COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy for Approval of their Grid Modernization Plans

D.P.U. 15-122/123

DIRECT TESTIMONY OF
JONATHAN F. WALLACH
ON BEHALF OF
THE CAPE LIGHT COMPACT

MARCH 10, 2017
Q: Please state your name, occupation, and business address.

A: My name is Jonathan F. Wallach. I am Vice President of Resource Insight, Inc., 5 Water Street, Arlington, Massachusetts.

Q: Please summarize your professional experience.

A: I have worked as a consultant to the electric power industry since 1981. From 1981 to 1986, I was a Research Associate at Energy Systems Research Group. In 1987 and 1988, I was an independent consultant. From 1989 to 1990, I was a Senior Analyst at Komanoff Energy Associates. I have been in my current position at Resource Insight since September of 1990.

Over the past four decades, I have advised and testified on behalf of clients on a wide range of economic, planning, and policy issues relating to the regulation of electric utilities, including: electric-utility restructuring; wholesale-power market design and operations; transmission pricing and policy; market-price forecasting; market valuation of generating assets and purchase contracts; power-procurement strategies; risk assessment and mitigation; integrated resource planning; mergers and acquisitions; cost allocation and rate design; and energy-efficiency program design and planning.

My resume is attached as Exhibit CLC-JFW-2.

Q: Have you testified previously in utility proceedings?
A: Yes. I have sponsored expert testimony in more than eighty state, provincial, and federal proceedings in the U.S. and Canada. In Massachusetts, I testified before the Department of Public Utilities (the “Department”) in D.P.U. 89-100, D.T.E. 97-11, D.T.E. 97-120, D.P.U. 10-170, and D.P.U. 11-05, 11-06, and 11-07. Exhibit CLC-JFW-2 (at 7-16) provides a detailed list of my previous testimony.

Q: On whose behalf are you testifying in this proceeding?
A: I am testifying on the behalf of the Cape Light Compact.

Q: What is your understanding of the petition of Eversource Energy in this proceeding?
A: On August 19, 2015, NSTAR Electric Company (“NSTAR Electric”) and Western Massachusetts Electric Company (“WMECO”), doing business as Eversource Energy (“Eversource”), petitioned the Department for approval of a proposed Grid Modernization Plan and for recovery and reconciliation of associated revenue requirements through a proposed Short-Term Investment Factor (“STIF”) and a proposed Research, Development, and Deployment Factor (“RDDF”). The August 19, 2015 petition, together with all simultaneously filed exhibits and appendices, as well as the revisions to the petition filed by Eversource on June 16, 2016, are referred to collectively as the “Initial Filing.” On February 3, 2017, Eversource filed a revised proposal for an Incremental Grid Modernization Plan (the “Revised IGMP”). The Revised IGMP narrows the scope and cost of proposed investments to be considered in this proceeding, in accordance with Eversource’s proposal in
D.P.U. 17-05 to recover $400 million of grid modernization investments through base distribution rates. In addition, the Revised IGMP eliminates the STIF and proposes recovery of all the Revised IGMP revenue requirements through the RDDF. Finally, the Revised IGMP eliminates the RDDF for WMECO and implements a consolidated reconciliation factor for all of Eversource.

Q: **What is the purpose of your direct testimony?**

A: My testimony addresses Eversource’s proposal for recovering Revised IGMP revenue requirements through the RDDF. Specifically, I address Eversource’s proposal to: (1) allocate NSTAR Electric Revised IGMP revenue requirements to NSTAR Electric’s legacy service territories prior to consolidation of the NSTAR Electric and WMECO RDDFs; (2) implement a single, consolidated RDDF for all of Eversource; and (3) allocate the Revised IGMP revenue requirements recovered through the RDDF to rate classes.

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1 More precisely, Eversource proposes in D.P.U. 17-05 to forego recovery for a five-year period of the annual revenue requirements associated with up to $400 million of grid modernization spending during that five-year period. At the end of the five-year period, Eversource would resume recovery through base rates of grid modernization revenue requirements associated with grid modernization spending during the previous five years as well as with any additional future investments in grid modernization.

2 The Revised IGMP filing does not provide a specific date for implementation of an Eversource-wide RDDF.
Eversource’s proposals for allocating and recovering the Revised IGMP revenue requirements through the RDDF are supported in pre-filed direct testimony by Eversource witness Richard D. Chin.

Q: How does Eversource propose to recover the Revised IGMP expenditures in the NSTAR Electric and WMECO service territories?

A: Starting in 2018, Eversource proposes to recover the Revised IGMP expenditures in each service territory through separate RDDFs for NSTAR Electric and WMECO. At some unspecified time in the future, Eversource proposes to consolidate the NSTAR Electric and WMECO RDDFs and recover all of the Revised IGMP expenditures in the two service territories through a single Eversource-wide RDDF. At that time, all ratepayers throughout the NSTAR Electric and WMECO service territories that are in the same rate class would pay the same RDDF rate under Eversource’s proposal.

Q: Are you able to fully evaluate Eversource’s proposal for allocating and recovering the Revised IGMP revenue requirements at this time?

A: No. In Exhibits EVERSOURCE-RDC-4 (for NSTAR Electric) and EVERSOURCE-RDC-5 (for WMECO), Eversource witness Chin provides an illustrative derivation of the RDDF rates by rate class under Eversource’s proposal for separate NSTAR Electric and WMECO RDDFs. However, Mr. Chin does not

3 In addition, Exhibit EVERSOURCE-RDC-4 shows separate rates by rate class for each of the NSTAR Electric legacy service territories (i.e., Boston Edison, Cambridge Electric, and Commonwealth Electric).
provide a comparable exhibit showing an illustrative derivation of RDDF rates by rate class under Eversource’s proposal to eventually recover the Revised IGMP costs through a single, consolidated RDDF. Consequently, I am unable to determine how the change from separate RDDFs for the NSTAR Electric and WMeco service territories to a consolidated RDDF for all of Eversource might affect each rate class.

The RDDF rates shown in Exhibits EVERSOURCE-RDC-4 and EVERSOURCE-RDC-5 are of no use in determining the reasonableness of Eversource’s proposal for recovering the Revised IGMP costs through a single RDDF for all of Eversource. The Department should therefore direct Eversource to file a version of Exhibit EVERSOURCE-RDC-4 that provides Eversource’s derivation of RDDF rates by rate class under its current proposal to recover the Revised IGMP costs through an Eversource-wide RDDF.

Q: Is Eversource’s proposal to recover the Revised IGMP costs through an Eversource-wide RDDF consistent with Eversource’s proposal for other reconciliation factors in D.P.U. 17-05?

A: That is unclear. Eversource proposes in D.P.U. 17-05 to maintain separate reconciliation factors for the NSTAR Electric and WMeco service territories in 2018 and to consolidate six of the reconciliation factors in 2019. Although the Revised IGMP filing proposes consolidation of the NSTAR Electric and WMeco RDDFs, it does not specify when the consolidated RDDF would become effective.
Q: Is Eversource’s proposal to recover the Revised IGMP costs through an Eversource-wide RDDF consistent with Eversource’s proposal for recovering other grid modernization costs through base rates in D.P.U. 17-05?

A: No. In D.P.U. 17-05, Eversource proposes to align, but not consolidate, base rates across the NSTAR Electric and WMECO service territories until the next base rate case. Under Eversource’s proposal in D.P.U. 17-05, grid modernization expenditures in each service territory would be recovered separately through base rates specific to that service territory.

Q: Should the Revised IGMP revenue requirements be recovered through a single Eversource-wide RDDF or separate RDDFs for the NSTAR Electric and WMECO service territories?

A: This issue is best addressed in D.P.U. 17-05, where the Department can consider Eversource’s proposal for the RDDF in the context of Eversource’s proposals for other reconciliation factors and for recovery of other grid modernization costs through base rates. As part of its broader consideration in D.P.U. 17-05, the Department can determine whether the Revised IGMP costs should be recovered in the same fashion as proposed by Eversource for other reconciliation factors or consistent with Eversource’s proposal for recovery of other grid modernization costs through base rates.

Q: While the NSTAR Electric and WMECO RDDFs remain unconsolidated, how does Eversource propose to allocate costs recovered through the NSTAR Electric RDDF to NSTAR Electric’s legacy service territories?
A. According to Eversource witness Chin, Eversource proposes to allocate NSTAR Electric Revised IGMP expenditures to legacy service territories in proportion to each service territory’s distribution revenues. (See Eversource Response to Information Request CLC-3-1(a).)

Q. Is this proposal consistent with the proposed allocation of other grid modernization costs in D.P.U. 17-05?

A. No. In D.P.U. 17-05 (Exhibit ES-RDP-1 at 5-6), Eversource proposes to consolidate base rates across NSTAR Electric’s legacy service territories since it no longer maintains separate cost accounting for each service territory:

Because NSTAR Electric has fully consolidated [Boston Edison Company (“BECO”), Cambridge Electric Light Company (“CAMB”) and Commonwealth Electric Company (“COM”)], as corporate entities, there is no separate accounting of operating costs for BECO, CAMB and COM. Consequently, NSTAR Electric can no longer produce detailed cost-based rates for these legacy territories. Therefore, in order to set new rates consistent with the Department’s rate structure goals and principles, it is necessary to establish consolidated rates for NSTAR Electric.

Thus, grid modernization costs recovered through base rates would not be explicitly allocated to legacy service territories under Eversource’s proposal in D.P.U. 17-05.

Q. How should Revised IGMP costs recovered through the NSTAR Electric RDDF be allocated to NSTAR Electric’s legacy service territories?

A. Costs recovered through the NSTAR Electric RDDF should be allocated to legacy service territories in the same fashion as other grid modernization costs recovered through base rates.
If the Department approves Eversource’s request in D.P.U. 17-05 to consolidate base rates across NSTAR Electric’s service territories then the NSTAR Electric RDDF should be as well. In this case, NSTAR Electric Revised IGMP expenditures would not be explicitly allocated to legacy service territories. Instead, the Revised IGMP costs would be allocated to all NSTAR Electric customers by rate class.

On the other hand, if the Department rejects Eversource’s request in D.P.U. 17-05 to consolidate base rates across NSTAR Electric’s service territories, then the Revised IGMP costs should be allocated to legacy service territories in accordance with the Department’s directive for allocating other grid modernization costs in D.P.U. 17-05.

Q: How does Eversource propose to allocate the Revised IGMP revenue requirements to rate classes?

A: Whether recovered through separate NSTAR Electric and WMECO RDDFs or through a consolidated Eversource-wide RDDF, Eversource proposes to allocate the Revised IGMP costs to rate classes in proportion to each class’s contribution to total distribution revenues. According to Mr. Chin (Revised IGMP, Exhibit EVERSOURCE-RDC-1 at 9), Eversource proposes allocation of the Revised IGMP

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4 Presumably, grid modernization costs recovered through base rates would be allocated to NSTAR Electric’s legacy service territories using the same combination of direct assignment and cost-based allocators as employed in previous NSTAR Electric rate cases.
costs to rate classes on the basis of rate-class distribution revenues because cost causation is not clear with respect to these investments:5

Grid modernization is a public-policy initiative where costs cannot be attributed to any particular class of customer and the benefits to customers in each rate class vary depending on the investment. For this reason, there is no direct connection between the costs incurred and the cost to serve each rate class. Therefore, the Company proposes to allocate cost recovery using a distribution revenue allocator that assigns costs to each rate class in direct proportion to the rate class’ contribution to base distribution revenues.

Q: Do you agree that there is an absence of clear cost causation for grid modernization investments?

A: No. As noted by Eversource in its Initial Filing (Exhibit EVERSOURCE-GMP at 8), Eversource developed the proposed Revised IGMP in order to secure the system and customer benefits from grid modernization:

Eversource developed its GMP to achieve the four grid-modernization objectives identified by the Department, which are to: (1) reduce the effects of outages; (2) optimize demand, including reducing system and customer costs; (3) integrate DER; and (4) improve workforce and asset management.

In other words, the decision as to which grid modernization investments to include in the Initial Filing was primarily driven by considerations of the expected system and customer benefits from such investments. Accordingly, grid modernization

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5 Section 51 of An Act Relative to Competitively Priced Electricity in the Commonwealth, St. 2012, c. 209, requires that costs recovered through a distribution reconciliation factor be allocated on the basis of distribution revenues in the absence of clear cost causation.
costs should be allocated to rate classes commensurate with each class’s share of
the benefits from those investments.

Q: How should the Revised IGMP costs be allocated to rate classes?

A: Eversource retained Navigant Consulting to conduct a cost-benefit analysis of the
proposed Revised IGMP. According to Navigant Consulting (Revised IGMP,
Exhibit EVERSOURCE-GMP, Appendix 7 at 19), the only monetizable benefit of
any material magnitude is from the coincident peak savings associated with
Eversource’s proposal to offer time-varying rates. It would therefore be reasonable
to allocate the Revised IGMP revenue requirements to rate classes in proportion to
each class’s contribution to total coincident peak demand for all rate classes.

Q: Does this conclude your direct testimony?

A: Yes, based on the information provided by Eversource to date. However, I reserve
the right to supplement my testimony once Eversource provides a revised version of
Exhibit EVERSOURCE-RDC-4 that reflects Eversource’s proposal to eventually
recover the Revised IGMP revenue requirements through an Eversource-wide
RDDF.
Qualifications of

JONATHAN F. WALLACH

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Arlington, Massachusetts 02476

SUMMARY OF PROFESSIONAL EXPERIENCE

1990–Present
Vice President, Resource Insight, Inc. Provides research, technical assistance, and expert testimony on electric- and gas-utility planning, economics, regulation, and restructuring. Designs and assesses resource-planning strategies for regulated and competitive markets, including estimation of market prices and utility-plant stranded investment; negotiates restructuring strategies and implementation plans; assists in procurement of retail power supply.

1989–90
Senior Analyst, Komanoff Energy Associates. Conducted comprehensive cost-benefit assessments of electric-utility power-supply and demand-side conservation resources, economic and financial analyses of independent power facilities, and analyses of utility-system excess capacity and reliability. Provided expert testimony on statistical analysis of U.S. nuclear plant operating costs and performance. Co-wrote The Power Analyst, software developed under contract to the New York Energy Research and Development Authority for screening the economic and financial performance of non-utility power projects.

1987–88
Independent Consultant. Provided consulting services for Komanoff Energy Associates (New York, New York), Schlissel Engineering Associates (Belmont, Massachusetts), and Energy Systems Research Group (Boston, Massachusetts).

1981–86

EDUCATION

BA, Political Science with honors and Phi Beta Kappa, University of California, Berkeley, 1980.


PUBLICATIONS


**REPORTS**

“Economic Benefits from Early Retirement of Reid Gardner” (with Paul Chernick) prepared for and filed by the Sierra Club in PUC of Nevada Docket No. 11-08019.


“Maryland Office of People’s Counsel’s Comments on Staff Restructuring Report: Case No. 8738.” 1997. Filed by the Maryland Office of People’s Counsel in PSC Case No. 8738.

“Protest and Request for Hearing of Maryland Office of People’s Counsel.” 1997. Filed by the Maryland Office of People’s Counsel in PSC Docket Nos. EC97-46-000, ER97-4050-000, and ER97-4051-000.

“Restructuring the Electric Utilities of Maryland: Protecting and Advancing Consumer Interests” (with Paul Chernick, Susan Geller, John Plunkett, Roger Colton, Peter Bradford,


“The Economics of Completing and Operating the Vogtle Generating Facility.” 1985. ESRG Study No. 85-51A.


“The Economics of Seabrook 1 from the Perspective of the Three Maine Co-owners.” 1984. ESRG Study No. 84-38.


“Electricity and Gas Savings from Expanded Public Service Electric and Gas Company Conservation Programs.” 1983. ESRG Study No. 82-43/2.

“Long Island Without the Shoreham Power Plant: Electricity Cost and System Planning Consequences; Summary of Findings.” 1983. ESRG Study No. 83-14S.


“Customer Programs to Moderate Demand Growth on the Arizona Public Service Company System: Identifying Additional Cost-Effective Program Options.” 1982. ESRG Study No. 82-14C.


PRESENTATIONS


EXPERT TESTIMONY

1989 Mass. DPU on behalf of the Massachusetts Executive Office of Energy Resources. Docket No. 89-100. Joint testimony with Paul Chernick relating to statistical analysis of U.S. nuclear-plant capacity factors, operation and maintenance costs, and capital additions; and to projections of capacity factor, O&M, and capital additions for the Pilgrim nuclear plant.


Prudence of utilities’ IRP decisions; costs of utilities’ failure to follow City Council directives; possible cost disallowances and penalties; survey of penalties for similar failures in other jurisdictions.


Critique of proposed restructuring plan filed to satisfy requirements of the electric-utility restructuring act of 1997. Failure of the plan to foster competition and promote the public interest.


Market value of the three Millstone nuclear units under varying assumptions of plant performance and market prices. Independent forecast of wholesale market prices. Value of Pilgrim and TMI-1 asset sales.
Maryland PSC Case No. 8795, Delmarva Power & Light comprehensive restructuring agreement, Maryland Office of People’s Counsel. July 1999.

Support of proposed comprehensive restructuring settlement agreement

Maryland PSC Case Nos. 8794 and 8808, Baltimore Gas & Electric Company comprehensive restructuring agreement, Maryland Office of People’s Counsel. Initial Testimony July 1999; Reply Testimony August 1999; Surrebuttal Testimony August 1999.

Support of proposed comprehensive restructuring settlement agreement

Maryland PSC Case No. 8797, comprehensive restructuring agreement for Potomac Edison Company, Maryland Office of People’s Counsel. October 1999.

Support of proposed comprehensive restructuring settlement agreement


Reasonableness of proposed revisions to standard-offer-supply energy costs. Implications of revisions for other elements of proposed settlement.


Evaluation of innovative rate proposal by PJM transmission owners.


Reasonableness of proposed fees for electricity-supplier services.


Costs and benefits to ratepayers. Assessment of public interest.


Allocation of benefits from sale of generation assets and power-purchase contracts.

Maryland PSC Case No. 8908, Maryland electric utilities’ standard offer and supply procurement, Maryland Office of People’s Counsel. Direct, November 2002; Rebuttal December 2002.

2003  **Maryland PSC** Case No. 8980, adequacy of capacity in restructured electricity markets; Maryland Office of People’s Counsel. Direct, December 2003; Reply December 2003.

Purpose of capacity-adequacy requirements. PJM capacity rules and practices. Implications of various restructuring proposals for system reliability.


Calculation and allocation of costs. Effect on administrative charge pursuant to settlement.

**Maryland PSC** Case No. 8994, Delmarva Power & Light recovery of generation-related uncollectibles; Maryland Office of People’s Counsel. Direct, March 2004; Supplemental April 2004.

Calculation and allocation of costs. Effect on administrative charge pursuant to settlement.

**Maryland PSC** Case No. 8985, Southern Maryland Electric Coop standard-offer service; Maryland Office of People’s Counsel. Direct, July 2004.

Reasonableness and risks of resource-procurement plan.


Net-revenue offset to cost of new capacity. Winter-summer adjustment factor. Market power and in-City ICAP price trends.

**FERC** Docket No. PL05-7-000, capacity markets in PJM; Maryland Office of People’s Counsel. Statement, June 2005.

Inefficiencies and risks associated with use of administratively determined demand curve. Incompatibility of four-year procurement plan with Maryland standard-offer service.

**FERC** Dockets Nos. ER05-1410-000 & EL05-148-000, proposed market-clearing mechanism for capacity markets in PJM; Coalition of Consumers for Reliability, Affidavit October 2005, Supplemental Affidavit October 2006.

Inefficiencies and risks associated with use of administratively determined demand curve. Effect of proposed reliability-pricing model on capacity costs.

2006  **Maryland PSC** Case No. 9052, Baltimore Gas & Electric rates and market-transition plan; Maryland Office of People’s Counsel, February 2006.
Transition to market-based residential rates. Price volatility, bill complexity, and cost-deferral mechanisms.

**Maryland PSC** Case No. 9056, default service for commercial and industrial customers; Maryland Office of People’s Counsel, April 2006.

Assessment of proposals to modify default service for commercial and industrial customers.

**Maryland PSC** Case No. 9054, merger of Constellation Energy Group and FPL Group; Maryland Office of People’s Counsel, June 2006.

Assessment of effects and risks of proposed merger on ratepayers.

**Illinois Commerce Commission** Docket No. 06-0411, Commonwealth Edison Company residential rate plan; Citizens Utility Board, Cook County State’s Attorney’s Office, and City of Chicago, Direct July 2006, Reply August 2006.

Transition to market-based rates. Securitization of power costs. Rate of return on deferred assets.

**Maryland PSC** Case No. 9064, default service for residential and small commercial customers; Maryland Office of People’s Counsel, Rebuttal Testimony, September 2006.

Procurement of standard-offer power. Structure and format of bidding. Risk and cost recovery.

**FERC** Dockets Nos. ER05-1410-000 & EL05-148-000, proposed market-clearing mechanism for capacity markets in PJM; Maryland Office of the People’s Counsel, Supplemental Affidavit October 2006.

Distorting effects of proposed reliability-pricing model on clearing prices. Economically efficient alternative treatment.

**Maryland PSC** Case No. 9063, optimal structure of electric industry; Maryland Office of People’s Counsel, Direct Testimony, October 2006; Rebuttal November 2006; surrebuttal November 2006.


**Maryland PSC** Case No. 9073, stranded costs from electric-industry restructuring; Maryland Office of People’s Counsel, Direct Testimony, December 2006.

Review of estimates of stranded costs for Baltimore Gas & Electric.

**2007**

**Maryland PSC** Case No. 9091, rate-stabilization and market-transition plan for the Potomac Edison Company; Maryland Office of People’s Counsel, Direct Testimony, March 2007.
Rate-stabilization plan.

**Maryland PSC** Case No. 9092, rates and rate mechanisms for the Potomac Electric Power Company; Maryland Office of People’s Counsel, Direct Testimony, March 2007.

Cost allocation and rate design. Revenue decoupling mechanism.

**Maryland PSC** Case No. 9093, rates and rate mechanisms for Delmarva Power & Light; Maryland Office of People’s Counsel, Direct Testimony, March 2007.

Cost allocation and rate design. Revenue decoupling mechanism.

**Maryland PSC** Case No. 9099, rate-stabilization plan for Baltimore Gas & Electric; Maryland Office of People’s Counsel, Direct, March 2007; Surrebuttal April 2007.


Assessment of proposed capacity contracts.

**Maryland PSC** Case No. 9117, residential and small-commercial standard-offer service; Maryland Office of People’s Counsel. Direct and Reply, September 2007; Supplemental Reply, November 2007; Additional Reply, December 2007; presentation, December 2008.

Benefits of long-term planning and procurement. Proposed aggregation of customers.

**Maryland PSC** Case No. 9117, Phase II, residential and small-commercial standard-offer service; Maryland Office of People’s Counsel. Direct, October 2007.

Energy efficiency as part of standard-offer-service planning and procurement. Procurement of generation or long-term contracts to meet reliability needs.


Assessment of proposed peaking projects. Valuation of peaking capacity. Modeling of energy margin, forward reserves, other project benefits.


Critique of integrated system plan. Resource cost and characteristics; finance cost. Development of least-cost green-energy portfolio.
2009  **Maryland PSC** Case No. 9192, Delmarva Power & Lights rates; Maryland Office of People’s Counsel. Direct, August 2009; Rebuttal, Surrebuttal, September 2009.

Cost allocation and rate design.

**Wisconsin PSC** Docket No. 6630-CE-302, Glacier Hills Wind Park certificate; Citizens Utility Board of Wisconsin. Direct and Surrebuttal, October 2009.

Reasonableness of proposed wind facility.

**PUC of Ohio** Case No 09-906-EL-SSO, standard-service-offer bidding for three Ohio electric companies; Office of the Ohio Consumers’ Counsel. Direct, December 2009.

Design of auctions for SSO power supply. Implications of migration of First-Energy from MISO to PJM.

2010  **PUC of Ohio** Case No 10-388-EL-SSO, standard-service offer for three Ohio electric companies; Office of the Ohio Consumers’ Counsel. Direct, July 2010.

Design of auctions for SSO power supply.

**Maryland PSC** Case No. 9232, Potomac Electric Power Co. administrative charge for standard-offer service; Maryland Office of People’s Counsel. Reply, Rebuttal, August 2010.

Proposed rates for components of the Administrative Charge for residential standard-offer service.

**Maryland PSC** Case No. 9226, Delmarva Power & Light administrative charge for standard-offer service; Maryland Office of People’s Counsel. Reply, Rebuttal, August 2010.

Proposed rates for components of the Administrative Charge for residential standard-offer service.

**Maryland PSC** Case No. 9221, Baltimore Gas & Electric cost recovery; Maryland Office of People’s Counsel. Reply, August 2010; Rebuttal, September 2010; Surrebuttal, November 2010

Proposed rates for components of the Administrative Charge for residential standard-offer service.

**Wisconsin PSC** Docket No. 3270-UR-117, Madison Gas & Electric gas and electric rates; Citizens Utility Board of Wisconsin. Direct, Rebuttal, Surrebuttal, September 2010.

Standby rate design. Treatment of uneconomic dispatch costs.

Effectiveness of fuel-adjustment incentive mechanism.


Assessment of drought-related financial risk.

2011


Merger and competitive markets. Competitively neutral recovery of utility investments in new generation.

Mass. DPU 11-5, -6, -7, NStar wind contracts; Cape Light Compact. Direct, May 2011.

Assessment of utility proposal for recovery of contract costs.


Cost allocation and rate design. Allocation of DOE settlement payment.


Costs to comply with Cross State Air Pollution Rule.

2012

Maryland PSC Case No. 9149, Maryland IOUs’ development of RFPs for new generation; Maryland Office of People’s Counsel. March 2012.

Failure of demand-response provider to perform per contract. Estimation of cost to ratepayers.

PUCO Cases Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, 11-350-EL-AAM, transition to competitive markets for Columbus Southern Power Company and Ohio Power Company; Ohio Consumers’ Counsel. May 2012

Structure of auctions, credits, and capacity pricing as part of transition to competitive electricity markets.


Cost allocation and rate design (electric).
**Wisconsin PSC** Docket No. 05-UR-106, We Energies rates, Wisconsin Citizens Utility Board. Direct, Rebuttal, September 2012.

Cost allocation and rate design (electric).


Recovery of environmental remediation costs at a manufactured gas plant. Cost allocation and rate design.

2013


Economic evaluation of alternative environmental-compliance plans. Effects of energy efficiency and renewable resources on cost and risk.

**Maryland PSC** Case No. 9324, Starion Energy marketing, Maryland Office of People’s Counsel. September 2013.

Estimation of retail costs of electricity supply.


Cost allocation and rate design; rate-stabilization mechanism.


Cost allocation and rate design.


Need for new capacity. Economic assessment of alternative resource options.

2014

**Maryland PSC** Cases Nos. 9226 & 9232, administrative charge for standard-offer service; Maryland Office of People’s Counsel. Reply, April 2014; surrebuttal, May 2014.

Proposed rates for components of the Administrative Charge for residential standard-offer service.

Estimation of retail costs of power supply for residential standard-offer service.

**PUC Ohio** Cases Nos. 13-2385-EL-SSO, 13-2386-EL-AAM; Ohio Power Company standard-offer service; Office of the Ohio Consumers’ Counsel. Direct, May 2014.

Allocation of distribution-rider costs.

**Wisc. PSC** Docket No. 6690-UR-123, Wisconsin Public Service Corporation electric and gas rates; Citizens Utility Board of Wisconsin. Direct, Rebuttal, August 2014; Surrebuttal, September 2014.

Cost allocation and rate design.

**Wisc. PSC** Docket No. 05-UR-107, We Energy biennial review of electric and gas costs and rates; Citizens Utility Board of Wisconsin. Direct, August 2014; Rebuttal, Surrebuttal September 2014.

Cost allocation and rate design.

**Wisc. PSC** Docket No. 3270-UR-120, Madison Gas and Electric Co. electric and gas rates; Citizens Utility Board of Wisconsin. Direct, Rebuttal, September 2014.

Cost allocation and rate design.

**Nova Scotia UARB** Case No. NSUARB P-887(6), Nova Scotia Power fuel-adjustment mechanism; Nova Scotia Consumer Advocate. Evidence, December 2014.

Allocation of fuel-adjustment costs.

**Maryland PSC** Case No. 9221, Baltimore Gas & Electric cost recovery; Maryland Office of People’s Counsel. Second Reply, June 2015; Second Rebuttal, July 2015.

Proposed rates for components of the Administrative Charge for residential standard-offer service.


Cost allocation and rate design.


Cost allocation and rate design.
**Maryland PSC** Cases Nos. 9226 & 9232, administrative charge for standard-offer service; Maryland Office of People’s Counsel. Third Reply, September 2015; Third Rebuttal, October 2015.

Proposed rates for components of the Administrative Charge for residential standard-offer service.

**Nova Scotia UARB** Case No. NSUARB P-887(7), Nova Scotia Power fuel-adjustment mechanism; Nova Scotia Consumer Advocate. Evidence, December 2015.

Accounting adjustment for estimated over-earnings. Proposal for modifying procedures for setting the Actual Adjustment.

2016 **Maryland PSC** Case No. 9406, Baltimore Gas & Electric base rate case; Maryland Office of People’s Counsel. Direct, February 2016; Rebuttal, March 2016; Surrebuttal, March 2016.

Allocation of Smart Grid costs. Recovery of conduit fees. Rate design.


Cost allocation and rate design.


Cost allocation and rate design.


Cost basis for residential customer charges.


Sanctions for imprudent fuel-contracting practices.
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy For Approval of their Grid Modernization Plan

D.P.U. 15-122/123

AFFIDAVIT OF JONATHAN F. WALLACH

Jonathan F. Wallach does hereby depose and say as follows:

I, Jonathan F. Wallach, certify that the direct testimony and exhibits submitted on behalf of the Cape Light Compact in the above-captioned proceeding, which bear my name, were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury.

Jonathan F. Wallach
Vice President, Resource Insight, Inc.

Dated: March 10, 2017