

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

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**Petition of NSTAR Electric Company d/b/a )  
Eversource Energy pursuant to G.L. c. 164, § 94 )  
and 220 CMR 5.00, for Approval of a General ) D.P.U. 22-22  
Increase in Base Distribution Rates for Electric )  
Service and a Performance-Based )  
Ratemaking Plan )**

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**SURREBUTTAL TESTIMONY OF  
KEVIN F. GALLIGAN  
ON BEHALF OF  
THE CAPE LIGHT COMPACT JPE**

**JUNE 24, 2022**

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Kevin F. Galligan. My business address is 22 Great Oak Road,  
4 Orleans, Massachusetts.

5 **Q. Have you previously provided testimony in this proceeding?**

6 A. Yes, I filed direct testimony dated April 29, 2022, with the Department of Public  
7 Utilities (the “Department”) on behalf of the Cape Light Compact JPE (the  
8 “Compact”) addressing rate design, bill impacts and performance-based ratemaking  
9 metrics (“Direct Testimony”).

10 **Q. What is the purpose of your surrebuttal testimony?**

11 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony filed  
12 in this proceeding on June 10, 2022 by Richard D. Chin on behalf of NSTAR  
13 Electric Company d/b/a Eversource Energy (“Eversource” or the “Company”).  
14 (Exhibit ES-RDC-Rebuttal-1 (“Rebuttal Testimony”).

15 **II. RESPONSE TO REBUTTAL TESTIMONY REGARDING RATE DESIGN**

16 **Q. Does Eversource agree with the proposal to phase in residential customer  
17 charges over three years as presented in your Direct Testimony?**

18 A. No, Exhibit ES-RDC-Rebuttal-1 does not agree with my proposal.

19 **Q. Do you have any observations regarding Eversource’s Rebuttal Testimony?**

20 A. Yes, Eversource has ignored the concept of gradualism and has not properly  
21 mitigated the dramatic rate increases resulting from the proposed increases to  
22 residential customer charges, which are the fixed portion of these residential bills.

1 **Q. Is gradualism a proposal consistent with utility ratemaking principles?**

2 A. Yes, my Direct Testimony proposed a more gradual approach to phase-in an  
3 increase to the fixed customer charge for the Residential Rate Group over three  
4 years, rather than all at once. That proposal is consistent with Criteria 5 in  
5 Bonbright’s list of “Criteria of a Sound Rate Structure”: “stability of the rates  
6 themselves, with a minimum of unexpected changes seriously adverse to existing  
7 customers.” James C. Bonbright, Principles of Public Utility Ratemaking at 291  
8 (1961). As the Department knows, a more gradual alternative phased approach is a  
9 method to move partway toward the results of cost of service studies in an effort to  
10 balance the cost and non-cost considerations presented in a rate case. In this case,  
11 my discovery response to DPU-CLC-1-3 and the accompanying Attachments DPU-  
12 CLC-1-3(a)-(e) confirmed that a phased-in approach to the residential customer  
13 charge increase over three years provides relief to lower use customers with a  
14 minimal impact on higher use customers and ultimately provides the Company what  
15 they requested at the start of year three.

16 **Q. Please identify the issues raised in Mr. Chin’s Rebuttal Testimony (Exhibit ES-  
17 RDC-1-Rebuttal) that you are responding to with this surrebuttal testimony?**

18 A. In this surrebuttal testimony, I respond to three specific points made in Eversource’s  
19 rate design Rebuttal Testimony.

20 **Q. What is the first specific point?**

21 A. First, Mr. Chin claims I presented no evidence indicating how the Company’s  
22 proposal in fact would harm these [low use] customers. (Exhibit ES-RDC-

1 Rebuttal-1 at 9, 10.) I respectfully remind the Department of the significant  
2 economic challenges customers face today due to inflation and increased prices on  
3 necessities and the unique circumstance faced by Cape and Vineyard ratepayers.  
4 These well documented concerns included in my Direct Testimony are further  
5 supported by the release of the Consumer Price Index on June 10, 2022 that reports  
6 for the 12-months ended May 2022 the All Items Index increased 8.6 percent.  
7 (<https://www.bls.gov/news.release/cpi.nr0.htm>)

8 **Q. What is the second specific point?**

9 A. Second, Eversource's Rebuttal Testimony states my focus on the percentage  
10 increase for low-use customers is "misleading" and claims the actual amount of the  
11 increase is only \$3.78 for a low-use customer of 100 kilowatt hours. (Exhibit ES-  
12 RDC-Rebuttal-1 at 9, 11-14.) This response ignores the reality that customers on  
13 fixed incomes or dealing with these challenging economic times are affected by  
14 even a single dollar increase in their bill. The gradualism used by the Department  
15 in this rate case, in particular with respect to fixed customer charges, should reflect  
16 those current economic realities.

17 **Q. What is the third specific point?**

18 A. Third, Eversource's Rebuttal Testimony states, "[A]lso, low-income customers are  
19 being protected from the increase in the customer charge because the Company is  
20 proposing to increase the low-income discount to 42 percent." (Exhibit ES-RDC-  
21 Rebuttal-1 at 9, 16-17.) This claim misses the point of my Direct Testimony as  
22 many low-use customers are not on the assistance rates. It is inaccurate to conclude

1           that simply increasing the discount for low-income customers addresses the harm to  
2           low-use residential customers on Cape Cod and Martha's Vineyard.

3   **Q.    Have you revised the recommendation related to the customer charge in your**  
4   **Direct Testimony in light of Eversource's Rebuttal Testimony?**

5   A.    No, I have not. I continue to recommend that the increase to the residential  
6   customer charge be phased over a three-year period.

7   **III.   CONCLUSION**

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

9   A.    Yes it does.