

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF STEPHEN R. HALL
MAJOR STORM COST RESERVE - PROPOSAL FOR RECOVERY
Docket No. DE 06-028

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

2 A. My name is Stephen R. Hall. I am PSNH's Rate and Regulatory Services Manager. My
3 business address is PSNH Energy Park, 780 North Commercial Street, Manchester,
4 New Hampshire.

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

6 A. Yes, I have previously testified before the Commission on numerous occasions.

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

8 A. The purpose of my testimony is to describe the methodology PSNH used to calculate
9 individual rates and charges to accomplish the \$2,958,000 distribution rate increase
10 proposed in the testimony of Robert A. Baumann.

11 **Q. Please describe how PSNH calculated the rates and charges.**

12 A. The proposed rates and charges are contained in Attachment SRH-1. All of the rate and
13 revenue amounts used in the calculation of individual rates and charges were premised
14 on billing determinants for the twelve months ending December 31, 2005 as proformed
15 (the test year used in the last rate case upon which PSNH's currently effective
16 distribution rates are based). The first step, shown on Page 1 of Attachment SRH-1,

1 was to determine the annual distribution revenue target for effect July 1, 2008. The
2 annual revenue target was determined by subtracting the distribution recoupment rate
3 decrease that will occur on July 1, 2008 from the currently effective distribution rate
4 level. Both of those amounts were taken from Attachment 3 of the Settlement
5 Agreement on Permanent Delivery Service Rates (Settlement Agreement) approved by
6 the Commission in Docket No. DE 06-028. The increase proposed by Mr. Baumann for
7 the storm reserve was then added to the net amount to develop the target annual
8 distribution revenue of \$244,822,000.

9 Once the target revenue amount was determined, it was divided by the revenue without
10 recoupment (\$241,864,000) in order to determine a uniform percentage by which all
11 rates and charges absent recoupment should be adjusted¹. Pages 2 through 5 of
12 Attachment SRH-1 show PSNH's current prices by rate class (the "Current 01/01/2008"
13 column), prices without recoupment, and proposed prices. The amounts in the
14 "Proposed 07/01/2008" column were calculated by increasing all prices in the "Without
15 Recoupment" column by the uniform percentage discussed above. All of the amounts in
16 the "Current 01/01/2008" column and the "Without Recoupment" column were taken
17 from Attachment 3 to the Settlement Agreement.

18 **Q. Does PSNH propose to implement the proposed overall decrease to the**
19 **Distribution rates on a bills-rendered basis?**

¹ By adjusting all rates and charges by the same percentage, the existing rate design is maintained.

1 A. Yes. PSNH proposes implementation of the change for all customers taking delivery
2 service on a bills-rendered basis, consistent with the methodology used for all such rate
3 changes under the Settlement Agreement in Docket No. DE 06-028.

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

5 A. Yes. PSNH requests approval of the proposed distribution rate change by June 24,
6 2008, in order to implement the new rates for bills rendered on and after July 1, 2008.
7 This timing would provide PSNH additional time for testing of the rate change which will
8 take place concurrent with the switchover of the current billing system to the new system
9 in the first week of July 2008. Therefore, PSNH requests that the Commission reopen
10 this proceeding and establish a procedural schedule to review this filing and approve the
11 rate change in a timely manner.

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

13 A. Yes, it does.

**Public Service Company of New Hampshire
Distribution Revenue Target for effect July 1, 2008
Including Storm Reserve Increase
(\$000's)**

Annual retail distribution revenue: (1)

At the 1/1/08 rate level	\$ 245,254 (2)
Recoupment decrease - 7/1/08	<u>(3,390) (2)</u>
Revenue without recoupment	241,864 (2)
Storm Reserve increase - 7/1/08	<u>2,958 (3)</u>
7/1/08 target retail distribution revenue	\$ 244,822

Notes:

- (1) Amounts are based on actual sales for the twelve months ending December 2005, as proformed for the permanent delivery rate case in Docket No. DE 06-028.
- (2) From Attachment 3, Page 1 of the "Settlement Agreement on Permanent Delivery Service Rates" in Docket No. DE 06-028.
- (3) From testimony of Robert A. Baumann.

**Public Service Company of New Hampshire
Summary of Proposed Distribution Rates for effect July 1, 2008
Including Storm Reserve Increase**

<u>Rate</u>	<u>Blocks</u>	<u>Current 01/01/2008 (1)</u>	<u>Without Recoupment (1)</u>	<u>Proposed 07/01/2008 (2)</u>
R	Customer charge	\$ 8.94	\$ 8.82	\$ 8.93
	All KWH	\$ 0.02919	\$ 0.02879	\$ 0.02914
Uncontrolled				
Water	Meter charge	\$ 3.15	\$ 3.11	\$ 3.15
Heating	All KWH	\$ 0.01431	\$ 0.01411	\$ 0.01428
Controlled				
Water	Meter charge	\$ 5.56	\$ 5.48	\$ 5.55
Heating	All KWH	\$ 0.00085	\$ 0.00084	\$ 0.00085
R-OTOD	Customer charge	\$ 20.78	\$ 20.49	\$ 20.74
	On-peak KWH	\$ 0.09329	\$ 0.09200	\$ 0.09313
	Off-peak KWH	\$ 0.00136	\$ 0.00134	\$ 0.00136
G	Single phase customer charge	\$ 10.08	\$ 9.94	\$ 10.06
	Three phase customer charge	\$ 20.17	\$ 19.89	\$ 20.13
	Load charge (over 5 KW)	\$ 6.10	\$ 6.02	\$ 6.09
	First 500 KWH	\$ 0.05048	\$ 0.04978	\$ 0.05039
	Next 1,000 KWH	\$ 0.01251	\$ 0.01234	\$ 0.01249
	All additional KWH	\$ 0.00443	\$ 0.00437	\$ 0.00442
Space Heating	Meter charge	\$ 2.02	\$ 1.99	\$ 2.01
	All KWH	\$ 0.02475	\$ 0.02441	\$ 0.02471
G-OTOD	Single phase customer charge	\$ 26.13	\$ 25.77	\$ 26.09
	Three phase customer charge	\$ 37.30	\$ 36.78	\$ 37.23
	Load charge	\$ 8.51	\$ 8.39	\$ 8.49
	On-peak KWH	\$ 0.03541	\$ 0.03492	\$ 0.03535
	Off-peak KWH	\$ 0.00555	\$ 0.00547	\$ 0.00554
LCS	Radio-controlled option	\$ 6.43	\$ 6.34	\$ 6.42
	8, 10 or 11-hour option	\$ 5.56	\$ 5.48	\$ 5.55
	Switch option	\$ 6.43	\$ 6.34	\$ 6.42
	Radio-controlled option	\$ 0.00085	\$ 0.00084	\$ 0.00085
	8-hour option	\$ 0.00085	\$ 0.00084	\$ 0.00085
	10 or 11-hour option	\$ 0.01724	\$ 0.01700	\$ 0.01721

Notes:

- (1) From the "Settlement Agreement on Permanent Delivery Service Rates" in Docket No. DE 06-028, Attachment 3, Pages 4 through 7.
- (2) Rates excluding recoupment have been adjusted by a uniform percentage to achieve the revenue target including the storm reserve increase.

**Public Service Company of New Hampshire
Summary of Proposed Distribution Rates for effect July 1, 2008
Including Storm Reserve Increase**

<u>Rate</u>	<u>Blocks</u>	<u>Current 01/01/2008 (1)</u>	<u>Without Recoupment (1)</u>	<u>Proposed 07/01/2008 (2)</u>
GV	Customer charge	\$ 135.75	\$ 133.87	\$ 135.51
	First 100 KW	\$ 3.75	\$ 3.70	\$ 3.75
	All additional KW	\$ 3.46	\$ 3.41	\$ 3.45
	First 200,000 KWH	\$ 0.00611	\$ 0.00603	\$ 0.00610
	All additional KWH	\$ 0.00507	\$ 0.00500	\$ 0.00506
LG	Customer charge	\$ 412.58	\$ 406.88	\$ 411.86
	Demand charge	\$ 3.33	\$ 3.28	\$ 3.32
	On-peak KWH	\$ 0.00366	\$ 0.00361	\$ 0.00365
	Off-peak KWH	\$ 0.00307	\$ 0.00303	\$ 0.00307
B	Administrative charge	\$ 232.62	\$ 229.40	\$ 232.21
	Translation charge	\$ 38.76	\$ 38.22	\$ 38.69
	Demand charge (below 115kV)	\$ 3.12	\$ 3.08	\$ 3.12
	All KWH (below 115kV)	Energy charges in the standard rate		

Notes:

- (1) From the "Settlement Agreement on Permanent Delivery Service Rates" in Docket No. DE 06-028, Attachment 3, Pages 4 through 7.
- (2) Rates excluding recoupment have been adjusted by a uniform percentage to achieve the revenue target including the storm reserve increase.

Public Service Company of New Hampshire
Summary of Proposed Distribution Rates for effect July 1, 2008
Including Storm Reserve Increase
Outdoor Lighting Service Rate OL

	<u>Lumens</u>	<u>Watts</u>	<u>Current</u> <u>01/01/2008 (1)</u>	<u>Without</u> <u>Recoupment (1)</u>	<u>Proposed</u> <u>07/01/2008 (2)</u>
For new and existing installations					
High Pressure Sodium	4,000	50	\$ 11.12	\$ 10.97	\$ 11.10
	5,800	70	11.12	10.97	11.10
	9,500	100	14.78	14.58	14.76
	16,000	150	20.92	20.63	20.88
	30,000	250	21.43	21.13	21.39
	50,000	400	21.67	21.37	21.63
	130,000	1,000	34.78	34.30	34.72
Metal Halide	5,000	70	11.61	11.45	11.59
	8,000	100	15.88	15.66	15.85
	13,000	150	21.80	21.50	21.76
	13,500	175	22.26	21.95	22.22
	20,000	250	22.26	21.95	22.22
	36,000	400	22.46	22.15	22.42
	100,000	1,000	33.65	33.18	33.59
For existing installations only					
Incandescent	600	105	6.41	6.32	6.40
	1,000	105	7.15	7.05	7.14
	2,500	205	9.18	9.05	9.16
	6,000	448	15.75	15.53	15.72
Mercury	3,500	100	9.82	9.68	9.80
	7,000	175	11.79	11.63	11.77
	11,000	250	14.59	14.39	14.57
	15,000	400	16.70	16.47	16.67
	20,000	400	18.01	17.76	17.98
	56,000	1,000	28.63	28.23	28.58
Fluorescent	20,000	330	24.43	24.09	24.38
High Pressure Sodium in existing mercury luminaires					
	12,000	150	15.29	15.08	15.26
	34,200	360	19.56	19.29	19.53

Notes:

- (1) From the "Settlement Agreement on Permanent Delivery Service Rates" in Docket No. DE 06-028, Attachment 3, Pages 4 through 7.
- (2) Rates excluding recoupment have been adjusted by a uniform percentage to achieve the revenue target including the storm reserve increase.

**Public Service Company of New Hampshire
Summary of Proposed Distribution Rates for effect July 1, 2008
Including Storm Reserve Increase
Energy Efficient Outdoor Lighting Service Rate EOL**

	<u>Lumens</u>	<u>Watts</u>	<u>Current 01/01/2008 (1)</u>	<u>Without Recoupment (1)</u>	<u>Proposed 07/01/2008 (2)</u>
High Pressure Sodium	4,000	50	\$ 5.92	\$ 5.84	\$ 5.91
	5,800	70	5.92	5.84	5.91
	9,500	100	7.27	7.17	7.26
	16,000	150	7.99	7.88	7.98
	30,000	250	7.99	7.88	7.98
	50,000	400	8.25	8.14	8.24
	130,000	1,000	15.67	15.45	15.64
Metal Halide	5,000	70	6.15	6.06	6.13
	8,000	100	8.12	8.01	8.11
	13,000	150	8.67	8.55	8.65
	13,500	175	9.14	9.01	9.12
	20,000	250	9.29	9.16	9.27
	36,000	400	9.54	9.41	9.53
	100,000	1,000	17.02	16.78	16.99

Notes:

- (1) From the "Settlement Agreement on Permanent Delivery Service Rates" in Docket No DE 06-028, Attachment 3, Pages 4 through 7.
- (2) Rates excluding recoupment have been adjusted by a uniform percentage to achieve the revenue target including the storm reserve increase.