Rates.

9 **Q. Mr. Robinson, have you previously testified before the New Hampshire Public**
10 **Utilities Commission (the “Commission”)?**

11 A. Yes, I have previously provided testimony before the Commission in support of the
12 Company’s prior RRA and SCRC dockets.

13 **Q. Mr. Chin, please state your name, business address and position.**

14 A. My name is Richard D. Chin. I am employed by ESC as the Manager of Rates in New
15 Hampshire and Massachusetts. In this position, I provide support to the Company. My
16 business address is 247 Station Drive, Westwood, Massachusetts.

17 **Q. Mr. Chin, what are your principal responsibilities in this position?**

18 A. As the Manager of Rates, I am responsible for activities related to rate design, cost of
19 service, and rates administration for the Company.

1 **Q. Mr. Chin, please describe your educational and professional background.**

2 A. I received a Bachelor of Arts degree in History from Yale University in 1994. Upon
3 graduation, I worked for two years as a corporate legal assistant at the law firm of Fried,
4 Frank, Harris, Shriver, & Jacobson. I subsequently enrolled in Columbia University's
5 School of International and Public Affairs, completing a Master of Public Administration
6 degree in May 1999. In July 1999, I took a position as a consultant with London
7 Economics, LLC, and economic consulting firm specializing in energy and utilities. My
8 primary responsibilities were to model energy markets across the U.S. and Canada for both
9 regulatory commissions and independent power producers. In January 2025, I joined
10 NSTAR Electric & Gas as a Senior Regulatory Policy and Rate Analyst. In September
11 2012, I was named Manager of Rates in Massachusetts and assumed my current position
12 in New Hampshire in January 2025.

13 **Q. Mr. Chin, have you previously testified before the Commission?**

14 A. I recently submitted testimony and attachments in the Company's RRA filing in Docket
15 No. DE 25-016.

16 **II. OVERVIEW**

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

18 A. The purpose of our testimony is: (1) to seek the necessary approvals to set a fixed ES rate
19 for the Small Customer class and a monthly ES rate for the Large Customer group,
20 applicable for the six-month period beginning August 1, 2025 and ending January 31, 2026,

1 for Eversource customers who take service under the ES rate; and (2) to explain the ES rate
2 reconciliation (over)/under recovery for the twelve-month period of August 1, 2024 to July
3 31, 2025 for wholesale power supply expense, self-supply expense, and applicable
4 revenues for the (i) Small Customer group, (ii) Large Customer group, and (iii) Renewable
5 Portfolio Standard (“RPS”) compliance obligations. Inclusion of the Reconciliation
6 Adjustment Factors in the calculation of the ES rates is consistent with the direction in
7 Section II.H of the Settlement Agreement approved in Docket No. DE 17-113.

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

9 A. In this proceeding, consistent with the Settlement Agreement approved in Docket No. DE
10 17-113, Eversource is requesting that the Commission review and approve a fixed six-
11 month ES rate for the Small Customer group for the period of August 1, 2025 through
12 January 31, 2026, based on the weighted average of (i) the six monthly-contracted prices
13 contained in the supply agreement(s) with the winning ES supplier(s) for 50.0 percent of
14 forecast Small Customer group load requirements, and (ii) in accordance with Order No.
15 28,129 (April 15, 2025), the proxy price(s) for 50.0 percent of forecast Small Customer
16 group load requirements subject to self-supply through direct participation in the ISO New
17 England (“ISO-NE”) wholesale power markets. For the Small Customer group, the fixed
18 ES rate for the period of August 1, 2025 through January 31, 2026, calculated consistently
19 with prior practice and precedent, is \$0.11196 per kWh, as calculated on page 1 of
20 Attachment BKR/RDC-1.

The Company is also requesting that the Commission review and approve a monthly-variable ES rate for the Large Customer group for the period of August 1, 2025 through January 31, 2026, subject to self-supply based on the Company's direct market-based participation and procurement of power and forecast/actual market prices from the ISO-NE market to serve 100% of the Large Customer group load. This procurement approach and related pricing is described in more detail and presented in the testimony of Parker Littlehale and Luann J. Lamontagne. For the Large Customer group, the monthly ES rates for the period of August 1, 2025 through January 31, 2026, calculated consistently with prior practice and precedent, as calculated on page 2 of Attachment BKR/RDC-1, are as follows:

Large Customer Energy Service Rates (\$ per kWh)					
DE 24-046 Filing Approved Rates Order No. 27,034 (July 12, 2024)		DE 24-046 Filing Approved Rates Order No. 27,090 (December 19, 2024)		DE 25-017 Filing Proposed Rates	
August 2024	\$0.08614	February 2025	\$0.10937	August 2025	\$0.06923
September 2024	\$0.07540	March 2025	\$0.06827	September 2025	\$0.05921
October 2024	\$0.06974	April 2025	\$0.06026	October 2025	\$0.05832
November 2024	\$0.09212	May 2025	\$0.05942	November 2025	\$0.07200
December 2024	\$0.13595	June 2025	\$0.06505	December 2025	\$0.10726
January 2025	\$0.18333	July 2025	\$0.07727	January 2026	\$0.13761

Q. Please describe the detailed support for the calculation of the Small Customer group and Large Customer group ES rates.

1 A. Attachment BKR/RDC-1, Page 1, provides the calculation of the total monthly ES rate for
2 the Small Customer group, including the cost of RPS compliance, prior period
3 reconciliations for ES, RPS, cost of administrative and general (“A&G”) expense, and
4 working capital requirements associated with the ES offering. The weighted average Small
5 Customer group fixed ES rate for the period of August 1, 2025 through January 31, 2026
6 is calculated on Line 13.

7
8 Attachment BKR/RDC-1, Page 2, provides the calculation of the total monthly ES rates
9 for the Large Customer group, including the cost of RPS compliance, prior period
10 reconciliations for ES, RPS, cost of A&G expense, and working capital requirements
11 associated with the ES offering. The monthly Large Customer group ES rates for the six-
12 month period are calculated on Line 11.

Attachment BKR/RDC-1, page 3, provides the forecasted A&G expenses associated with
the ES offering. The A&G adjustment factor is calculated on Line 8.

13 Attachment BKR/RDC-1, page 4, provides the forecasted working capital associated with
14 the ES offering for both the Small Customer and Large Customer groups. The monthly ES
15 rates for the six-month period are calculated on Lines 7, 14, and 19, whereby the sum of
16 Lines 7 and 19 are for the Small Customer group and Lines 14 and 19 are for the Large
17 Customer group.

1 **Q. Please identify the Reconciliation Adjustment Factor attachments you provide as part**
2 **of your testimony.**

3 A. The attachments included in our testimony that relate to the calculation of the proposed
4 reconciliation adjustment factors are as follows:

- 5 • Attachment BKR/RDC-2, Page 1, Small Customer Reconciliation and Rate
6 calculation
- 7 • Attachment BKR/RDC-2, Page 2, Large Customer Reconciliation and Rate
8 calculation
- 9 • Attachment BKR/RDC-2, Page 3, A&G Expenses
- 10 • Attachment BKR/RDC-2, Page 4, RPS Reconciliation and Rate calculation
- 11 • Attachment BKR/RDC-2, Page 5, ES Large Customer group prior \$6.5 million
12 Deferred Balance
- 13 • Attachment BKR/RDC-3, Page 1 to Page 17, ES Lead/Lag Study

14 **Q. Please describe the detailed support for the calculation of the Small Customer group,**
15 **Large Customer group, and RPS Obligation Reconciliation and Reconciliation**
16 **Adjustment Factors.**

17
18 A. Attachment BKR/RDC-2, Page 1 (Small Customer group), Page 2 (Large Customer
19 group), and Page 4 (RPS Obligations), provide the preliminary Reconciliation (over)/under
20 recovery for the twelve-month period August 1, 2024 to July 31, 2025, and the calculation
21 of the Reconciliation Adjustment Factors based on the following data:

- 1 • Ten months actual (August 1, 2024 to May 31, 2025); and two months estimate
- 2 (June 1, 2025 to July 31, 2025)
- 3 • Prior period (over)/under recovery, excluding the re-allocation of the approximate
- 4 \$6.5 million Large Customer Deferred Balance
- 5 • ES revenues
- 6 • A&G expense (per Attachment BKR/RDC-2, Page 3)
- 7 • Wholesale Supplier and Self-Supply Purchased Power expense
- 8 • RPS Obligations Expense (estimate; per Attachment BKR/RDC-2, Page 4)
- 9 • Return on Purchased Power and RPS Working Capital Requirement
- 10 • Carrying Charges based on Prime Rate

11 **Q. Please describe the RPS Reconciliation Adjustment.**

12

13 A. Attachment BKR/RDC-2, Page 4 presents the reconciliation of RPS compliance

14 obligations under RSA 362-F and the related revenue and expense by month for the

15 twelve-month reconciliation period August 1, 2024 to July 31, 2025, as described below:

- 16 • RPS revenues reflect the RPS portion of ES revenues related to the:
- 17 ○ RPS Adjustment Factor (Adder) - filed and approved in the semi-annual
- 18 ES filings
- 19 ○ RPS Reconciliation Adjustment Factor - filed and approved annually
- 20 effective August 1st for the twelve-month period August 1st to July 31st
- 21

- RPS expense reflects the cost of compliance with the mandated RPS obligations to administer the ES program under RSA 362-F, and which is recovered under RSA 374-F:3, V(c):

- RPS Current Month Actual/Estimate is the product of:

- ES billed sales
- RPS REC Requirement percentage by class¹
- RPS Adjustment Factor (Adder) filed and approved \$ per MWh REC price by class²

- RPS Prior Year True-Up reconciles the difference between

- Form E-2500 RPS Compliance Obligation amount for prior calendar year (filing due by July 15th)
- RPS Expense per book annual estimate

- RPS Return on Working Capital Requirement

Q. Please describe the beginning RPS Reconciliation over/under recovery balance as of July 31, 2024 shown in Attachment BKR/RDC-2, Page 10, Line 13.

A. The beginning RPS Reconciliation over-recovery amount of approximately \$15.4 million was calculated and filed on December 12, 2024 in Docket No. DE 24-046, Attachment

¹ <https://www.energy.nh.gov/renewable-energy/renewable-portfolio-standard>

² Semi-annual ES filing, Eversource Energy Supply witness Attachment LJL-6 (DE 24-046 (December 12, 2024)); Attachment LJL-6 in this filing.

1 ANB/EAD-3, Page 4, Line 13, reflecting the actual activity for the prior twelve-month
2 RPS reconciliation period August 1, 2023 to July 31, 2024.

3
4 **Q. What was the primary factor that resulted in the RPS Reconciliation over-recovery**
5 **balance at July 31, 2024, as filed on December 12, 2024 in Docket No. DE 24-046,**
6 **Attachment ANB/EAD-3, Page 4?**

7
8 A. The primary factor for the approximate \$15.4 million RPS Obligation prior period over-
9 recovery was attributable to regulatory action for the RPS compliance year 2023,
10 specifically the Department of Energy's ("DOE") order issued on March 5, 2024,³ which
11 reduced the 2023 RPS Purchase Obligation percentage for Class III RECs from eight
12 percent to one half of one percent (0.50%). This regulatory action resulted in an
13 approximate \$7.4 million (2023) over-recovery attributable to the downward adjustment
14 of the 2023 RPS compliance obligation.

15 **Q. Has there been a DOE ordered change to the 2024 RPS Purchase Obligation**
16 **requirement that affects the RPS Reconciliation for the period of August 1, 2024 to**
17 **July 31, 2025? If so, how has that adjustment been included in the Company's RPS**
18 **Reconciliation?**

19
20 A. Yes. The DOE issued an order⁴ on February 7, 2025 that reduced the 2024 RPS Obligation
21 percentage for Class III RECs from the statutory eight percent to one percent (1.0%). Like
22 the 2023 RPS Obligation, the Company had calculated and booked the monthly 2024 RPS

³ Order Setting 2023 Class III Obligation (March 5, 2024);
<https://www.energy.nh.gov/sites/g/files/ehbemt551/files/inline-documents/sonh/order-setting-2023-class-iii-obligation.pdf>.

⁴ Order Setting 2024 Class III Obligation (February 7, 2025);
<https://www.energy.nh.gov/sites/g/files/ehbemt551/files/inline-documents/sonh/rps-class-3-obligation-2024-order.pdf>

Obligation estimates based on the statutory eight percent purchase requirement for Class III RECs. The Company anticipated a significant downward adjustment to the purchase obligation based on the previous such actions by the DOE, and therefore was able, upon issuance of the DOE's February 7, 2025 order reducing the Class III compliance obligation from eight percent to one percent, to include an approximate \$5.9 million downward adjustment, updating the Company's total 2024 RPS Obligation estimate in February 2025 as reflected in Attachment BKR/RDC-2, Page 4, Line 3, to account for the DOE's mandated reduction in the Class III RPS compliance obligation percentage. This adjustment flows back the benefit to customers on an accelerated basis.

Q. What are the preliminary results for Energy Service and Renewable Portfolio Standard (RPS) for the reporting period August 1, 2024 through July 31, 2025?

A. Attachment BKR/RDC-2, Pages 1 through 4, include actual costs for the period from August 1, 2024 through May 31, 2025 and estimated costs for the period from June 1, 2025 through July 31, 2025.

The Base Small Customer Energy Service Rate projected under-recovery of \$7.1 million shown on Attachment BKR/RDC-2, Page 1, Line 13, is due primarily to the July 31, 2024 beginning balance of \$(4.2) million over-recovery, plus the current period carrying charge of a projected credit of \$(0.4) million, and the current period projected \$6.9 million under-recovery related to ES revenues being lower than purchased power expenses due to wholesale load and self-supply requirements. This results in an ES Reconciliation

1 Adjustment Factor rate of \$0.00101 per kWh as shown in Attachment BKR/RDC-2, Page
2 1, Line 15.

3 The Large Customer Base Rate projected over-recovery of \$(1.1) million as shown in
4 Attachment BKR/RDC-2, Page 5, Line 13 is due primarily to the July 31, 2024 beginning
5 balance of \$(0.6) million over-recovery, plus the current period \$(0.4) million projected
6 over-recovery resulting from ES revenues being slightly higher than purchased power
7 expenses due to wholesale load and self-supply requirements, plus the current period
8 projected carrying charge of \$(0.1) million. This results in an ES Reconciliation
9 Adjustment Factor rate of \$(0.01182) per kWh, as shown in Attachment BKR/RDC-2,
10 Page 5, Line 15.

11
12 The RPS expense projected over-recovery of \$(8.2) million as shown in Attachment
13 BKR/RDC-2, Page 4, Line 13, is due primarily to the July 31, 2024 beginning balance of
14 \$(15.4) million over-recovery and the current period projected under-recovery of \$7.8
15 million due to RPS expenses being higher than revenues. In addition, the return on RPS
16 working capital costs totaled a projected credit of \$(0.3) million, based on a lead/lag
17 analysis, and the current period carrying charges totaled a projected credit of \$(0.6)
18 million. This results in an RPS Reconciliation Adjustment Factor rate of a \$(0.00333) per
19 kWh credit, as shown in Attachment BKR/RDC-2, Page 4, Line 15.

1 **Q. Please describe the Company's compliance with Commission directives regarding**
2 **the Large Customer Deferred Balance of \$6.5 million related to the under-recovery**
3 **amount for last year's Large Customer group reconciliation.**
4

5 A. In Order No. 27,022 (June 20,2024) issued in Docket No. DE 24-046, the Commission
6 directed the Company to "place the \$6.5 million under-collection into a deferral account,
7 with the Tariff-specified carrying charges to be assessed" and to "prepare a proposal for
8 the integration of the Energy Service Reconciliation Adder charges into collection through
9 the SCRC." The Company submitted a proposal for that integration into the SCRC in
10 Docket No. DE 24-112 on November 20, 2024. Subsequently, in the SCRC Docket No.
11 DE 24-112, the Company was directed to show the effect of excluding from the SCRC rate
12 adjustments for effect February 1, 2025 the proposed new Energy Service Reconciliation
13 Adder, consistent with the Commission's directives in the procedural order issued on
14 January 17, 2025 and at the hearing held on January 21, 2025. As a result of the additional
15 process regarding the proposed new Energy Service Reconciliation Adder in the SCRC
16 docket, and the results of further investigation into the basis for the deferred \$6.5 million
17 under-recovery balance, the Company's Joint Rebuttal Testimony filed in Docket No. DE
18 24-112 on April 10, 2025 described the Company's over-reporting of hourly load data to
19 ISO-NE for 58 large customers. The over-reporting of that load had the effect of increasing
20 the aggregate load obligation of the Large Customer group when those customers are on
21 default service supply. Following the Commission's review and consideration of the
22 Company's additional filings in Docket No. DE 24-112, the Commission issued Order No.
23 28,147 (May 13, 2025) directing that the proposed re-allocation and recovery of the \$6.5

1 million Large Customer group deferred under-recovery balance be reviewed as part of this
2 current Energy Service filing, in Docket No. DE 25-017.

3 **Q. Has the Company included a proposal in this filing to re-allocate the \$6.5 million**
4 **deferred balance as part of the current Large Customer and Small Customer**
5 **reconciliations?**

6
7 A. No. Consistent with the Commission's directives in Order No. 28,147 (May 13, 2025)
8 issued in Docket No. DE 24-112, the Company plans to submit a filing later that proposes
9 a re-allocation of the deferred approximately \$6.5 million ES Large customer group
10 reconciliation balance, as contemplated by its Joint Rebuttal Testimony filed in that
11 docket. This filing does not include that proposed re-allocation for effect on August 1,
12 2025, in view of the Commission's expressed intention to schedule further adjudication
13 regarding the deferred balance re-allocation beginning in July 2025. The Company
14 anticipates filing its re-allocation proposal once the next phase of this proceeding has
15 commenced.

16 **III. LEAD/LAG STUDY**

17 **Q. Did the Company include a working capital component for Energy Supply and**
18 **Renewable Energy Credits (RECs) in the calculation of the ES rates filed on June 19,**
19 **2025?**

20
21 A. Yes. In Order No. 26,237 issued on April 25, 2019 in Docket No. DE 18-073, the
22 Commission authorized Eversource to use the results of a lead/lag study in the calculation
23 of working capital requirements for ES rates. The Company has conducted an update to
24 its previous lead/lag study based on calendar year 2024, as provided in Attachment

1 BKR/RDC-3, and incorporates the results of that study to calculate the return on cash
2 working capital requirements included in this filing for rates effective August 1, 2025.

3 **Q. What is cash working capital?**

4 A. Cash working capital is the amount of money that is needed by Eversource to fund operations
5 in the time period between when expenditures are incurred to provide service to customers
6 and when payment is actually received from customers for that service.

7 **Q. How is cash working capital estimated through a lead/lag study?**

8 A. A lead/lag study identifies the amount of time it typically takes for the Company to collect
9 revenue from customers, as well as the amount of time the Company takes to make payment
10 for applicable operating costs. The difference between those two numbers is used as the
11 basis to estimate cash working capital requirements.

12 **Q. Please define the terms “revenue lag days” and “expense lead days.”**

13 A. Revenue lag is the time, measured in days, between delivery of a service to Eversource
14 customers and the receipt by Eversource of the payment for such service. Similarly, expense
15 lead is the time, again measured in days, between the performance of a service on behalf of
16 Eversource by a vendor or employee and payment for such service by Eversource. Because
17 rates are based on revenue and expenses booked on an accrual basis, the revenue lag results

in a need for capital while the expense lead offsets this need to the extent the Company is typically not required to make payment to its vendors until after a service is provided.

Q. Please describe the Lead/Lag Study (Attachment BKR/RDC-3) and its findings.

A. The Lead/Lag Study based on calendar year 2024 costs and revenues consists of 19 pages of calculations and supporting schedules to separately calculate lag days for Purchased Power and RPS expense as shown in the table below:

Description	Attachment BKR/RDC-3 Reference	Customers		RPS
		Small	Large	Compliance
Net Lag/(Lead) Days	Page 3, Col. (C)	(0.52)	31.79	(212.55)
Percentage of Annual Expense	Page 3, Col. (D)	-0.14%	8.71%	-58.23%
Percentage of Forecast Monthly Expense	Page 1, Lines 9 and 10	-1.7 to -1.8	102.5 to 113.5	N/A

Q. How is the retail revenue lag computed?

A. The retail revenue lag consists of a “meter reading or service lag,” “collection lag,” and “billing lag.” The sum of the days associated with these three lag components is the total retail revenue lag experienced by Eversource as shown in Attachment BKR/RDC-3, Page 5.

Q. What lag does the Lead/Lag Study reveal for the component “meter reading or service lag”?

A. The Lead/Lag Study reveals 15.2 days. This lag was obtained by dividing the number of billing days in the test year (365 days) by 12 months and then in half to arrive at the midpoint of the monthly service periods.

Q. How was the “collection lag” calculated and what was the result?

A. The combined “collection lag” for Energy Service totaled 31.23 days. This lag reflects the time delay between the mailing of customer bills and the cash receipt of the billed revenues

1 from customers. The 31.23 days lag was arrived at by a thorough examination of Energy
2 Service accounts receivable balances using the accounts receivable turnover method. End-
3 of-month balances were utilized as the measure of customer accounts receivable. Attachment
4 BKR/RDC-3, Page 6 details monthly balances for retail accounts receivables, separated by
5 Small and Large Customers. Attachment BKR/RDC-3, Page 6 calculated the Collection Lag
6 by taking the total revenues and dividing it by the daily average receivable balance, deriving
7 a Receivable Turnover rate (Line 21), which is then used to calculate the Collection Lag (366
8 days/Receivables Turnover rate) to arrive at 29.62 days for Small Customers and 63.74 days
9 for Large Customers.

10 **Q. How did you calculate the “billing lag”?**

11 A. Nearly all of the Company’s customers are billed the evening after the meters are read.
12 However, if a meter is read on a Friday or prior to a scheduled holiday, there is additional
13 lag over the weekend or holiday. The Company’s billing lag calculation accounts for any
14 additional lag over weekends and holidays. The lead/lag study weights the average monthly
15 billing days by the accounts receivable balances, resulting in a weighted billing lag of:

- 16 • 1.50 days for Small Customers (Attachment BKR/RDC-3, Page 7, Line 13)
- 17 • 1.50 days for Large Customers (Attachment BKR/RDC-3, Page 8, Line 13).

18 **Q. Is the total retail revenue lag computed from these separate lag calculations?**

19 A. Yes. The total retail revenue lag of 46.33 days for Small Customers and 80.45 days for Large
20 Customers is computed by adding the number of days associated with each of the three retail

1 revenue lag components as shown in Attachment BKR/RDC-3, Page 5. This total number of
2 lag days represents the amount of time between the recorded delivery of service to retail
3 customers and the cash receipt from retail customers of the related billed revenues.

4 **Q. What expense is Purchased Power Cash Working Capital intended to address?**

5 A. Purchased Power Cash Working Capital provides cash working capital for expenses paid by
6 Eversource to procure from wholesale energy suppliers wholesale energy supply per the
7 terms of the Commission-approved wholesale supply contracts on behalf of Small and Large
8 ES customers, in addition to the percentage share of customer load self-supplied through
9 direct participation in the ISO-NE wholesale power markets, per the Commission's
10 directives for Small ES customers over the August to December 2024 time period.

11 **Q. In determining the expense lead period, how were the weighted lead days in payment**
12 **of Purchased Power costs determined?**

13
14 A. As shown on Attachment BKR/RDC-3, Page 9 (Small Customers) and Page 15 (Large
15 Customers), Purchased Power payments to wholesale energy suppliers were reviewed and
16 the lead days were calculated for both the Small Customer and Large Customer categories.
17 Each payment was dollar-weighted to arrive at Purchased Power expense lead days related
18 to wholesale energy suppliers.

19 Further, per the Commission's directives related to the Small Customer group twelve and
20 one-half percent (12.5%) load share self-supply, Attachment BKR/RDC-3, Page 10 to Page
21 14, shows how the Company arrived at the Purchased Power expense lead days for the load

1 self-supplied through direct participation in the ISO-NE wholesale power markets for the
2 period August to December 2024.

3 **Q. How were the weighted lead days in payment of RPS costs determined?**

4
5 A. RPS compliance is achieved through market purchases and ACPs. The Company obtains
6 and retires RECs from market purchase sources, or pays ACPs, to meet annual RPS
7 requirements. However, RPS compliance filings are due between July 1 and July 15
8 following the end of the prior compliance year. As a result, REC procurement activity and
9 payments continue for up to six months following the end of the annual period in which RPS
10 compliance obligations are incurred. This timing of RPS compliance activity is reflected in
11 the Company's lead/lag study.

12 For market purchases, payments were reviewed and weighted. The number of lead days was
13 determined by comparing the date of payment for RECs to the load-weighted midpoint of
14 the compliance year to which they were applied for RPS compliance. The schedule of
15 payments for market purchases of 2024 RECs and estimated ACP payments is included in
16 Attachment BKR/RDC-3, page 17. The payment dates for these purchases are compared to
17 the load-weighted midpoint of the 2024 compliance year to which they were applied for RPS
18 compliance. The resulting dollar-weighted lead for market REC purchases and ACPs was
19 260.5 days.

Q. Would you summarize the Company's proposal regarding Cash Working Capital?

A. Yes, the results of the lead/lag analysis of ES Cash Working Capital are noted in the table below:

Description	Attachment BKR/RDC-3 Reference	Customers		RPS
		Small	Large	Compliance
Net Lag/(Lead) Days	Page 3, Col. (C)	(0.52)	31.79	(212.55)
Percentage of Annual Expense	Page 3, Col. (D)	-0.14%	8.71%	-58.23%
Percentage of Forecast Monthly Expense	Page 1, Lines 9 and 10	-1.7 to -1.8	102.5 to 113.5	N/A
Cash Working Capital Balance (Aug 2025 to Jul 2026)	Page 1, Lines 12, 13 and 14	(\$372) avg	\$735 avg	(\$9,388) avg
Cash Working Capital Return (Aug 2025 to Jul 2026)	Page 1, Lines 17, 18 and 19	(\$14)	\$28	(\$704)
Cash Working Capital Return (Aug 2024 to Jul 2025)	Page 2, Lines 17, 18 and 19	(\$103)	\$52	(\$284)

Q. Mr. Chin, has the Company calculated the customer bill impacts for the proposed August 1, 2025 ES rate change?

A. Yes. A residential customer using 600 kWh is expected to see a 10.2% increase in the Total Bill or \$14.07, as compared to rates in effect as of April 1, 2025. More detailed rate impacts are provided in Attachment BKR/RDC-4.

- Page 1 provides a comparison of residential rates proposed for effect August 1, 2025 to current rates effective April 1, 2025 for a 550 kWh monthly bill, a 600 kWh monthly bill, and a 650 kWh monthly bill. This comparison is shown and is consistent with past practice and precedent.
- Page 2 provides a comparison of residential rates proposed for effect August 1, 2025 to rates effective August 1, 2024 for a 550 kWh monthly bill, a 600 kWh monthly bill, and a 650 kWh monthly bill. This comparison is shown and is consistent with past practice and precedent.
- Page 3 provides the average impact of each change on bills for all rate classes by rate component and on a total bill basis, including ES. This comparison is shown and is consistent with past practice and precedent.

1 **IV. CONCLUSION**

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

3 A. Yes, updated tariff pages have been provided as Attachment BKR/RDC-5.

4 **Q. Is Eversource requesting Commission approval of this rate by a specific date?**

5 A. Yes, Eversource is respectfully seeking final approval of the proposed ES rates by June 27,
6 2025 to inform the winning bidders, allow for appropriate notice to customers, and
7 implement the new rates for service rendered on and after August 1, 2025.

8 **Q: Would Commission approval of this proposed rate adjustment result in just and**
9 **reasonable ES rates as described above?**

10
11 A: Yes, it would.

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

13 A. Yes, it does.