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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

April 12, 2012 - 10:12 a.m.
Concord, New Hampshire

NHPUC MAY08'12 AM 8:46

RE: DE 11-277
UNITIL ENERGY SYSTEMS, INC.:
*Petition to Increase Storm Recovery
Adjustment Factor.*

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Michael D. Harrington

Sandy Deno, Clerk

APPEARANCES: Reptg. Unitil Energy Systems, Inc.:
Gary M. Epler, Esq.

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.

Court Reporter: Steven E. Patnaude, LCR No. 52

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P R O C E E D I N G

1
2 CHAIRMAN IGNATIUS: Let me open the
3 record in DE 11-277, Unitil Energy Systems, Inc.'s
4 petition to increase Storm Adjustment Recovery Factor. On
5 December 16, 2011, Unitil Energy Systems, Inc., and also
6 known as "UES", filed a petition to increase its Storm
7 Recovery Adjustment Factor effective May 1, 2012, to
8 recover costs of repairing damage to its electrical system
9 resulting from the August 2011 tropical storm and the
10 October 2011 Snowstorm.

11 As a result of the proposed changes, a
12 residential customer using default service using 600
13 kilowatt-hours a month would experience a bill increase of
14 \$1.04, or a 1.2 percent increase under UES's proposal.

15 So, with that, let's take appearances.

16 MR. EPLER: Good morning, Chairman,
17 Commissioners. My name is Gary Epler. I'm the Chief
18 Regulatory Counsel for Unitil Service Corporation,
19 appearing on behalf of Unitil Energy Systems, Inc.

20 CHAIRMAN IGNATIUS: Good morning.

21 MR. EPLER: Couldn't remember which
22 company I was here for.

23 MS. AMIDON: Good morning, Chairman and
24 Commissioners. Suzanne Amidon, for Commission Staff.

1 With me today is Grant Siwinski, an analyst in the
2 Electric Division.

3 CHAIRMAN IGNATIUS: Good morning.
4 Welcome. We have no other intervenors who have filed and
5 no one else present today. Do we have an affidavit of
6 publication? Looks like we do. Thank you.

7 MR. EPLER: Yes.

8 CHAIRMAN IGNATIUS: And, are there any
9 procedural matters before we move to taking evidence?

10 MR. EPLER: Chairman Ignatius, if the
11 Commission agrees, I'd like to have the packet that we
12 initially filed, which consists of a cover letter,
13 petition, certificate of service, and the three pieces of
14 testimony and exhibits. If that could all be marked as
15 "Exhibit 1", or premarked?

16 CHAIRMAN IGNATIUS: So marked.

17 (The document, as described, was
18 herewith marked as **Exhibit 1** for
19 identification.)

20 MR. EPLER: Thank you.

21 CMSR. HARRINGTON: This is the
22 December 16th one?

23 MR. EPLER: Yes, that's correct.

24 CHAIRMAN IGNATIUS: Anything further?

1 MR. EPLER: There's also a Staff
2 recommendation that was filed, or a "Staff report", I
3 guess, that was filed on March 22nd, that was prepared by
4 Grant Siwinski. I guess, if that could be marked as
5 "Exhibit 2"?

6 MS. AMIDON: Yes.

7 CHAIRMAN IGNATIUS: All right. We will
8 mark for "Exhibit 2" for identification.

9 (The document, as described, was
10 herewith marked as **Exhibit 2** for
11 identification.)

12 MR. EPLER: Okay. And, with that, I can
13 proceed.

14 CHAIRMAN IGNATIUS: All right. And, let
15 me just ask, I know you had multiple witnesses who
16 prefiled testimony, and only one body, unless they're
17 hiding back there today. Is there agreement with Staff on
18 presentation of testimony without a live witness?

19 MR. EPLER: Yes. What we've talked
20 about is that Mr. Brock would adopt the testimony of the
21 other witnesses. And, for the most part, because of how
22 the matters are reported in the Staff Report, and our
23 agreement with that Report, I think that would be
24 sufficient. If there are specific questions, I mean, we

[WITNESS: Brock]

1 will try to answer them, if they go to the other
2 witnesses' testimonies. And, if not, we'll take those as
3 record requests.

4 CHAIRMAN IGNATIUS: That sounds good.
5 Thank you.

6 (Whereupon **Laurence M. Brock** was duly
7 sworn by the Court Reporter.)

8 **LAURENCE M. BROCK, SWORN**

9 **DIRECT EXAMINATION**

10 BY MR. EPLER:

11 Q. Please state your name for the record.

12 A. My name is Laurence Brock.

13 Q. And, Mr. Brock, is it correct that you're the
14 Controller and Chief Accounting Officer of Unitil
15 Corporation?

16 A. Yes, I am.

17 Q. And, you're also the Controller of Unitil's operating
18 subsidiaries, including Unitil Energy Systems, Inc.?

19 A. Yes, that's correct.

20 Q. And, you're a Certified Public Accountant in the State
21 of New Hampshire?

22 A. Yes, that's correct.

23 Q. Mr. Brock, if you could refer to what has been marked
24 as "Exhibit 1", which consists of -- it's the initial

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[WITNESS: Brock]

1 filing of Unutil Energy Systems in this proceeding, and
2 consists of a cover letter, petition, certificate of
3 service, and the prefiled Direct Testimony of Karen M.
4 Asbury, and three exhibits, the prefiled Testimony of
5 Richard Francazio and two attachments, and your
6 prefiled testimony and two schedules. Are you familiar
7 with those?

8 A. Yes, I am.

9 Q. And, do you adopt these as your testimony or the
10 testimony of the Company in this proceeding?

11 A. Yes, I do.

12 Q. And, do you have any changes or corrections to this
13 initial testimony?

14 A. No, I do not.

15 Q. Okay. And, just briefly, the testimony of Karen
16 Asbury, that presents the rate calculation for the
17 Company's proposed recovery of its storm costs and the
18 bill impacts, is that correct?

19 A. That is correct.

20 Q. And, Mr. Francazio presented testimony with respect to
21 the Company's After Action Reports detailing its
22 response to the two storms in question, Tropical Storm
23 Irene and the October Snowstorm, is that correct?

24 A. Yes. That's correct.

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[WITNESS: Brock]

1 Q. And, your testimony reviews the actual costs and how
2 the Company accounted for the costs that it incurred,
3 is that correct?

4 A. That is correct.

5 Q. And, as indicated by the Chairman upon opening the
6 proceeding, in terms of the estimated bill impacts,
7 those are provided in -- the estimated bill impacts for
8 the Company's initial filing were provided in Schedule
9 KMA-3, is that correct?

10 A. That is correct.

11 Q. And, that shows the impacts, it's broken out by rate
12 class. And, on Page 1 of 6, shows the impact on the
13 residential customers, is that correct?

14 A. That is correct. Yes, that's correct.

15 Q. Now, in the -- for purposes of reference, for an
16 average use of 600 kilowatt-hours, the estimated bill
17 impact was, as provided in the schedules, estimated to
18 be a 1.2 percent increase. My understanding is that
19 the proposal that's in the Staff memorandum is for a
20 slightly lower recovery over a slightly longer period
21 of time than was proposed by the Company in its
22 original proposal, is that correct?

23 A. That is correct.

24 Q. Okay. Could you refer to now the exhibit -- what's

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[WITNESS: Brock]

1 been premarked as "Exhibit 2", the Staff memo?

2 A. I have it.

3 Q. And, could you discuss what's presented there in the
4 Staff memo?

5 A. Yes. In the Staff memo summarizing the settlement
6 among the Company and the Staff, dated March 22nd,
7 2012, in the memo it notes that the Company's initial
8 petition was to increase the Storm Recovery Adjustment
9 Factor to recover the storm costs of the August 2011
10 Tropical Storm Irene and the October 2011 Snowstorm.
11 Initially, the Company estimated the costs of these two
12 storms to be \$5.6 million, and requested an adjustment
13 that would recover these additional costs over a
14 three-year period, with carrying charges at the
15 Company's cost of capital of 8.39 percent. On Page 2
16 of the memo, it explains that, as a result of the
17 Company updating the costs, in response to discovery
18 data requests, specifically, Data Request 1-6, the new
19 costs of those two storms is calculated at \$4,428,056.
20 The analysis and discovery is noted in the memo that
21 took place between the Company and Staff. And, the
22 settlement position that we arrived at was that the
23 correct amount to be included for recovery as a result
24 of those two storms would be the \$4,428,56, subject to

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[WITNESS: Brock]

1 final audit by the PUC Staff, the PUC Audit Staff,
2 which is scheduled to be completed in early April 2012.
3 And, that the recovery period of the \$4,428,056 would
4 be five years, instead of the Company's initial
5 position -- or, petition of three years, and that the
6 carrying charges would be calculated not at the
7 Company's cost of capital, but at the Company's cost of
8 debt of 4.52 percent.

9 The result of that settlement is that
10 the adjustment to the Storm Recovery Adjustment Factor
11 rate is approximately 47 percent of what the Company
12 initially petitioned for in its initial petition.
13 Therefore, the estimated bill impact, based on the
14 testimony of Ms. Asbury, initially calculated to be
15 1.2 percent on a residential customer based on 600
16 kilowatt-hours, that bill impact would be reduced, as a
17 result of the settled-upon amounts, to a bill impact of
18 less than three-quarters of 1 percent approximately.

19 Q. Okay. And, the carrying charge is the same carrying
20 charge that was agreed to in UES's last base rate case
21 for recovery of the storm costs that were outstanding
22 in that docket, is that correct?

23 A. Yes. In that docket, the Company was awarded recovery
24 through the Storm Recovery Adjustment Factor of the two

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[WITNESS: Brock]

1 storms, which were the December 2008 Ice Storm and the
2 February 2010 Wind Storm. And, that was the Company's
3 most recent distribution rate case, Docket Number DE
4 10-055. In that docket, the Company was awarded
5 recovery of those storm costs through the SRAF at its
6 cost of debt, which was the same 4.52 percent that we
7 agreed to in this settlement.

8 Q. And, also, just to clarify, in that rate case, there
9 were two methods of recovery of storm costs that were
10 approved. There was a Storm Reserve for recovery of
11 costs with qualifying major storms through the
12 Company's base rates, and then there was this SRAF,
13 this Storm Recovery Adjustment Factor, which was meant
14 for larger storms. So, in this proceeding here, we're
15 adjusting the SRAF, because these are the types of
16 storms that are more appropriately covered in that
17 factor, as opposed to through the Storm Reserve, is
18 that correct?

19 A. Yes. That's correct. In that order, it was noted that
20 the Company was allowed to establish a Storm Reserve
21 Fund to be collected at \$400,000 annually from the
22 ratepayers. And, that fund was meant to cover the
23 preparation costs to prepare for major storms that
24 qualified according to the criteria in the docket.

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[WITNESS: Brock]

1 Separate from that recovery of the Storm Reserve Fund,
2 there was the Storm Recovery Adjustment Factor, which
3 was established, as I said before, in our case, to
4 recover the costs of the December Ice Storm and the
5 February 2010 Wind Storm. And, that Storm Recovery
6 Adjustment Factor was meant to recover the costs of
7 infrequent and extraordinary storms, like the December
8 Ice Storm and the February Wind Storm. Those storms
9 that were extraordinary and infrequent that are
10 appropriate for recovery in the SRAF, according to that
11 finding in that docket.

12 The Hurricane Irene in August '11 and
13 the October Snowstorm in October '11 were infrequent
14 and extraordinary in nature, rather large expenditures
15 for the Company to complete its 36-hour restoration
16 period, in the case of Irene, and the total amount of
17 costs, initially estimated to be 5.6 million, and
18 finally estimated to be 4.4 million, after final
19 adjustment and auditing, is a large amount to be
20 recovered through the normal 400,000 per year storm
21 recovery of the Storm Reserve Fund. And, so, since it
22 would have put that Storm Reserve Fund in such a
23 deficit balance, the Company petitioned to adjust the
24 SRAF due to the nature of the storms being large an

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[WITNESS: Brock]

1 expenditure, infrequent and extraordinary, and that is
2 the position we settled on.

3 Q. Now, one of the -- there is a significant difference
4 between what the Company initially estimated its storm
5 costs to be, at 5.6 million, and what is recommended
6 for recovery in Exhibit 2 of 4.4 million. Is it
7 correct that the change from the original estimate to
8 the agreed upon amount has to do with costs incurred
9 for the October Snowstorm?

10 A. That is correct.

11 Q. And, is it correct that the difference between the
12 estimate and the actual numbers agreed to is that there
13 was a significant portion that is capitalized and -- to
14 construction, and could you maybe explain that
15 adjustment?

16 A. Yes. That is correct. When the Company filed its
17 initial petition, it had an estimate of the total
18 expenditures for the October Snowstorm and the August
19 Tropical Storm Irene.

20 In the case of the October Snowstorm,
21 since the initial filing, the Company has completed its
22 costs, to segregate the expenditures between storm
23 repair costs and utility plant asset replacement costs.
24 The utility plant asset replacement costs, as is

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[WITNESS: Brock]

1 normally done, is capitalized to utility plant assets
2 and construction.

3 So, in the Company's initial petition,
4 where the total expenditures were estimated to be
5 \$3.3 million, we estimated the initial capitalized
6 portion of that to be \$175,000. As it turns out, after
7 final internal audit and construction work order
8 accounting, the capitalized portion of that total
9 expenditure for the October Snowstorm turned out to be
10 closer to a million dollars. And, so, that was a
11 rather large difference from our original estimate. It
12 related to us completing the accounting for how many
13 plant units in the field were replaced, and there was a
14 significant amount of plant units replaced as a result
15 of the October Snowstorm.

16 So, therefore, we wind up capitalizing a
17 much larger percentage of the total storm expenditures
18 in the case of the October Snowstorm. So, we adjusted
19 our estimate for the deferred costs downward by the
20 amount we capitalized.

21 Q. And, so, and that results in the difference, most of
22 the difference between the 5.6 and the 4.4 --

23 A. That is principally the difference between our initial
24 estimate and our final estimate submitted in discovery.

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[WITNESS: Brock]

1 MR. EPLER: Okay. If I could take a
2 moment?

3 CHAIRMAN IGNATIUS: Please.

4 (Atty. Epler conferring with Atty.
5 Amidon.)

6 BY MR. EPLER:

7 Q. Mr. Brock, if I could refer you to the very end of the
8 Exhibit 2, which talks about reporting.

9 A. Yes, I have it.

10 Q. And, there's a recommendation that the Company file --
11 annually file a report that will show the Storm Fund
12 balance. Is the Company in the process of preparing
13 its initial report?

14 A. Yes. In the Company's most recent distribution rate
15 case, DE 10-055, when we established the Storm Reserve,
16 the \$400,000 to be collected annually, we also agreed
17 in that case to establish criteria, at some point in
18 the future, as to how to report against those
19 collections every year, but the criteria was never
20 finalized.

21 In this settlement and in the paragraphs
22 that you refer to at the end of the Staff memo, the
23 Company and Staff have agreed to the criteria to file
24 an annual report about activity in the Storm Fund

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[WITNESS: Brock]

1 concurrent with the other reports that it files in the
2 first quarter of each year about vegetation management
3 and other programs. And, so, each year we will file,
4 concurrent with those other reports, a report about the
5 activity in the Storm Reserve Fund.

6 And, the initial report, since it was
7 not finalized as to the due date of that in the last
8 case, we've agreed that we will file an initial report
9 before May 31st of 2012 on the activity in the Storm
10 Fund. And, the Company is in the process of preparing
11 that report right now, and it will be submitted.

12 MR. EPLER: Okay. That's all the
13 questions I have. Thank you.

14 CHAIRMAN IGNATIUS: Thank you.

15 Ms. Amidon?

16 MS. AMIDON: Staff has no questions.

17 Thank you.

18 CHAIRMAN IGNATIUS: All right.

19 Commissioner Harrington?

20 CMSR. HARRINGTON: Just a clarification,
21 I guess, more than anything else.

22 BY CMSR. HARRINGTON:

23 Q. On the Storm Reserve Fund, there's -- what's being
24 proposed is three methods of funding that, then there's

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[WITNESS: Brock]

1 the \$400,000 annually through base rates that goes in,
2 then there's the SRAF, which is to account for the
3 December Ice Storm and the March 2010 Wind Storm, was
4 set at \$0.00096 per kilowatt-hour. And, then, there
5 would be a new assessment to cover the Tropical Storm
6 Irene and the October Snowstorm, both in 2011, is that
7 correct?

8 A. That is correct. The new assessment would not be an
9 additional surcharge or rate component. It would
10 adjust the 0.0096 [0.00096?] to a new number.

11 Q. Up to a number, right.

12 A. Yes.

13 Q. Now, the 0.0096 [0.00096?] portion of that new number,
14 when is that scheduled to be completed, when it would
15 finish paying for the ice storm and the wind storm?

16 A. That is scheduled to -- that was on an eight-year
17 schedule set in the last case.

18 Q. Okay. So, that will actually continue after the life
19 of this one, if this new adjustment were to be
20 approved, which is a three-year period -- a five-year
21 period?

22 A. A five-year period. Yes, that's correct.

23 CMSR. HARRINGTON: Okay. All right.

24 Thank you. That's all I had.

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[WITNESS: Brock]

1 WITNESS BROCK: Yes.

2 CHAIRMAN IGNATIUS: Commissioner Scott?

3 CMSR. SCOTT: Sure. Hello. Good

4 morning.

5 WITNESS BROCK: Good morning.

6 BY CMSR. SCOTT:

7 Q. Going back to the very last issue you mentioned, which
8 is the May 31st report, I just want to make sure I was
9 clear. So, that would be the initial filing. Would
10 the intention be that a yearly filing after that for
11 May 31st or what was that?

12 A. Yes. The intention is that, and the Company has
13 committed to file annually a report on the activity of
14 the Storm Reserve Fund.

15 Q. But, I guess what I'm getting at is, by the end of the
16 calendar year or are we going to use May 31st? I was
17 just curious when we would expect it every year?

18 A. It would be as of the end of the calendar year. The
19 report itself will be filed in February, following the
20 end of the calendar year.

21 Q. Okay. Thank you.

22 MR. EPLER: Yes. Commissioner, if I
23 could clarify? The Company, actually, there is another
24 docket, the number escapes me right now, where the Company

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[WITNESS: Brock]

1 has filed, pursuant to the requirements of the rate case
2 settlement, a report on its vegetation management
3 activities and certain other construction activities, that
4 was required as part of the Settlement Agreement that was
5 approved by the Commission. So, we're going to make this
6 Storm Report part of that filing that will be filed
7 annually in February of each year, reporting on the
8 previous calendar year.

9 But, since we hadn't done one for 2011,
10 the first one will be filed this year on May 31st. But,
11 starting next year, in February, you'll get the 2012
12 Report, and subsequently.

13 CMSR. SCOTT: Thank you. That's
14 helpful. Thank you.

15 BY CMSR. SCOTT:

16 Q. Also, in Mr. Francazio's, if that's how he pronounces
17 it, his testimony, he notes, and I assume we'll see it
18 in the Storm Report, that both for the hurricane and
19 the Halloween storm, you were able to get a "restore
20 all service" rate of 99 percent within the first 72
21 hours? That's --

22 A. That's correct.

23 Q. And, I assume we'll see those type of figures in, I
24 guess that's my question, we'll see those type of

[WITNESS: Brock]

1 figures in the Storm Report, I assume?

2 A. Yes. You'll see the Storm Report will include his --
3 Mr. Francazio's After Action Report, which is a report
4 that we do after every storm. And, so, he will
5 incorporate that in the annual Storm Report.

6 Q. And, again, this is more for that than probably the
7 reason we're here as much, but -- and that, typically,
8 will you track, as a company, complaints associated
9 with the outages and that type of thing?

10 A. Yes. There is -- during a storm event, there's a
11 comprehensive set of procedures, where the Company
12 informs the Commission and municipalities and other
13 parties statistically of all the outages and customer
14 service activity and crew activity that's going on
15 during the storm event. And, so, we do update a number
16 of parties on all those statistics. And, then, all of
17 those statistics are summarized after the end of the
18 event in an After Action Report, which is distributed
19 to those parties as well or available to them.

20 CMSR. SCOTT: Thank you. That's all.

21 BY CHAIRMAN IGNATIUS:

22 Q. A couple of questions on the status of the audit. I
23 know that Mr. Siwinski's memo said that it was expected
24 to be done "by late March or early April". Do you know

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[WITNESS: Brock]

1 where it stands.

2 A. Yes. The audit of the Tropical Storm Irene costs and
3 the October Snowstorm costs by the PUC Audit Staff, the
4 field work is complete, the PUC Audit Staff is in the
5 process of drafting their final report. The PUC Audit
6 Staff has discussed their findings with the Company,
7 the Company is in agreement to accept the findings of
8 the Audit Staff. And, so, at this point, the status is
9 that we expect the Final Audit Report shortly.

10 The result of that audit report, if
11 there are any numbers that change in the estimate of
12 the costs to be recovered, those will be incorporated
13 into the calculation of the cost recovery that the
14 Company is petitioning for. And, therefore, in the
15 Staff memo, where we have agreed that the amount of
16 costs to be recovered is \$4,428,056, subject to final
17 audit by the PUC Staff, if, as a result of that audit,
18 that number changes, then we would not recover -- we
19 would recover up to the adjusted amount, based on the
20 audit.

21 Q. Do you need the Final Audit Report then before this was
22 put into effect? I'm thinking about timing. Let's say
23 the audit isn't out until May 5th. Could you implement
24 this factor if it were approved prior to that or would

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[WITNESS: Brock]

1 it be better to wait until June?

2 A. No. It is not necessary to have the Final Audit Report
3 to begin this mechanism. Because the recovery period
4 is a five-year term, and it is reconciling, if we were
5 to receive an audit report in May that indicated an
6 adjustment of, say, \$25,000 in costs, then we would
7 reconcile the 25,000 back to the beginning of the cost
8 recovery period, so that carrying charges were
9 correctly calculated from that point forward. And,
10 that would be submitted in the first report, as
11 indicated earlier, when we file the 2012 Recovery
12 Report in February '13, it would indicate the
13 reconciliation took place. So, over the five-year
14 period, since the Storm Recovery Adjustment Factor is
15 an amount based on kilowatt-hour units, to the extent
16 that sales -- sales are higher than forecasted, the
17 recovery period would shorten. And, so, it fully
18 reconciles just to an exact dollar amount for any
19 adjustments that come through. So, it's not necessary
20 to have all of the exact figures to start the
21 mechanism, because it reconciles.

22 Q. And, based on your review of the draft audit findings,
23 it appears that you're pretty close, you're not
24 expecting any significant changes from the Audit Staff?

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[WITNESS: Brock]

1 A. That's correct. We have discussed the auditor's
2 findings, that the Company still needs to complete some
3 tree trimming billings to third parties, and it is not
4 a significant amount, but it is an administrative
5 amount that the Company will undertake. And, we expect
6 not to have any disagreements with the auditor on his
7 findings.

8 Q. One other question on the bill impacts. You walked
9 through one of Ms. Asbury's exhibits, Page 14 of the
10 Exhibit 1, and explained that the initial filing for an
11 average 600 kilowatt-hour usage for a residential
12 customer was shown as it was initially filed, but that
13 that's come down. Do you have a dollar figure on what
14 a 600 kilowatt-hour customer would see, if this were
15 approved as it's currently recommended by the Staff and
16 agreed to, I guess, by the Company?

17 MR. EPLER: We could provide that
18 calculation, if the Commissioner would like that as a
19 record request. We could provide that fairly quickly.

20 CHAIRMAN IGNATIUS: I think it would be
21 helpful, both the dollar figure and the percentage. You
22 had said it was "under three-quarters of 1 percent". But,
23 if we could get an actual number, just to complete the
24 record, it would be helpful.

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1 Thank you. I have no other questions.

2 Mr. Brock, thank you very much. You're excused.

3 MS. AMIDON: Just a procedural question,
4 madam Chair?

5 CHAIRMAN IGNATIUS: I'm sorry.

6 MS. AMIDON: Did you want to reserve
7 Exhibit 3 for that record request?

8 CHAIRMAN IGNATIUS: That's a good idea.
9 Thank you. So, let's mark that as "Exhibit 3".

10 **(Exhibit 3 reserved)**

11 CHAIRMAN IGNATIUS: And, I assume,
12 Mr. Epler, that can come in in a matter of a few days?

13 MR. EPLER: Yes. Hopefully, by the end
14 of the day tomorrow.

15 CHAIRMAN IGNATIUS: All right. Thank
16 you. All right. Anything further before closings?

17 (No verbal response)

18 CHAIRMAN IGNATIUS: Any objection to
19 striking the identification and making the exhibits full
20 exhibits?

21 (No verbal response)

22 CHAIRMAN IGNATIUS: Seeing none, we'll
23 do that. Ms. Amidon, closing remarks?

24 MS. AMIDON: Thank you. Staff has

1 reviewed the filing, and, as you know, worked with the
2 Company to resolve some issues, especially regarding the
3 carrying charge. And, as a result, we believe that the
4 Commission should approve the filing for rates effective
5 May 1, as modified by the agreement that was represented
6 by Staff in Exhibit 2, and including the modified total
7 sum for recovery. And, we think those should be available
8 for rates effective May 1, pursuant to the Settlement
9 Agreement in Docket DE 10-055.

10 CHAIRMAN IGNATIUS: Thank you.

11 Mr. Epler.

12 MR. EPLER: Yes. Thank you, Chairman
13 Ignatius. The Company has reviewed the Staff
14 recommendation and agrees with the analysis contained
15 therein and the recommendation, in terms of the recovery,
16 both the period and the carrying costs. And, so, we have
17 no objection to the Commission approving the Staff
18 recommendation.

19 CHAIRMAN IGNATIUS: Thank you. Hearing
20 nothing else, we will take the matter under advisement and
21 look forward to the submission of the record request.
22 Thank you.

23 MS. AMIDON: May I just ask one more
24 procedural question? Were you going to admit the exhibits

1 as full exhibits in the --

2 CHAIRMAN IGNATIUS: I think I did that.

3 MS. AMIDON: Okay. Then, I apologize.

4 CHAIRMAN IGNATIUS: If not, they're in.

5 MS. AMIDON: I apologize.

6 CHAIRMAN IGNATIUS: Thank you.

7 **(Whereupon the hearing ended at 10:46**

8 **a.m.)**

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