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**JAMES M. KING**  
**AARON J. DOLL**  
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**K. MYKA HAYWARD-HAWKINS**

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**E X H I B I T S**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
11	Testimony of Aaron J. Doll, Christopher Green, and Myka Hayward, with attachments [12-07-23] <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
12	Testimony of Aaron J. Doll, Christopher Green, and Myka Hayward, with attachments [12-07-23] [REDACTED - For PUBLIC Use]	<i>premarked</i>
13	Technical Statement of Robert Garcia and James M. King, with attachments [12-07-23] <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
14	Technical Statement of Robert Garcia and James M. King, with attachments [12-07-23] [REDACTED - For PUBLIC Use]	<i>premarked</i>

**P R O C E E D I N G**

1  
2 CHAIRMAN GOLDNER: Okay. Good  
3 afternoon. This is the hearing for the February  
4 to July procurement cycle for Docket Number DE  
5 23-044, the Liberty Utilities (Granite State  
6 Electric), or Liberty, Default Service filing  
7 review. This filing was scheduled pursuant to a  
8 procedural order on October 30th, 2023. I'm here  
9 with Commissioners Chattopadhyay and Simpson.

10 On December 8th, 2023, Liberty filed  
11 its Revised Witness and Exhibit List for this  
12 matter, with the presumed concurrence of  
13 Department of Energy. Liberty proposes that Mr.  
14 Robert Garcia, Mr. James King, Mr. Aaron Doll,  
15 Mr. Christopher Green, and Ms. Myka Hayward be  
16 called to testify this afternoon regarding the  
17 Default Service procurement.

18 Liberty proposes a confidential Hearing  
19 Exhibit 11, be reserved for confidential, the  
20 confidential version of the testimony of  
21 Mr. Doll, Mr. Green, and Ms. Hayward, filed on  
22 December 8th; Hearing Exhibit 12 is reserved for  
23 the public version of that testimony;  
24 confidential Hearing Exhibit 13 is reserved for

1 its confidential version of the testimony of Mr.  
2 Garcia and Mr. King, filed on December 8th; and  
3 Hearing Exhibit 14 is the public version of the  
4 Garcia and King testimony.

5 Liberty relies on the Puc Rule  
6 201.06(a)(15), and 201.06 and 201.07 generally,  
7 for the confidential treatment of the material  
8 noticed as confidential Hearing Exhibits 11 and  
9 13.

10 There are no intervenors in this  
11 docket, and no members of the public here today.  
12 In light of this, when confidential information  
13 is implicated in the hearing today, we ask that  
14 the parties indicate this for the benefit of the  
15 court reporter.

16 When we take appearances today, we'll  
17 invite the Company, the OCA, and the Department  
18 of Energy to make brief opening statements. And  
19 we request that the OCA and DOE indicate whether  
20 they have any objections to the proposed exhibits  
21 or to the Company's request for confidentiality  
22 relating to Exhibits 11 and 13.

23 If there are no other preliminary  
24 matters, we'll now take appearances, starting

1 with the Company.

2 MR. SHEEHAN: Good afternoon,  
3 Commissioners. Mike Sheehan, for Liberty  
4 Utilities (Granite State Electric) Corp. And I  
5 meant to mention this morning, a thanks to the  
6 Commission for arranging these two hearings today  
7 to accommodate our folks from out-of-state.

8 CHAIRMAN GOLDNER: Thank you. And  
9 we'll move to the Office of the Consumer  
10 Advocate.

11 MR. KREIS: Good afternoon,  
12 Commissioners. I hope you're as well fed as I am  
13 after the lunch break.

14 I'm Donald Kreis, the Consumer  
15 Advocate, here on behalf of residential utility  
16 customers.

17 Let's see if I remember the questions  
18 I'm supposed to address.

19 Question Number 1, do I have any  
20 objection to the exhibits that have been  
21 prefiled? And the answer to that is "no."

22 Question Number 2, do I have any  
23 objections to the confidentiality requests made  
24 by the Company? I continue to believe that it is

1 appropriate to disclose publicly the number of  
2 bidders who participate in these solicitations.

3 But I believe that's a battle I have  
4 already fought and lost. And I do not need to  
5 relitigate that question today.

6 So, subject to that disclaimer, I have  
7 no objection to the Company's confidentiality  
8 requests.

9 CHAIRMAN GOLDNER: Thank you. And the  
10 New Hampshire Department of Energy?

11 MR. YOUNG: Good afternoon,  
12 Commissioners. Matthew Young, representing  
13 Department of Energy. And with me today are  
14 Steve Eckberg, who is a Regulatory Analyst in the  
15 Electric Division; and Scott Balise, who is also  
16 an Analyst in the Regulatory Support Division.

17 CHAIRMAN GOLDNER: Okay. And could you  
18 comment on any objections to the exhibits?

19 MR. YOUNG: Sure. Apologies for that.  
20 We have no objection to the exhibits or the  
21 confidentiality request.

22 CHAIRMAN GOLDNER: Okay. Very good.

23 And we'll invite now brief opening  
24 statements, if desired, beginning with the

1 Company.

2 MR. SHEEHAN: Sure. Excuse me.

3 We are proposing new Default Service  
4 rates for the period February 1. The written  
5 testimony, as supported by the witness today,  
6 will describe an appropriate solicitation process  
7 and rates that the Company believes are  
8 reasonable. And we have filed supporting  
9 schedules and proposed tariff pages that we will  
10 be asking the Commission to approve.

11 Thank you.

12 CHAIRMAN GOLDNER: Thank you. And the  
13 Office of the Consumer Advocate.

14 MR. KREIS: Thank you.

15 I'm walking into the hearing, having  
16 reviewed the Company's filing, prepared to, at  
17 the conclusion of the hearing, recommend that you  
18 approve the Company's requested Default Energy  
19 Service rates.

20 However, I'm going to listen to what  
21 the witnesses say up on the stand. It's possible  
22 they could change my mind.

23 And I am also prepared to have some  
24 intelligent discussion about the extent to which

1           this, or any other electric utility, should send  
2           its residential customers into the perilous  
3           waters of the Day-Ahead and Real-Time Energy  
4           Markets of ISO-New England.

5                   CHAIRMAN GOLDNER: Thank you. And,  
6           finally, the New Hampshire Department of Energy.

7                   MR. YOUNG: The Department of Energy  
8           would, I guess, express our appreciation for the  
9           Company and the Consumer Advocate's willingness  
10          to participate in a technical session yesterday,  
11          I believe, to clarify certain points stated in  
12          their Petition before the Commission today.

13                   The Department has reviewed the filing,  
14          and we plan to recommend approval of their  
15          Petition.

16                   CHAIRMAN GOLDNER: Thank you. And,  
17          Mr. Sheehan, your witnesses are ready to go?

18                   MR. SHEEHAN: Yes.

19                   CHAIRMAN GOLDNER: Okay. Mr. Patnaude,  
20          would you please swear in the witnesses.

21                   *(Whereupon **ROBERT GARCIA, JAMES KING,***  
22                   ***AARON J. DOLL, CHRISTOPHER GREEN,** and*  
23                   ***K. MYKA HAYWARD-HAWKINS** were duly*  
24                   *sworn by the Court Reporter.)*

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 CHAIRMAN GOLDNER: Thank you. And  
2 we'll begin with Liberty direct.

3 It looks like we might be a little  
4 short in the hearing box. If somebody would  
5 prefer to sit with Mr. Sheehan, that would be  
6 okay, too. If you're comfortable where you're  
7 at, either way is fine.

8 WITNESS GREEN: We can probably share.

9 CHAIRMAN GOLDNER: You're okay? All  
10 right. Okay, please proceed.

11 MR. SHEEHAN: They're good at sharing.

12 CMSR. SIMPSON: Most people fight over  
13 the microphone.

14 MR. SHEEHAN: So, we'll go through the  
15 introductions and adoption of testimony for all  
16 five of you. I'll start with Mr. King, who's  
17 done it the most.

18 **JAMES M. KING, SWORN**

19 **ROBERT GARCIA, SWORN**

20 **AARON J. DOLL, SWORN**

21 **CHRISTOPHER GREEN, SWORN**

22 **K. MYKA HAYWARD-HAWKINS, SWORN**

23 **DIRECT EXAMINATION**

24 BY MR. SHEEHAN:

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q Mr. King, please introduce yourself, your title  
2 with Liberty, and your role in this filing?

3 A (King) My name is James King. I'm an Analyst II  
4 with Liberty Utilities Service Corporation,  
5 providing services to Granite State Electric and  
6 EnergyNorth Natural Gas.

7 My role in this filing was to provide  
8 witness testimony and providing the supporting  
9 schedules for the calculated rate.

10 Q And, Mr. King, did you prepare testimony, along  
11 with Mr. Garcia, that's been marked as "13" and  
12 "14"?

13 A (King) I did, yes.

14 Q And 13 confidential, 14 public. Do you have any  
15 changes or corrections to that testimony this  
16 afternoon?

17 A (King) I do not. No.

18 Q And do you adopt that testimony today as your  
19 sworn testimony?

20 A (King) I do.

21 Q And we'll do a quick intro with you. Your  
22 testimony, among other things, calculates the  
23 rates and calculates bill impacts, is that  
24 correct?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (King) That is correct.

2 Q Could you point the Commission to where it can  
3 find the proposed Default Service rate and what  
4 that is?

5 A (King) Yes. For the Large Customer Group, the  
6 G-1 and G-2 customers, that can be found on Bates  
7 Page 085 for the monthly rates, on Line 17.

8 For the Small Customer Group, the rate  
9 for the six-month block can be found on Line 21  
10 of Page 86. And the two bill impacts that we've  
11 provided can be found on 87 and 88. The first  
12 one being a rate comparison of current rates to  
13 those proposed for effect February 1. And the  
14 second bill impact is February 1, 2023 rates,  
15 compared to the proposed February 1, 2024 rates.

16 Q Could you just speak to those, put the numbers to  
17 what you just described? What is the proposed  
18 rate for the Small Customer Group February 1?

19 A (King) For the Small Customer Group for the  
20 February 1 rate, we are proposing a 9.758 cents  
21 per kilowatt. Yes.

22 Q And compare that to current and to last year's  
23 proposed rate?

24 A (King) So, the rate that's currently in effect

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 for the Small Customer Group is 12.612 cents. It  
2 works out to be, on the total bill impact for a  
3 customer using 650 kilowatts, it's an \$18.38  
4 decrease, or about 11 percent on the total bill  
5 impact.

6 And, then, comparing the proposed rate  
7 to last February's rate of 22.007 cents, a total  
8 bill decrease of approximately \$77, or 34  
9 percent.

10 Q Thank you. Mr. Garcia, please introduce  
11 yourself, your position with Liberty, and your  
12 involvement in this proposing?

13 A (Garcia) My name is Robert Garcia. I'm employed  
14 by Liberty Utilities Service Corp. I am Manager  
15 of Rates and Regulatory Affairs.

16 My involvement is supporting the  
17 development of the default supply rates that  
18 Mr. King just presented.

19 Q And did you participate in the testimony that  
20 bears your name, and it has been marked as  
21 "Exhibits 13" and "14"?

22 A (Garcia) Yes, along with Mr. King.

23 Q Do you have any corrections you'd like to bring  
24 to the Commission's attention?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Garcia) No, sir. I do not.

2 Q And do you adopt it as your sworn testimony this  
3 afternoon?

4 A (Garcia) I do.

5 Q Thank you. Mr. Doll, you're next please. I know  
6 we heard from you a couple hours ago, but please  
7 introduce yourself again?

8 A (Doll) Sure. Aaron Doll, Senior Director of  
9 Energy Strategy at Liberty Utilities.

10 Q And you, along with the folks to your left,  
11 prepared testimony that's been filed in this case  
12 as "Exhibits 11" and "12", 11 confidential, 12  
13 redacted. Do you have any changes or corrections  
14 to the testimony you'd like to mention now?

15 A (Doll) We did supply Exhibit 11. And, no, we  
16 have no changes.

17 Q Okay. And, briefly, your testimony describes the  
18 process that you folks went through to obtain the  
19 proposed supply to begin February 1, is that  
20 correct?

21 A (Doll) Yes. Our department oversees the  
22 procurement activities of Liberty Utilities,  
23 including Granite State's default service  
24 solicitations.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q Okay. Thank you. Mr. Green, the same questions,  
2 please introduce yourself?

3 A (Green) Yes. Chris Green, Manager of Energy  
4 Market Operations. I'm the lead on procurement  
5 on Granite State.

6 Q And did you participate in the work reflected and  
7 in the drafting of the testimony that's been  
8 marked as "Exhibits 11" and "12"?

9 A (Green) Yes, sir.

10 Q And any changes?

11 A (Green) No.

12 Q And do you adopt that testimony as your testimony  
13 this afternoon?

14 A (Green) I do.

15 Q And, Ms. Hayward, the same goes, please introduce  
16 yourself and your position with Liberty?

17 A (Hayward) My name is Myka Hayward. I'm a Project  
18 Specialist. I serve on several different  
19 projects, but assist with the default service for  
20 Granite State.

21 Q And did you participate in the work that's  
22 reflected in the testimony and the testimony  
23 itself that's been marked as "Exhibits 11" and  
24 "12"?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Hayward) Yes.

2 Q Any corrections you would like to bring to the  
3 Commission's attention?

4 A (Hayward) No.

5 Q And do you adopt that as your sworn testimony  
6 this afternoon?

7 A (Hayward) I do.

8 MR. SHEEHAN: Thank you. With that,  
9 and not knowing exactly where the Commission or  
10 the parties would like to go, I'm happy to rest  
11 and let the case proceed.

12 CHAIRMAN GOLDNER: Okay. Let's move to  
13 OCA cross?

14 MR. KREIS: I have no questions for the  
15 Company's witnesses.

16 CHAIRMAN GOLDNER: And we'll move to  
17 DOE cross?

18 MR. YOUNG: Just a few short questions,  
19 I believe. And these are directed to nobody in  
20 particular. So, if anybody feels that they have  
21 the answer, please feel free to jump in.

22 **CROSS-EXAMINATION**

23 BY MR. YOUNG:

24 Q So, first question is, did Liberty conduct the

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 solicitation in accordance with the process that  
2 the Company has previously used in the past?

3 A (Green) Yes, we did.

4 Q And did Liberty review and evaluate the bids in a  
5 manner consistent with the criteria and process  
6 approved by the Commission in the Settlement  
7 Agreement that established this process?

8 A (Green) Yes, sir.

9 Q And were there any changes made to the  
10 solicitation this time around?

11 A (Green) Not that I'm aware of.

12 Q Okay. So, then, turning specifically to, I  
13 believe, Exhibit 11, Bates Page 010, and looking  
14 at Lines 1 through 5. Just let me know when  
15 you're there?

16 A (Green) Oh, I'm there. Sorry.

17 Q No, that's okay. So, the "Mystic Cost of Service  
18 agreement" is mentioned there as a reason that  
19 several bidders, I guess, did not participate, as  
20 is "community aggregation".

21 So, I'm wondering if you could explain  
22 a little bit more about what, I guess,  
23 specifically, you're hearing from those bidders  
24 on why they didn't participate, and I guess touch

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 on those two issues specially?

2 A (Green) It wasn't something that they stated  
3 directly. It's perceived risk, right, in the  
4 market. We did have one of the suppliers ask if  
5 it was going to be included. But that's really  
6 as far as that went.

7 This -- I wrote this just as kind of a  
8 holdover. And it's still a risk that suppliers  
9 are putting into bids. But that's really more of  
10 a holdover from before, at the larger level.

11 MR. YOUNG: Okay. Thank you. That's  
12 all I had, Commissioners.

13 CHAIRMAN GOLDNER: Thank you. We'll  
14 move to Commissioner questions, beginning with  
15 Commissioner Simpson.

16 BY CMSR. SIMPSON:

17 Q I think I overheard "community aggregation" being  
18 mentioned. So, I'll offer the opportunity to  
19 address the risk presented by community  
20 aggregation?

21 A (Doll) Sure. I think, in particular, you know,  
22 we're trying to isolate the precise numbers,  
23 which is quite a task when we're talking about  
24 competitive supply, community aggregation

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 opt-in/opt-outs. But, you know, for round  
2 purposes, we're sitting around 66 percent of the  
3 total load that is not a default service  
4 participant.

5 So, from that, we have two very  
6 significant towns that are either in the process  
7 of going through a community aggregation filing,  
8 or have an upcoming vote. And, so, between those  
9 two towns, we're going to start seeing a  
10 significant reduction in load that would be  
11 available for default service solicitation.

12 And, so, some of the risk that comes  
13 with that is there is administrative tasks that  
14 have to be taken by suppliers. And, when you  
15 start getting to smaller volumes of load, with  
16 already being a smaller utility, like Granite  
17 State, there's just some concern we have about  
18 the liquidity of the market, whether we're going  
19 to be able to get bids from suppliers if we start  
20 getting too small of loads for default service  
21 solicitation.

22 Q So, today, you are the load-serving entity for  
23 about a third of your load?

24 A (Doll) That's correct.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q And do you envision significant attrition  
2 furthermore, once two communities aggregate?

3 A (Doll) To the extent both of those go through  
4 that whole process and choose to aggregate, that  
5 is a very real risk, yes.

6 Q Uh-huh. Okay. And the Consumer Advocate brought  
7 this up, we've signaled some openness to going to  
8 the market in prior orders. Do you want to  
9 address that, either within the context of  
10 attrition of load through community aggregation,  
11 or just generally?

12 A (Doll) I mean, I'll say, mechanically, going  
13 through the Day-Ahead/Real-Time Market at ISO-New  
14 England, we did that February, March, April of  
15 last year.

16 Q Uh-huh.

17 A (Doll) That would be a pretty easy lift for us.  
18 You know, especially going through and getting  
19 established in ISO-New England is probably the  
20 bulk of the task. It's something that our shop  
21 is set up to do.

22 I think what the Company sees as a risk  
23 is it doesn't appear to be consistent with our  
24 current Settlement Agreement. I think we would

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           have a lot more comfort if there was a Commission  
2           order to do so.

3                       I think the risk that we also see is,  
4           the community aggregation process takes some  
5           amount of months. And, so, if the idea is to  
6           come forward with a process, I think what we were  
7           starting to introduce is more volumetric risk to  
8           potential suppliers, and how that may impact  
9           their willingness to supply, and/or their risk  
10          premiums, because they don't have volume  
11          certainty.

12 Q       Thank you for that. A couple of questions for  
13       Mr. Garcia and Mr. King.

14                       I'm looking at Exhibit 14, Bates  
15       Page 080. It's on time-of-use rates. I'm  
16       looking at the winter periods for both the -- for  
17       the two EV Time-of-Use rates. And, then, Table 4  
18       for the Battery Storage/Residential Time-of Use  
19       rate. There's like no variation in the critical  
20       peak, mid-peak, off-peak. Can you explain that?

21 A       (King) Do you mind repeating the question?

22 Q       There's no variation between the periods, or  
23       very, very minimal variation, less than 20  
24       percent from off-peak to critical peak, and

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 mid-peak is marginally higher than off-peak.

2 So, can you just explain the signal  
3 that this is sending, and why it's been  
4 structured as it's been structured?

5 A (Garcia) I guess our -- excuse me. Thank you. I  
6 guess our simple answer would be that the  
7 resulting prices are the result of the models  
8 that we believe Liberty has been directed to use.  
9 We simply update the pricing inputs received from  
10 Mr. Doll's shop. In that calculation, as to  
11 whether or not the model is designed to create --  
12 set price differentiation in the winter period,  
13 versus the summer, where, typically, I think, --

14 Q Uh-huh.

15 A (Garcia) -- is what you try to strive for, is a  
16 bigger deviation. It's hard to say beyond that,  
17 if that was the intent of the model.

18 Q Okay.

19 A (Garcia) But, in the winter, you do see, I think,  
20 the kind of spread that you're looking for in the  
21 summer prices. I don't know if there's naturally  
22 one in the winter prices.

23 Q So, you're not sure why the winter and summer  
24 periods vary, with respect to their peak to

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 off-peak differentials?

2 A (Garcia) I believe there was an effort, from what  
3 I have read, and I'm still new to the state, and  
4 there's a lot of orders. So, I have to caveat  
5 all that. But there were some differentiation  
6 that was discussed for summer.

7 Q Uh-huh.

8 A (Garcia) I did not see if that was to carry over  
9 into winter, and if this model was designed to  
10 accomplish that.

11 Q Okay. And these are just the supply portion for  
12 the time-of-use components, not --

13 A (Garcia) Yes.

14 Q -- distribution/transmission included?

15 A (Garcia) No. This is just the unbundled supply.

16 Q Okay. I'd encourage you to look into that,  
17 because there's --

18 A (Garcia) We are.

19 Q Yes. There's something amiss here, it appears to  
20 me.

21 A (Garcia) We are. We're going to look for this,  
22 and, particularly, the MVL --

23 Q Uh-huh.

24 A (Garcia) -- EV-L and EV-M models. We're going to

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           try to unpack those a little bit, and line them  
2           up with what we saw in the various orders, --

3   Q       Uh-huh.

4   A       (Garcia) -- to see if they are, in fact, working  
5           as they're intended, and trying to understand  
6           what the intentions were from those orders.

7   Q       Okay.

8   A       (Garcia) Because, as noted, with respect to EV-L  
9           and M, in our recent filing, there were some  
10          things that seemed to be amiss, that we had  
11          wanted to speak with DOE and some other experts  
12          who are around that could put the pieces together  
13          for us a little better.

14                        CMSR. SIMPSON:   Okay.   Great.   That  
15                        sounds good.

16                        No further questions.   Thank you.

17                        CHAIRMAN GOLDNER:   Commissioner  
18                        Chattopadhyay.

19   BY CMSR. CHATTOPADHYAY:

20   Q       So, before we leave that topic, just quickly.  
21           The point about "there not been a lot of  
22           variation", I think that appears to be true for  
23           winter. Do you have a sense of whether the  
24           variation has gone down or up, based on the use

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 of the model and setting the prices, you know,  
2 fresh prices at this time? So, relative to what  
3 it was previously.

4 A (Garcia) This is my -- this is my first time. I  
5 guess I'd defer to Mr. King, if he has any  
6 recollection of a previous supply update.

7 A (King) Yes. So, this only being my second  
8 go-around with the February through July  
9 solicitation, my understanding, from, you know,  
10 updating these tables for this filing, it was a  
11 similar spread for winter and summer. So, summer  
12 you're seeing the larger spread between off-peak  
13 and mid-peak and critical peak, and a little  
14 tighter spread on the winter side.

15 Q Okay. I'm going to Exhibit 11. And, so, I'll be  
16 discussing a few things related to Pages 8 --  
17 Bates Pages 008 and 009. So, you don't have to  
18 specifically be there.

19 But just can you give me a sense of  
20 this -- the other two towns that you were talking  
21 about, in terms of community aggregation taking  
22 place, what would remain for default service,  
23 like, percentagewise, once they also move to  
24 Community Power?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Doll) Okay. So, the two towns we're talking  
2 about are Pelham and Salem. And, so, right now,  
3 the composition of those two are about 45  
4 percent. So, that's 45 percent of total load.  
5 We already have a significant portion gone with  
6 competitive supply. So, we're estimating  
7 somewhere in the 15 to 25 percent would be  
8 remaining for default service.

9 Q Okay. So, if that happens, --

10 A (Doll) Uh-huh.

11 Q -- if it is true that, because the tranche would  
12 be really small, --

13 A (Doll) Yes.

14 Q -- you'll have a harder time getting bids. Won't  
15 you naturally then have to, because, if you don't  
16 get bids, you'll have to go the ISO-New England  
17 Market?

18 A (Doll) I would say it is a risk that we will have  
19 a harder time getting bids.

20 Q Okay.

21 A (Doll) I can't say for certain that we won't get  
22 bids, but it will be a risk.

23 Q Right. I understand.

24 A (Doll) Sure.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q Can you, right now, with the -- with the tranches  
2 right now, --

3 A (Doll) Uh-huh.

4 Q -- relative to that, what would be the size of  
5 the new tranche, or tranches, when that happens?

6 A (Doll) As far as from a megawatt --

7 Q Megawatt.

8 A (Doll) Okay. So, rough numbers, capacitywise,  
9 we're around 67 megawatts, from a CP basis.  
10 We're estimating somewhere 15 to 20 megawatts.  
11 Yes.

12 Q Hmm. Okay. So, you would -- only time would  
13 tell whether, when you try to do some default  
14 service, that maybe you might not find interest  
15 from bidders?

16 A (Doll) Right. I believe Pelham is further along  
17 in the community aggregation process. And Salem  
18 has a vote this coming March to determine whether  
19 they're going to proceed with that.

20 Q The two towns that you talked about, it's not a  
21 done deal yet, right?

22 A (Doll) Correct.

23 Q Have you looked at what the Commission said with  
24 respect to Unitil?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Doll) Regarding self-supply?

2 Q Regarding going to the market directly, to the  
3 Day-Ahead and --

4 A (Doll) For a portion of their default service?

5 Q Yes.

6 A (Doll) Yes, we're aware of that. Yes. I believe  
7 it was something similar that was in our last  
8 order. Our last order said "around 25 percent of  
9 Small Customer". Unitil may have been a slightly  
10 different percentage, but the same kind of  
11 thesis.

12 Q When you did go to the ISO-New England Market,  
13 Day-Ahead and Real-Time, because you were --  
14 because you didn't have any interest, --

15 A (Doll) Yes.

16 Q -- and you had to go there.

17 A (Doll) Uh-huh.

18 Q Can you tell me where the prices were relative  
19 to, you know, usually what you have seen in other  
20 cases where you were -- went through the default  
21 service process successfully?

22 A (Doll) So, just to make sure I'm asking clear --  
23 or, answering clearly, you want the comparison of  
24 our self-supply for the large volume for the

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 February, March April --

2 Q Yes.

3 A (Doll) -- of 2023?

4 Q Yes, that would be a good comparison.

5 A (Doll) But, in comparison to what the fixed  
6 supplies were at that time, or in comparison to  
7 more average?

8 Q So, I -- let me, so, I have to get into the  
9 details to make it precise.

10 A (Doll) Certainly.

11 Q But let me try, without doing that, if I can  
12 explain what I am interested in knowing.

13 When you were forced to go to the  
14 ISO-New England Market, what were the prices,  
15 relative to the prices that were set through the  
16 default service process where you were able to  
17 successfully get bidders? So, that comparison.

18 A (Doll) For the same period for the --

19 Q The same period.

20 A (Doll) -- for the different class of customers,  
21 but we did get successful bids, the ones through  
22 ISO-New England were significantly lower.

23 Q Any -- do you know by how much, like, percentage  
24 terms?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Doll) I can probably get pretty close for you.  
2 Just give me a minute.

3 Q Sure.

4 [Short pause.]

5 CMSR. CHATTOPADHYAY: And rough numbers  
6 are okay. Don't have to go to the second decimal  
7 point.

8 WITNESS DOLL: So, I'm going to look at  
9 my attorney. Are we comfortable giving the  
10 actual prices in this current proceeding from --

11 MR. SHEEHAN: Go ahead and give them.  
12 And, if we have to go back and decide what's  
13 confidential, we will. So, don't worry about it.

14 **BY THE WITNESS:**

15 A (Doll) Okay. So, what we have on our record for  
16 what the actual costs for power were for those  
17 four, I'll just do February, March, April, and  
18 I'll compare it to February March, April,  
19 understanding that it was a different customer  
20 subset, the customer subset for the small volume  
21 customer, for February, March, April, was \$420,  
22 \$217, \$165.

23 Contrasted to our self-supply at the  
24 market was \$97, \$55, and \$55.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 CMSR. CHATTOPADHYAY: Okay.

2 CMSR. SIMPSON: A quarter. And those  
3 are in megawatt-hours?

4 WITNESS DOLL: Dollars per  
5 megawatt-hour. Yes.

6 BY CMSR. CHATTOPADHYAY:

7 Q Okay. Will you agree that something like that  
8 might actually provide more information as to  
9 what the true prices are, in terms of competitive  
10 outcomes, and having a small, even if it's a  
11 really small percentage, that could help the  
12 competitiveness, and may help in putting pressure  
13 on the prices downwards?

14 A (Doll) So, is your question, if we were to modify  
15 the process, --

16 Q Yes.

17 A (Doll) -- and take a small tranche, a  
18 percentage, --

19 Q Yes.

20 A (Doll) -- and take it to self-supply, would that  
21 have the impact of pushing down the competitive  
22 supply bids --

23 Q Yes.

24 A (Doll) -- or pushing down the actual costs?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q No, the competitive supply bids. So, about --  
2 there's been more information out there. So, the  
3 market players will be aware that, you know, --

4 A (Doll) That a portion --

5 Q Yes.

6 A (Doll) -- a portion of the supply is going to go  
7 to self-supply, --

8 Q Yes.

9 A (Doll) -- thereby increasing competition, and  
10 possibly lowering costs?

11 Q Yes. And just provide your opinion, that's all.

12 A (Doll) I think it -- I think it is reasonable to  
13 conclude that that could be the case. I just  
14 can't say for certainty that it would actually  
15 have the effect of pushing down supplier costs.  
16 Putting aside, I think, the increased risk we  
17 have of starting to shrink our tranches to get a  
18 competitive supply.

19 CMSR. CHATTOPADHYAY: Yes, I think  
20 you're right. I mean, of course, you have to --  
21 those other factors could become more important,  
22 and the outcome may not be as we may -- as you  
23 discussed. So, I understand that.

24 Thank you. That's all I have.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 CHAIRMAN GOLDNER: Okay. Just a couple  
2 of follow-on questions.

3 BY CHAIRMAN GOLDNER:

4 Q So, I just wanted to clarify, when we were  
5 talking before about "a third of the load today  
6 is default service", was that just residential or  
7 was that the entire company?

8 A (Green) Those are total company numbers.

9 Q Total company. And what would it be for the  
10 residential piece?

11 A (Green) It would be very close to that. I can  
12 probably calculate that real quick.

13 Q Close is fine. Close is fine. And, then, and  
14 because where I'm going is, when the two towns  
15 come out, you had mentioned "15 to 25 percent  
16 would be default service", is that both the large  
17 customers and the residential, it's about the  
18 same?

19 A (Green) Yes. It would be total company.

20 Q Okay. Okay, thank you. So, I'm following up, I  
21 think, on some of Commissioner Chattopadhyay's  
22 questions now.

23 So, you see your load, your default  
24 service load, declining over time, in part,

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           because of this community aggregation. Is there  
2           a cutoff or a rough area where you would say  
3           "Gee, we can't really go out for solicitations  
4           anymore. It's just too small. We have to go to  
5           the Real-Time or Day-Ahead Market." Is that at  
6           five megawatts or two megawatts or half a  
7           megawatt, or where do you kind of land on that  
8           one?

9    A       (Doll) I would say we are not going to plan on  
10       deviating from our agreed-to Settlement position.  
11       I do think we can acknowledge that, if the load  
12       gets so small that we are not getting bids, then  
13       that's something where I think we would have to  
14       think as a Company, and have discussions with  
15       stakeholders, on whether this is the correct  
16       direction or not.

17   Q       Does the Company have other -- have experience in  
18       other jurisdictions where your load has gotten  
19       small enough that you haven't achieved multiple  
20       bids?

21   A       (Doll) Not that I'm aware of. We have, you know,  
22       electric properties in the Central Region,  
23       they're all vertically integrated. So, it's not  
24       a particular issue there.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 I'm certainly aware of starting to  
2 procure volumes at a smaller level. We do a lot  
3 of natural gas procurement, and it does become  
4 difficult when you start to get to smaller  
5 volumes, just to make it worth a marketer or  
6 supplier worthwhile to actually provide bids.

7 But I don't believe we have an exact  
8 parallel for what you're asking.

9 Q Okay. And in this, in the upcoming period, the  
10 reason we're here today, I'm not asking a  
11 question about that, I'm skipping ahead to the  
12 next, the next six-month period. And, if the  
13 Commission were to issue an order that -- that  
14 required Liberty to go to either the Real-Time or  
15 Day-Ahead Market for some percentage, in the  
16 Unitil order, it was "10 to 20 percent".

17 Is there a -- is there a range that  
18 would be helpful to the Company? Would you like  
19 a wider spread, 10 to 100 percent? Or would  
20 you -- is there a range that would be helpful to  
21 the Company that you would prefer?

22 A (Doll) I think it's, in the way you asked that  
23 question was "would there be a range that would  
24 help us from a self-supply perspective?"

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           It doesn't change our process, whether  
2           I self-supply, I'll call "market", market one  
3           megawatt or ten megawatts. I'm still going to  
4           produce a load forecast. I'm still going to  
5           optimize between Day-Ahead and Real-Time Markets.  
6           I'm still going to do the exact same settlement,  
7           the shadow settlement process. Everything is  
8           going to stay the same for me.

9           I guess the only impact would be, are  
10          we carving off so much that it's then impacting  
11          the other side, which is the default service  
12          procurement? That would be the risk I think we  
13          would have to assess. I don't know that I can  
14          tell you precisely that number yet.

15   Q       Okay.

16   A       (Doll) It's something that we're going to be  
17          monitoring over the next period.

18   Q       Because our approach in the Unitil order was to  
19          make it a small piece, to provide sort of maximum  
20          flexibility, without, you know, having a large  
21          impact. So, if you reflect later and would like  
22          to augment your answer, that would certainly be  
23          welcome. But the Unitil order was small for that  
24          reason. So, --

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Doll) Yes.

2 Q Okay. Now, I would like to turn to the monthly  
3 comparison report that was filed in this docket  
4 on November 28th, it's under Tab 40 on the  
5 Commission website. So, I'll give folks a minute  
6 to get there.

7 It was just that monthly comparison  
8 report, Table 1 and Table 2, Tab 40. Just let me  
9 know when you're there.

10 MR. SHEEHAN: Off the record.

11 *[Atty. Sheehan conferring with the*  
12 *witness panel.]*

13 WITNESS DOLL: Okay. And this is the  
14 "23-044 Monthly Comparison Report", with the two  
15 tables?

16 CHAIRMAN GOLDNER: Exactly.

17 WITNESS DOLL: Okay. I've got it.

18 BY CHAIRMAN GOLDNER:

19 Q So, on Table 1, Row A, there's a list of values  
20 for the total retail rate, going from August, of  
21 \$38, to September, \$43, roughly, to October, of  
22 \$35.

23 And, then, I'd like to get your advice,  
24 in terms of the best number to compare that

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           against in Table 2, whether that's Row B, or  
2           whether that's Row F. But, in either case,  
3           there's a significant difference. And this is  
4           just sort of a concrete example with the  
5           Company's own numbers relative to Commissioner  
6           Chattopadhyay's question, I think, but using the  
7           actual data here in this file.

8                        So, first question is, what would be  
9           the better comparison between Table 1 and  
10          Table 2, which row?

11   A       (Doll) Between Table 1, Row A?

12   Q       Uh-huh.

13   A       (Doll) It would be Table 2, Row B.

14   Q       Okay. Very good. And those numbers, it's, you  
15          know, sort of, plus or minus, double, I guess.  
16          Which is similar to the example that you used  
17          with Commissioner Chattopadhyay, there's a  
18          significant difference between the two.

19                        So, one of the things that the  
20          Commission is struggling to understand, or at  
21          least I'm struggling to understand is, why not go  
22          more aggressively to the Day-Ahead and Real-Time  
23          Markets, given the significant difference in  
24          pricing. And we also saw this in the IR docket,

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 back through time, all the way to 2015, we see  
2 this sort of consistent difference in what I'll  
3 call the "insurance policy" of the third parties,  
4 you know, providing this service, that -- but the  
5 premium on that service, at least in my  
6 estimation, is pretty high.

7 A (Doll) So, yes. I mean, this is the age-old  
8 question, right? And, in this period, it is  
9 lower. I guess the question we have is, "Is it  
10 always going to be lower, and what is the value  
11 of price protection?"

12 You know, I've been through some very  
13 significant winter storms. In Central, we went  
14 through both Storm Uri and Storm Elliott. Just  
15 to try to give you some background example, you  
16 know, a high-price gas market that we'd  
17 experienced, which would be kind of polar vortex  
18 2014, Rita/Katrina 2005, we're talking \$10 to \$15  
19 gas prices. Those were high. That's our  
20 barometer.

21 When we got to Uri, and I'm captive to  
22 one pipeline, but it's certainly not the highest  
23 pipeline that was in the Mid-Continent at the  
24 time, I was buying gas for \$333, and I bought gas

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           for \$600. And there's a pipeline that was double  
2           that.

3   Q       That was over kind of what time period? Was that  
4           a few days, a few weeks, a few months, a few  
5           years?

6   A       (Doll) That was over a five-day period.

7   Q       Five-day period. And, so, one of the challenges  
8           that I have, and I'd just like to ask you some  
9           questions on it, because, you know, you're the  
10          expert.

11                   Over a six-month horizon, you know, if  
12           we're under that curve, you have a five-day  
13           horizon, where it's quite high, right, it's, you  
14           know, ten times, even 100 times the value. But,  
15           if you integrate that over the six-month time  
16           period, you still probably end up with pretty  
17           stable values over the six-month period, correct?

18   A       (Doll) Yes. And it depends, right. A price  
19           spike for an hour, a price spike for a handful of  
20           hours, even a price spike for 24 hours, 24 at  
21           \$744 doesn't move the needle as much as you think  
22           it does at the time. Keep in mind, you know, the  
23           background, we're just talking how exponentially  
24           high the increase was, and I'm talking, you know,

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 five days' worth. So, --

2 Q Yes.

3 A (Doll) But, yes, if you're talking, can you  
4 survive, you know, normal price spikes that you'd  
5 see, you know, a couple hours here, a couple  
6 hours there, bad here, you've got a day or two,  
7 it has the potential to not move the needle as  
8 much. But you still have that risk out there of  
9 "you are completely unprotected", in case you do  
10 have something go the wrong direction.

11 Q Do you remember that particular case where you  
12 had the five-day issue, how much that increased  
13 the price? So, if you took out the five days,  
14 and you just used the other 85 days, versus the  
15 total, and I realize this is off-the-cuff. But  
16 was it a 5 percent increase, 10 percent increase,  
17 300 percent increase?

18 A (Doll) I can tell you, from a net fuel and  
19 purchase power basis, which is fuel costs, market  
20 revenue, purchase power, how I see everything, we  
21 were about, I'd say, on average, right now, we're  
22 about \$75 million annually. That particular  
23 five-day window, it cost us about 220 million for  
24 that five-day piece.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 Q So, from a customer perspective, what was the  
2 impact? What did customers see?

3 A (Doll) Because the impact was so significant,  
4 customers, depending on the jurisdiction, the  
5 Company had chose to securitize some of the  
6 costs, others were seeing amortization schedules  
7 in the 13 to 20-year time range, to make it a  
8 little bit more consumable for customers.

9 Q And what region was that in again?

10 A (Doll) That was in the Central Region.

11 Q Central Region. So, that was a tropical storm or  
12 something?

13 A (Doll) That was Winter Storm Uri, in February of  
14 2022.

15 Q 2022. And have you seen anything like that on  
16 the East Coast?

17 A (Doll) Not like that. But I -- we went back and  
18 checked LMPs quite a bit as we took over the  
19 default service. I'm not sure I saw a sustained  
20 four or five thousand dollar pricing for a  
21 five-day window like that.

22 CHAIRMAN GOLDNER: Okay. Okay. No,  
23 thank you. So, there's clearly a worst case  
24 scenario, you're explaining where you saw it, and

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 helping the Commission understand the impact.

2 So, I appreciate that.

3 CMSR. CHATTOPADHYAY: Dan, can I have a  
4 follow-up question, before, --

5 CHAIRMAN GOLDNER: Sure.

6 CMSR. CHATTOPADHYAY: -- on that issue?

7 CHAIRMAN GOLDNER: Yes.

8 BY CMSR. CHATTOPADHYAY:

9 Q Is there a way to -- is there a way for you to  
10 tell me what that five-period [sic] procurement  
11 was, relative to your entire company? So, like  
12 percentagewise, how much was that?

13 A (Doll) So, maybe the best way I can say it is, in  
14 that five days, I spent about as what I usually  
15 spend in three years, for the entire year.

16 Q Yes. But I'm asking, in terms of going out and  
17 buying gas, were you exposed to buying everything  
18 those five days, as far as your needs are  
19 concerned, or were you still just buying  
20 percentage --

21 A (Doll) No, we did have some hedge positions to  
22 offset some of that.

23 Q Yes. And, so, what was the percentage that you  
24 were exposed to?

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 A (Doll) We were exposed, from a natural gas  
2 perspective, we were exposed to what our total  
3 burn would be, we had about 75 percent exposure.

4 Q Okay.

5 A (Doll) And I want to make sure this is clear,  
6 when you hedge, you hedge based on a normalized  
7 volume. When you're in a storm, with sustained  
8 16 degree below blanket temperatures, you're  
9 running every single thing you've got, which is  
10 not a normalized volume. So, our particular  
11 processes are around a 50 percent hedge, 50  
12 percent normal, and 25 percent all-out max.

13 Q Yes.

14 A (Doll) Okay.

15 CMSR. CHATTOPADHYAY: Thank you.

16 CHAIRMAN GOLDNER: And just maybe one  
17 final series of questions.

18 BY CHAIRMAN GOLDNER:

19 Q So, do you regard the wholesale supply in New  
20 Hampshire as an oligopoly or do you view it as a  
21 competitive market?

22 And the reason I ask is that, we, at  
23 the Commission, see the same small number of  
24 wholesale suppliers every year. And it looks

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           like an oligopoly, which means that this  
2           insurance rate that we're paying might be higher  
3           than it would be in a competitive market. So, I  
4           wanted to get the Company's opinion on that?

5    A       (Doll) Yes. We've talked about this a little  
6           bit. And, in particular, reading, being aware of  
7           the Unutil decision, or the Commission order.  
8           You know, we buy a lot of natural gas in the  
9           Central Region. It's not uncommon for us to get,  
10          you know, no new counterparties in a year or  
11          two-year period. It is generally the same kinds  
12          of suppliers that do it, and we're talking, you  
13          know, shorter periods, daily, spot, *et cetera*.

14                        I would assume that a supplier that's  
15                        going to have the credit requirements and the  
16                        capability of supplying a three- or six-month  
17                        tranche of electricity to, you know, the ISO-New  
18                        England -- customers in the ISO-New England  
19                        Market, is a smaller set than that.

20                        So, I understand the concern, you  
21                        haven't seen any new suppliers. So, does that  
22                        mean it's getting stale? And I think that's a  
23                        reasonable concern to have.

24                        I think our process has been

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 competitive. I don't know -- I don't know that I  
2 have any information to conclude that it's not a  
3 competitive supply, that there needs to be, you  
4 know, other ways to try to reach out to potential  
5 suppliers.

6 But we're certainly open to any kind of  
7 suggestions or recommendations to try to increase  
8 the potential suppliers.

9 Q Okay. Thank you. And I think that's part of why  
10 you see the Commission asking questions about  
11 self-supply, because there are these closing  
12 walls on the competitive market. You have -- you  
13 have smaller tranches, you have an oligopoly.  
14 So, we're, I think, responding, in what I hope is  
15 a reasonable way, in terms of asking more  
16 questions about self-supply.

17 And I'll just close with this question.  
18 If the Commission issued an order, similar to the  
19 Unutil order, with the 10 to 20 percent of  
20 self-supply, would the Company have any concerns  
21 with executing that, that plan?

22 A (Doll) With the execution of the self-supply?  
23 Absolutely not.

24 CHAIRMAN GOLDNER: Okay. Thank you.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           And I recognize there will be questions about  
2           pricing. And, if we had a large event, you know,  
3           things could -- the prices could increase and so  
4           forth.

5                        I guess maybe I'll extrapolate a little  
6           bit. One of the things that I think Unitil said,  
7           and I think it might have been in this filing as  
8           well, was this concern about, you know, what to  
9           do if there was some self-supply and some  
10          wholesale supply mixed together, and is there a  
11          reconciliation process?

12                       And I think there would need to be a  
13          reconciliation process, because the Company needs  
14          to be made whole. So, over or under, I think it  
15          would be reasonable to have just a reconciliation  
16          every six months. And I don't personally see a  
17          problem with that.

18                       So, I'll just pause there, and ask if  
19          my fellow Commissioners have any follow up?

20                       CMSR. SIMPSON: Yes.

21 BY CMSR. SIMPSON:

22 Q          Curious to hear more about your experience during  
23          Winter Storms Elliott and Uri. So, are you  
24          buying gas for both power gen. and for retail gas

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1 customers?

2 A (Doll) No. My -- we do, as a company, but my  
3 shop, in particular, is just buying for thermal  
4 generation.

5 Q Okay. And how far are you from production?

6 A (Doll) I'm reasonably far from production, and  
7 probably, more importantly, I'm darn near the end  
8 of the pipe.

9 Q Okay.

10 A (Doll) Which is not where you want to be.

11 Q We can relate, then. With respect to the price  
12 spikes that you noted, I presume you're talking  
13 million Btu? When you said "600", "200", you're  
14 talking dollars per million Btu?

15 A (Doll) Correct. Sorry.

16 Q So, that's on the order of magnitude of 100, 200x  
17 what blue ski day gas -- pipeline gas is costing  
18 you, correct?

19 A (Doll) Precisely.

20 Q So, what was driving that?

21 A (Doll) You know, that's a good question. Like I  
22 said, we were not the only pipeline to have high  
23 prices. The Mid-Continent had four, five, six  
24 pipelines. It just became a struggle to get

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1           enough production into the pipes.

2   Q       Uh-huh.

3   A       (Doll) I know there was under-production. I know  
4           there was over-consumption. My personal opinion  
5           is, is the pipelines are not as far ahead in the  
6           reliability world as the electrical world is.  
7           And I think that leads to some complications,  
8           especially with more reliance on natural gas.

9   Q       Interesting. Well, there's a national dialogue  
10          going on about that. I'm sure, to some extent,  
11          you're aware of it. And I would encourage you to  
12          get involved, and share your opinions and  
13          history.

14   A       (Doll) Very aware.

15   Q       NARUC has an effort.

16   A       (Doll) Yes.

17   Q       North American Energy Standards Board has a  
18          report, NERC. You know, so, I would encourage  
19          you to engage on those, in those forums.

20   A       (Doll) Absolutely.

21                   CMSR. SIMPSON: Thank you.

22                   CHAIRMAN GOLDNER: Commissioner  
23                   Chattopadhyay, any follow-up?

24                   CMSR. CHATTOPADHYAY: No, I don't.

[WITNESSES: Garcia|King|Doll|Green|Hayward-Hawkins]

1                   CHAIRMAN GOLDNER: Okay. Well, what I  
2 would say, before we go to redirect, is just my  
3 compliments, and I think I speak on behalf of all  
4 of the Commissioners, for an excellent witness  
5 panel. I think, if left to our own devices, we'd  
6 be here till 6:30, because the dialogue is  
7 fascinating and interesting to us.

8                   But, in the spirit of time, we'll move  
9 to redirect.

10                  MR. SHEEHAN: I don't have any  
11 redirect. Thank you.

12                  CHAIRMAN GOLDNER: Okay. Thank you.

13                  Okay. So, the witness questioning has  
14 concluded. The witnesses are now dismissed. You  
15 can stay where you're at, if you like, or you can  
16 return to the table, either way. It's just we  
17 just have closing in front of us.

18                  So, we'll invite the parties to make  
19 brief closing statements at the conclusion of  
20 this proceeding. Before this, seeing no  
21 objections, we'll strike identification on  
22 Hearing Exhibits 11 through 14, and enter them  
23 into evidence.

24                  And, if there's no other matters, we'll

1 ask the parties to make closing statements,  
2 starting with the Office of the Consumer  
3 Advocate.

4 MR. KREIS: Thank you, Mr. Chairman.

5 I think that the proposed Default  
6 Energy Service rate for the Small Customer Class  
7 of 9.758 cents per kilowatt-hour effective on  
8 February 1st is good news for residential  
9 customers. It looks as if the solicitation that  
10 the Company conducted was in keeping with the  
11 traditional way it's been done since the dawn of  
12 civilization.

13 There were multiple bidders. Perhaps  
14 not as many as we'd love to see in a perfect  
15 non-oligopolistic market, but an adequate number,  
16 such that the bids the Company received were  
17 consistent with its own forecast for what a  
18 reasonable bid should have looked like. And,  
19 therefore, I believe it is appropriate for the  
20 Commission to approve the rates that Liberty has  
21 here proposed to you for your consideration.

22 I do want to talk a little bit about  
23 near-term changes to the way that we direct  
24 utilities to acquire default energy service. I

1           have to be really careful what I say about this,  
2           because I have this reflexive, almost, I don't  
3           know, I'm trying to think of the word I'm  
4           searching for, it's almost like a automatic  
5           aversion to taking residential customers and  
6           throwing them into the spot market, whether we're  
7           talking the Day-Ahead Market or the Real-Time  
8           Market.

9                           And one thing I thought was very  
10          helpful is the reminder that a bad day is not  
11          necessarily going to make that big a difference.  
12          Because we did have a bad day here in New England  
13          last winter, on Christmas Eve, as you all will  
14          recall. But that bad day was really just a few  
15          hours. And, yes, the spot price of electricity  
16          was way, way up there, because we hit the price  
17          cap of \$2,000 a megawatt-hour, and then we were  
18          beyond it because of penalty payments.

19                           And it was very interesting, because I  
20          was at the Consumer Liaison Group meeting, in  
21          Boston, on last Wednesday. And Gordon van Welie,  
22          who's the CEO of ISO-New England, was talking  
23          about that Christmas Eve event, and he mentioned  
24          that generators that had committed to produce,

1 and were not available to produce, had to  
2 disgorge significant penalty payments. And one  
3 of the citizens, who was in the audience  
4 questioning him, asked "Well, why didn't  
5 customers get that money back? Like, why wasn't  
6 that refunded to customers?" And his answer was  
7 "Well, they're hedged out of that." And I don't  
8 think that the person he said that to understood  
9 what he meant. But I know you Commissioners do  
10 understand exactly what he meant.

11 That's exactly what we're talking about  
12 here. Do we hedge customers out of the  
13 vicissitudes of the spot energy markets, or do we  
14 not? And, you know, I think Texas is a great  
15 paradigm example of what some of the perils of  
16 this are.

17 I teach as an adjunct at Vermont Law  
18 School. And one of the exercises I force my  
19 students to undertake is, I move them to Texas,  
20 and I tell them "Go find a supplier." And they  
21 go into Texas, has an unusually robust set of  
22 suppliers and options, and they have a pretty  
23 good website for making a choice. So, they go  
24 into the website. And a couple of years ago, a

1 bunch of them came back with having chosen an  
2 option that involved, literally, buying free  
3 electricity in the overnight. Free, I mean, it's  
4 hard to argue with free.

5 But, you know, there are risks. And we  
6 saw those risks play out. I think it is the  
7 storm everybody refers to now as "Uri". It was  
8 the Valentine's Day 2021 regrettable week in  
9 Texas. I mean, you know, if you read the  
10 newspapers, you saw that there were residential  
11 customers who had exposed themselves to the spot  
12 market in Texas, and they were getting a monthly  
13 bill -- some of them got bills for \$9,000.  
14 That's a lot of money for a residential customer  
15 to pay for electricity in one month.

16 So, I get freaked out when I think  
17 about what I guess we're referring to here as  
18 "self-supply". Nevertheless, you know, I  
19 listened to the discourse, and I agree with the  
20 Commission, that it is something to consider.  
21 And that the current way that we're doing this  
22 needs to change, because the nature of default  
23 energy service has changed.

24 One thing that I have realized is that

1 I can't, on behalf of the Residential customer  
2 class adopt the perspective that we should try to  
3 make default energy service as undesirable as  
4 possible, even though I think that might have  
5 been what the Legislature intended in 1996. I  
6 think back then the idea was default service is  
7 just a backstop, and we want as few customers on  
8 it as possible. And we want them in the  
9 competitive market, or maybe community power  
10 aggregation, and anything we do to encourage  
11 migration is good.

12 That is not the way I see it now. The  
13 way I see it now is, there will always be some  
14 customers on default service. And those  
15 customers will likely be the most vulnerable  
16 customers, either because they lack the  
17 motivation or sophistication to make affirmative  
18 choices in the competitive market, or because  
19 they live in a municipality that has some  
20 reflexive ideological opposition to the whole  
21 idea of community power aggregation.

22 I can't forget about those customers,  
23 and I don't think the Commission can or will  
24 forget about them either. So, we have to do what

1 is best for them. And we have to be careful  
2 about changing the side of the road that we drive  
3 on. I kind of think we almost have to do it  
4 gradually, unfortunately. There are other  
5 options here, other than taking some percentage  
6 of default energy service load and moving it into  
7 self-supply.

8 You know, if the load is getting too  
9 small, there is, for example, the possibility of  
10 doing a big statewide procurement. That might  
11 require some legislation. But it's something to  
12 consider. That's what happens in Maine. The  
13 Maine PUC does their -- what's called over there  
14 "standard offer procurement". I notice, though,  
15 that the new standard offer rate in Maine is  
16 going to be 10.84 cents per kilowatt-hour  
17 beginning with the new year. So, Liberty did  
18 better than that. Last year, we didn't beat  
19 Maine. So, we just have to be very, very  
20 careful.

21 The Department of Energy I believe is  
22 about to issue a report about default energy  
23 service procurement. And I think we'd all do  
24 well to do what we can to nudge the Department to

1 issue that report at its earliest convenience,  
2 because it was sort of billboarded as maybe  
3 coming out around the beginning of December.

4 And, then, I think we have to look, we  
5 have to take seriously whatever analysis the  
6 Department of Energy did, because they have some  
7 smart people working there, who have the kind of  
8 economics background to make some shrewd  
9 recommendations.

10 So, I guess my two-sided message to the  
11 Commission is be creative, but also be really  
12 careful. And don't -- remember that we're not  
13 doing anything that can't ever be changed. It's  
14 okay to experiment. It might make sense to try  
15 something different, and then try something  
16 different from that after that.

17 We have to be careful, because the  
18 default energy service market is changing, as  
19 community power aggregation becomes more and more  
20 of a big deal. I mean, you know, the Community  
21 Power Coalition of New Hampshire is destined to  
22 be the biggest load-serving entity in the state.  
23 So, that's a big change. We have to be really  
24 mindful of that.

1           So, I am lashing myself to the mast.  
2           I'm saying it's a good idea for the Commission to  
3           ask the utilities to experiment, but please be  
4           careful.

5                   CHAIRMAN GOLDNER: Thank you, Mr.  
6           Kreis. That's very helpful.

7                   I will mention that this statewide  
8           procurement was explored in the IR docket. And  
9           my recollection is that the utilities were not  
10          supportive of that approach. But we did explore  
11          that a little bit in the IR docket. And, maybe  
12          to your point, it needs to be explored further.  
13          But we did ask that question.

14                   MR. KREIS: You know, Mr. Chairman,  
15          without getting into an argument with this, or  
16          any other utilities, I think the utilities have  
17          some institutional reasons not to like the idea  
18          of statewide procurement. But that doesn't mean  
19          that the Commission shouldn't take a hard look at  
20          it.

21                   And they might be right. Particularly,  
22          if you look at a company like -- well, if you  
23          look at Unitil and Eversource, they both have  
24          electric affiliates that are coextensive in other

1 states with ours. And it might make sense for  
2 those companies to do something companywide,  
3 rather than statewide. But I think we have to  
4 look at all options.

5 CHAIRMAN GOLDNER: That makes sense.  
6 And I think, you know, full-throated and strong  
7 support from the OCA and the Department of Energy  
8 is, obviously, important in any process, and, in  
9 particular, something like the statewide  
10 procurement. And I think, in the IR docket, we  
11 didn't see strong support for such an approach.  
12 So, that's just -- that's history at this point.  
13 But I just wanted to bring that up, that is  
14 something that we were looking at.

15 Okay. Well, let's keep moving here,  
16 and move on to the Department of Energy.

17 MR. YOUNG: Thank you, Mr. Chairman.

18 I think addressing, I guess, some of  
19 the self-supply issues raised by the Commission,  
20 and then the OCA in his closing remarks. I think  
21 the Department will certainly be reviewing the  
22 details of any proposal that is ordered by the  
23 Commission. And I think, specifically, potential  
24 impacts for pricing and recovery, for example.

1           Otherwise, at this point, and with our  
2           report outstanding, I think I will just reiterate  
3           our position from other PUC dockets, that we  
4           would urge caution in approaching any self-supply  
5           option. And our Department is working diligently  
6           to have this report out as soon as it is  
7           concluded.

8           CHAIRMAN GOLDNER: Thank you,  
9           Mr. Young. Attorney -- oh, I'm sorry.

10          MR. YOUNG: I was just going to,  
11          regarding the Petition today, --

12          CHAIRMAN GOLDNER: Oh. I thought,  
13          there was a long pause there, so I thought I was  
14          trying to reach in and help you. So, --

15          MR. YOUNG: The Department, as stated  
16          earlier, has reviewed Liberty's filing. We have  
17          determined that the Company conducted this  
18          wholesale power supply solicitation and selected  
19          the winning bids to provide default energy  
20          service in compliance with the relevant  
21          agreements, and the restructuring principles of  
22          RSA 374-F.

23                 The Department does believe the  
24          Company's selection of the winning suppliers was

1 reasonable. And, as a result of its competitive  
2 procurement, these selections were reflective of  
3 current wholesale market conditions. The  
4 Company's calculation of rates, based on the  
5 supply bids, and prior period reconciliations and  
6 other factors, appear to be sound. As a result,  
7 we believe the rates are just and reasonable.

8 The Department has also reviewed the  
9 Lead-Lag Study, and recommends that the  
10 Commission accept the results of the Lead-Lag  
11 Study as filed.

12 In conclusion, the Department does  
13 support Liberty's filing. And we urge the  
14 Commission to grant the Petition making the  
15 findings requested by the Company, including  
16 finding these rates as just and reasonable, and  
17 approve the proposed rates in the proceeding for  
18 effect on February 1st.

19 CHAIRMAN GOLDNER: Thank you, Attorney  
20 Young. Sorry about that.

21 Okay. Let's move on to Liberty.

22 MR. SHEEHAN: Thank you.

23 I won't repeat the fine closings of  
24 brother counsel on the rate change requested

1           here. And we do ask that the Commission approve  
2           those rates.

3                       As to the -- what I call "self-supply",  
4           I understand that may not be the most precise  
5           label, but that keeps me from me confusing it  
6           with default service. As you heard, Mr. Doll's  
7           group is capable and willing to implement as  
8           ordered. The hesitation is more legal, than  
9           practical.

10                      We did explore, we did think about this  
11           process, which was the last order. But we didn't  
12           think we could make a proposal for self-supply  
13           here without clear directive. So, to the extent  
14           the Commission would like us to self-supply a  
15           portion, we simply ask for a clear order saying  
16           so.

17                      The other thought is timing. If we --  
18           if Pelham goes to community aggregation this  
19           spring, we will know that maybe in time for a  
20           decision, and if Salem is in the process maybe  
21           later. So, there's some big questions about how  
22           much 10 percent would be or 20 percent would be.  
23           And, so, that -- I mean, we'll deal with whatever  
24           information we have.

1           But the risk I see is, we're asked to  
2           do 10 percent of self-supply, the balance default  
3           service. And, then, we make a filing, and one of  
4           those goes sideways, for whatever reason. If the  
5           default service goes sideways, we have a history  
6           of being able to step in and address that. If  
7           the self-supply goes sideways, I'm not sure why  
8           it would, but, if it does, we now have a very  
9           short time to go to the market to replace that.  
10          And that would be a difficult process to say "For  
11          whatever reason, we can't do self-supply. We now  
12          have only three weeks to get a supply arranged."  
13          So, just think about the timing, if there's an  
14          event going in that direction.

15                 So, with those thoughts, we appreciate  
16                 the questions. And our folks were happy to make  
17                 the trip to New Hampshire. And, as Myka informed  
18                 me, this is the first time she's been to New  
19                 Hampshire and seen the Sun, today.

20                 CHAIRMAN GOLDNER: Okay.

21                 MR. SHEEHAN: So, we've got to give her  
22                 a sunny day.

23                 CHAIRMAN GOLDNER: It's only her tenth  
24                 trip here.

1 CMSR. SIMPSON: It should be out for a  
2 few more minutes.

3 *[Laughter.]*

4 CMSR. SIMPSON: Not very long, though.

5 CHAIRMAN GOLDNER: So, yes. I'll just,  
6 maybe I'll -- I usually don't address things in  
7 closing, but I'll just mention, in this  
8 particular case, that my question to Mr. Doll on  
9 the range of 10 to 20 percent was in the spirit  
10 of providing as much flexibility as the Company  
11 wants or needs, in order to execute such a  
12 proposal. So, that was the spirit of the  
13 question. And I was -- I probably should have  
14 used a more reasonable range than "10 to 100  
15 percent", but that was the spirit of the  
16 questions.

17 And, then, the only other thing I'll  
18 say is that, to Mr. Doll's example of "Hey, we've  
19 got five days out of 90 that are a complete  
20 disaster", and we're only using 10 percent of the  
21 load, then you're talking about 0.5 percent of  
22 the total. So, that's why we integrate under the  
23 curve. You shouldn't see, in my opinion, a  
24 significant -- a significant change. If it was

1           100 percent of the 5 percent, well, then you  
2           could see a significant difference, as they did  
3           in Texas. So, I would just mention that.

4                        Since I've stolen the floor from my  
5           fellow Commissioners, is there anything else to  
6           mention today?

7                        CMSR. CHATTOPADHYAY: Since you're  
8           going into it, you know, I just have a quick  
9           question.

10                      The rates here do not reflect the REC  
11           matter, does it? Ultimately, the rates that the  
12           ratepayers will be paying?

13                      MR. GARCIA: The matter from this  
14           morning?

15                      CMSR. CHATTOPADHYAY: Yes.

16                      MR. GARCIA: My understanding from the  
17           previous order entered approving the rates  
18           through July is that that \$864,000 was allowed to  
19           remain in rates, and subject to further review in  
20           this follow-up proceeding, until directed  
21           otherwise. And, then, if directed otherwise,  
22           they would be removed in the upcoming  
23           reconciliation in the spring.

24                      CMSR. CHATTOPADHYAY: Okay. Thank you.

1 Do you have something to add?

2 MR. YOUNG: Well, maybe not to add, but  
3 just to clarify, I think, from the point that  
4 these two hearings were held in the same docket,  
5 but I don't think anybody would, I haven't  
6 conferred with my counterparties here, but that  
7 maybe two orders are probably --

8 CHAIRMAN GOLDNER: We're planning on  
9 two orders.

10 MR. YOUNG: Okay. Just to --

11 CHAIRMAN GOLDNER: Yes. Otherwise we  
12 would have to move really fast on the first  
13 hearing, and we would -- could utilize more time,  
14 I think, on that more complicated issue.

15 MR. YOUNG: Thank you for the  
16 clarification.

17 CHAIRMAN GOLDNER: Is there anything  
18 else, since we went around the table one more  
19 time, anything else from the parties today?

20 *[No verbal response.]*

21 CHAIRMAN GOLDNER: Okay. Very good.

22 So, given the confidential information  
23 discussed today, there's a little bit in there, I  
24 think, Mr. Patnaude, our court reporter, will

1 work with the Company and Attorney Speidel to  
2 redact the transcript to be produced in this  
3 matter. And, of course, if the other parties  
4 wish to engage in that, of course, is invited.

5 The Commission will order - issue an  
6 order regarding this matter, as requested by the  
7 Company, by the close of business on Friday,  
8 December 15th.

9 Thank you, everyone. And the meeting  
10 is adjourned -- the hearing is adjourned.

11 ***(Whereupon the hearing was adjourned***  
12 ***at 2:41 p.m.)***

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