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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

NHPUC 8OCT19PM2:48

June 10, 2019 - 10:11 a.m.

REDACTED FOR PUBLIC USE

Concord, New Hampshire

**RE: DE 19-082
EVERSOURCE ENERGY
2019 ENERGY SERVICE SOLICITATION**

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Kathryn M. Bailey
Commissioner Michael S. Giaimo

Sandy Deno, Clerk

APPEARANCES:

**Reptg. Public Service Company of New
Hampshire, d/b/a Eversource Energy:**
Matthew J. Fossum, Esq.
Robert A. Bersak, Esq.

**Reptg. Springfield Power, LLC; DG
Whitefield, LLC; Bridgewater Power
Company, L.P.; Pinetree Power Tamworth,
LLC and Pinetree Power, LLC:**
Timothy J. McLaughlin, Esq.

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq.

Reptg. PUC Staff:
Suzanne Amidon, Esq.
Richard Chagnon, Analyst

COURT REPORTER: SUSAN J. ROBIDAS, N.H. LCR NO. 44

P R O C E E D I N G S

1
2 CHAIRMAN HONIGBERG: Good morning.
3 We're here this morning in Docket 19-082,
4 which is Eversource's Energy Service Rate
5 proceeding. Before we do anything else,
6 let's take appearances.

7 MR. FOSSUM: Good morning,
8 Commissioners. Matthew Fossum here for
9 Public Service Company of New Hampshire,
10 doing business as Eversource Energy. And
11 with me as counsel this morning is Robert
12 Bersak, also for the Company.

13 MR. McLAUGHLIN: Good morning,
14 Commissioners. My name is Tim McLaughlin. I
15 represent Springfield Power, LLC; Whitefield,
16 LLC; Pinetree Power, Pinetree Power Tamworth,
17 and Bridgewater.

18 MR. KREIS: Good morning, Mr.
19 Chairman and Commissioners. I'm D. Maurice
20 Kreis, the Consumer Advocate, here on behalf
21 of residential ratepayers.

22 MS. AMIDON: Good morning, Suzanne
23 Amidon for Commission Staff. With me today
24 is Rich Chagnon, analyst with the Electric

1 Division.

2 CHAIRMAN HONIGBERG: What do we
3 have in the way of preliminary matters?
4 Anyone?

5 MR. FOSSUM: If I may, I believe,
6 well, a couple of things. One, there's a
7 pending Petition for Intervention that has
8 not been ruled upon. But beyond that, I was
9 only going to inform the Commissioners of
10 some initial numbering that has taken place
11 on proposed exhibits for today prior to
12 presenting our witnesses.

13 (Discussion off the record among
14 Commissioners.)

15 CHAIRMAN HONIGBERG: We're granting
16 the Motion to Intervene. Welcome, Mr.
17 McLaughlin.

18 All right. You want to talk about
19 exhibits? We also have the red folder, the
20 confidential part of the filing which is
21 confidential under our rules in a proceeding
22 of this nature. So why don't you tell us
23 about exhibits.

24 MR. FOSSUM: I just premarked with

1 the clerk for identification three exhibits.
2 What has been premarked as Exhibit 1 is the
3 June 6th filing the Company, the Confidential
4 version. So that has been marked as
5 Exhibit 1 for identification.

6 Exhibit 2 for identification is the
7 same exhibit, except the redacted version of
8 it.

9 And then the only other thing that
10 has been premarked for I.D. this morning as
11 Exhibit 3 is a three-page document of rate
12 comparison that the Company's witnesses will
13 address.

14 CHAIRMAN HONIGBERG: Anything else
15 before we have the witnesses take their
16 positions and get sworn in?

17 [No verbal response]

18 CHAIRMAN HONIGBERG: All right.
19 Why don't we have the witnesses go to the
20 witness box.

21 **(WHEREUPON, FREDERICK B. WHITE AND ERICA**
22 **L. MENARD were duly sworn and cautioned**
23 **by the Court Reporter.)**

24 **FREDERICK B. WHITE**

[WITNESS PANEL: WHITE | MENARD]

1 **AND ERICA L. MENARD, SWORN**

2 CHAIRMAN HONIGBERG: Mr. Fossum.

3 **DIRECT EXAMINATION**

4 **BY MR. FOSSUM:**

5 Q. Thank you. I'll begin with Ms. Menard.

6 Could you please state your name, your
7 position and your responsibilities for the
8 record.

9 A. (Menard) Yes. My name is Erica Menard. I am
10 employed by Eversource Energy Service
11 Company. My business address is 780 North
12 Commercial Street in Manchester. I am a
13 manager of Revenue Requirements for New
14 Hampshire, and I am responsible for the
15 implementation and coordination of revenue
16 requirements and the calculation for
17 distribution revenues, transmission cost
18 adjustment mechanism systems, benefits
19 charges, energy service rate and stranded
20 cost of energy rate.

21 Q. Now, Ms. Menard -- oh, I'll get Mr. White on
22 the record first.

23 Mr. White, would you also please state
24 your name, your business position and your

[WITNESS PANEL: WHITE | MENARD]

1 responsibilities for the record.

2 A. (White) My name is Frederick White. I'm
3 employed at Eversource Energy Services
4 Company in the Energy Supply Group. Our
5 group is responsible for the analytical
6 support for securing the power supply for
7 PSNH Energy Service customers. We also
8 manage the renewable portfolio standards
9 requirements for those customers and ongoing
10 activities with IPP producers and purchase
11 power agreements.

12 Q. Thank you.

13 Now, Ms. Menard have you previously
14 testified before this Commission?

15 A. (White) No, I have not.

16 Q. And understanding that it was included in
17 your testimony, could you please provide a
18 brief summary of your education and
19 experience, just for the record.

20 A. (Menard) Yes. I have a bachelor's degree
21 from the University of Maine in economics and
22 business administration, with a concentration
23 in finance. I also have a master's degree
24 from the University of New Hampshire in

[WITNESS PANEL: WHITE | MENARD]

1 business administration.

2 Q. And your previous experience?

3 A. (Menard) I have been with Eversource for 16
4 years, since 2003. Prior to that I worked as
5 a consultant at ICF Consulting in Fairfax,
6 Virginia. While at PSNH and Eversource, I
7 have had various roles. My current role is
8 manager of revenue requirements. I was
9 appointed to that position in April of this
10 year. Prior to that position I was the
11 manager of investment planning, where I was
12 responsible for the O&M and capital budgets
13 and financial reporting for the operations
14 and engineering groups in New Hampshire.
15 Prior to that position I was also -- I
16 oversaw load forecasting activities,
17 performance analysis, business planning
18 activities and facilities management for the
19 company.

20 CHAIRMAN HONIGBERG: Let's just go
21 off the record for just a second.

22 (Discussion off the record.)

23 CHAIRMAN HONIGBERG: Back on the
24 record.

[WITNESS PANEL: WHITE | MENARD]

1 BY MR. FOSSUM:

2 Q. Now, Ms. Menard and Mr. White, did you both,
3 back on June 6th, file testimony and exhibits
4 that are included in the materials that have
5 been premarked for identification as
6 Exhibits 1 and 2?

7 A. (Menard) Yes.

8 A. (White) Yes.

9 Q. And was the testimony and were the exhibits
10 prepared by you -- included in those
11 exhibits, were those in testimony -- was that
12 testimony and were those exhibits prepared by
13 or at your direction?

14 A. (Menard) Yes.

15 A. (White) Yes.

16 Q. And do either of you have any changes or
17 updates to that information this morning?

18 A. (Menard) No.

19 A. (White) No.

20 Q. And do you each adopt that testimony as your
21 sworn testimony for this proceeding?

22 A. (Menard) Yes.

23 A. (White) Yes.

24 Q. Now, just a few other questions.

[WITNESS PANEL: WHITE | MENARD]

1 Mr. White, understanding that this is
2 addressed in your testimony, could you please
3 provide a high-level explanation of the
4 Company's solicitation underlying the rates
5 that are the subject of this proceeding.

6 A. (White) Sure. We issued a request for
7 proposals on March -- or May 2nd, 2019,
8 requesting supply for both large and small
9 customer groups for the six-month term
10 August 2019 through January 2020. Supply
11 would be provided without RPS requirements.
12 Those are managed by the Company. The large
13 customer group was to be supplied in one
14 tranche; the small customer group in four,
15 equal 25 percent tranches. Offers were due
16 on June 4th, 2019. On that date we received
17 and evaluated offers. All the bidders were
18 qualified with regard to their standing at
19 ISO, their prior experience with the Company,
20 and had posted the necessary credit
21 arrangements. The offers were in line with
22 price expectations. And on that day we met
23 with senior management. After evaluating the
24 proposals and recommending winners, we met

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[WITNESS PANEL: WHITE|MENARD]

1 with senior management for approval of the
2 winning suppliers and the offers. Upon
3 securing that approval from management, we
4 notified suppliers of the results by early
5 afternoon on that same day and transaction
6 confirmations were executed by close of
7 business on the following day, June 5th. All
8 of that is described in further detail in the
9 testimony and attachments which was filed on
10 June 6th. The solicitation was conducted
11 consistent with past practices and with
12 Commission requirements.

13 Of note, during this solicitation there
14 was one additional supplier that had not
15 previously participated in a PSNH supply
16 auction. The end result of it all is that
17 energy service supply will be shared among
18 Dynegy, Exelon and NextEra.

19 Q. Thank you very much. Mr. White, are you
20 familiar with Order 26,203 in Docket 18-002
21 that approved the rates presently in effect?

22 A. (White) Yes.

23 Q. So you are then familiar with the requirement
24 in that order that the Company work with the

[WITNESS PANEL: WHITE | MENARD]

1 Staff and the OCA to discuss potential
2 changes to its solicitation procedures?

3 A. (White) Yes.

4 Q. Did the Company actually go through with that
5 work?

6 A. (White) Yes, we did. We met with Commission
7 Staff and the OCA in late March to that
8 point. We had been involved in competitive
9 procurements for approximately a year. We
10 had conducted three solicitations at that
11 point. We went over the fact that our
12 process is essentially identical to a process
13 used quite a bit throughout New England. We
14 believe it's a sound process. The amount of
15 participation in the auction was the biggest
16 concern discussed.

17 We also provided at that meeting -- we
18 had previously solicited feedback from the
19 supplier community on our solicitations to
20 get their opinions on how things were going,
21 and we shared the results of those
22 discussions with the parties at that meeting.
23 We noted that we expected participation from
24 one additional supplier. We were hopeful

[WITNESS PANEL: WHITE | MENARD]

1 that that would occur for the upcoming
2 solicitation, the one we're discussing today.
3 The level of participation in New Hampshire
4 for PSNH is not really dissimilar from our
5 experience in other jurisdictions. We always
6 want more participation. But we've
7 experienced similar situations in our other
8 auctions run in other states.

9 We all agreed at that point to stay the
10 course. The supplier community didn't raise
11 any red flags. They mentioned some concerns,
12 but again they reiterated we're doing it like
13 everyone else. They're comfortable with the
14 process. They noted that we're the last
15 business opportunity to enter the game in New
16 Hampshire. Ours is the most recent
17 solicitation. That doesn't necessarily put
18 us at the back of the line, but they noted
19 that fact. And they noted concerns with the
20 capacity market and high prices for capacity
21 in New England.

22 At the end of the meeting, we agreed
23 that we would talk again, typically leading
24 in to a due date for solicitation. We polled

[WITNESS PANEL: WHITE|MENARD]

1 the supplier communities so we'd have an
2 expectation of what bids we may receive on
3 the due date. We agreed to have that
4 discussion, which we have with suppliers. We
5 sent out, you know, asking for their
6 intentions on the due date the week before
7 last. After we received that feedback, we
8 had another phone conversation with Staff and
9 OCA on what our expectations were for
10 June 4th, which did in fact come to pass.
11 That is how things worked out. That's all I
12 have right now.

13 Q. Thank you very much.

14 Ms. Menard, with the understanding of
15 what Mr. White has spoken about and included
16 in his testimony, could you please explain
17 how the Company took the solicitation
18 information and developed its actual rate
19 proposal.

20 A. (Menard) Yes. So in my testimony, which is
21 marked Exhibit 1, there are several
22 attachments, one of which is ELM-1. And in
23 that you can see that we took the bid prices
24 from Mr. White's RFP process. We added A&G

[WITNESS PANEL: WHITE | MENARD]

1 cost to it, as well as RPS costs. And then
2 new in this August update rate we have some
3 reconciliation adjustment factors; we have an
4 energy service reconciliation factor; we have
5 a renewable portfolio standard reconciliation
6 factor and a hydro adjuster reconciliation
7 factor. So those components all are what we
8 used to develop what was a small and a large
9 retail rate. And this is all outlined in the
10 settlement agreement in Docket 17-113, this
11 process.

12 And then finally we took, you'll note on
13 Bates Page 13 in Exhibit 1, we took the
14 calculations required by 362-H and converted
15 those into an adjusted energy rate
16 calculation.

17 Q. Thank you. Do you have more, or were you --

18 A. (Menard) And then also in what's marked as
19 Exhibit 3 --

20 Q. We'll get there in just a moment.

21 A. (Menard) Then I'm good.

22 Q. In that case, Ms. Menard, do you have in
23 front of you what has been premarked for
24 identification as Exhibit 3?

[WITNESS PANEL: WHITE | MENARD]

1 A. Yes, I do.

2 Q. Could you please explain what is shown on
3 each page of that exhibit.

4 A. (Menard) Yes. So pages -- Page 1 of
5 Exhibit 3 shows the comparison of the current
6 rate which was effective for February 1st
7 compared to the new proposed rate for
8 August 1st rate effective. And in the --
9 this is just for the residential customer.
10 And we have three different components: One
11 for a residential customer taking
12 550-kilowatt hours a month, one for 600, and
13 another for 650 kilowatt hours a month. And
14 in that, the only component that is changing
15 in this filing is the energy service rate.
16 And you can see that the rate change compared
17 to the February rates, the current rates in
18 place, is about a 5.7 percent decrease for a
19 residential customer.

20 Page 2 of this exhibit shows the
21 comparison of the August 1st rate as compared
22 to the August 1st rate of last year, 2018,
23 again, similar exhibit with various steps for
24 monthly usage. And this shows a 2.9 percent

[WITNESS PANEL: WHITE|MENARD]

1 decrease in a residential customer's bill.

2 And finally, the third page is the
3 impact on all rate classes, an average rate
4 impact for all classes for this rate change.

5 And you can see the 5.8 percent decrease that
6 we talked about on the first two pages, with
7 and overall decrease of 10.3 percent.

8 Q. Now, Ms. Menard, as you mentioned, this is
9 just a change in the energy service. Are
10 there other sort of not yet pending, but soon
11 to be pending, perhaps, rate changes that
12 might affect the analysis shown in this
13 exhibit?

14 A. (Menard) Yes. The Company has filed a
15 distribution rate change request for
16 July 1st, 2019. There's also a -- on
17 June 6th we also filed an updated, a
18 preliminary updated stranded cost
19 reconciliation charge update. The results of
20 that are not yet known because they're
21 preliminary. And then upcoming will be a
22 change to the transmission cost adjustment
23 mechanism rate which will be filed in July.

24 Q. And so each of those would be then reflected

[WITNESS PANEL: WHITE|MENARD]

1 in a similar exhibit when they're known; is
2 that correct?

3 A. (Menard) Yes. Correct.

4 Q. Mr. White, is it the Company's position that
5 the solicitation undertaken in this instance
6 was open and fair and in line with
7 expectations with similar solicitations?

8 A. (White) Yes.

9 Q. And both for Mr. White and Ms. Menard, is it
10 the Company's position that the resulting
11 energy service rates that are being proposed
12 in this proceeding are just and reasonable?

13 A. (Menard) Yes.

14 A. (White) Yes.

15 MR. FOSSUM: Thank you. That's
16 what I have.

17 CHAIRMAN HONIGBERG: Mr.
18 McLaughlin, do you have any questions?

19 MR. McLAUGHLIN: I do not. Thank
20 you.

21 CHAIRMAN HONIGBERG: Mr. Kreis.

22 MR. KREIS: I have a few.

23 **CROSS-EXAMINATION**

24 **BY MR. KREIS:**

[WITNESS PANEL: WHITE | MENARD]

1 Q. Good morning, witnesses, especially Ms.
2 Menard.

3 A. (Menard) Good morning.

4 Q. I have a bunch of questions. There are not
5 too many. I don't really care who answers
6 them. Either witness, both witnesses, it's
7 fine. So I'll just put them out there.

8 Looking at Bates Page 10, which is from
9 Ms. Menard's testimony, towards the end of
10 that page, from Lines 13 to 16, she talks
11 about information in Attachment ELM-2 and
12 says that the over-recovery is primarily due
13 to revenues higher than forecast, offset by
14 energy costs, and then in parens it says
15 "energy and net metering costs," higher than
16 forecast. So I want to pick that apart a
17 little bit. What revenues were higher than
18 forecast? Why?

19 A. (Menard) Sales were higher than we had
20 initially forecasted.

21 Q. Do we know why that is? Less migration?
22 More usage?

23 A. (Menard) I don't know the answer to that.

24 Q. Okay. And then energy and net metering costs

[WITNESS PANEL: WHITE | MENARD]

1 were also higher than forecast. First of
2 all, just looking at Attachment ELM-2, that
3 would be reflected in the energy expense
4 line?

5 A. (Menard) Yes. Correct.

6 Q. And do we know why energy and net metering
7 costs were higher than forecast?

8 A. (Menard) The net metering costs that are
9 referred to in here -- we don't forecast for
10 net metering, so any net metering costs that
11 come in are going to cause the forecast, the
12 expenses to be higher.

13 Q. So there's just no -- the anticipated cost of
14 net metering is simply not reflected in the
15 forecast.

16 A. (Menard) Correct.

17 Q. So inevitably the forecast is going to be
18 wrong because we know that net metering is a
19 reality here in New Hampshire.

20 A. (Menard) Correct.

21 Q. Why not then include net metering in the
22 forecast?

23 A. (Menard) I think the issue is we don't know
24 what the net metering forecast is. There are

[WITNESS PANEL: WHITE | MENARD]

1 options we could do. We could use some
2 historical costs. But due to the fact we
3 don't know what the net metering costs are,
4 they are not included in the initial
5 forecast.

6 Q. And do we know why energy costs were higher
7 than forecast?

8 A. (White) I don't have that answer in detail.
9 It could be some variation along monthly
10 usage, load factor changes, things like that.
11 Perhaps actual energy costs in some months
12 were higher than as forecast in those months.
13 I don't recall any outliers like that. But
14 that would be another contributing factor.

15 Q. Looking at Attachment ELM-2, there is an
16 adjustment at lines -- first page of that
17 exhibit there's an adjustment at Line 9 and
18 also at Line 22 for ADIT. First of all, just
19 for the record, ADIT is accumulated deferred
20 income tax; true?

21 A. (Menard) Correct.

22 Q. Why is there an adjustment for ADIT?

23 A. (Menard) That is the accumulated deferred
24 income tax associated with this calculation.

[WITNESS PANEL: WHITE | MENARD]

1 Q. And why does it change from a -- why does the
2 number go from positive to negative to
3 positive again as you move from April of 2018
4 through the estimated numbers for July of
5 2019? Sorry if this sounds like a quiz.

6 A. (Menard) I'd have to get back to you on that
7 one.

8 Q. Okay. At Bates page --

9 CHAIRMAN HONIGBERG: Mr. Kreis, do
10 you want an answer to that question?

11 MR. KREIS: I think I'll leave that
12 to you, Mr. Chairman. If you find that it is
13 relevant to your determination, then yes.
14 But I don't know that it's necessary for you
15 to decide whether to approve what the Company
16 is proposing here today, which really focuses
17 on the results of the later solicitation.

18 CHAIRMAN HONIGBERG: Okay. You may
19 proceed.

20 MR. KREIS: Thank you.

21 BY MR. KREIS:

22 Q. At Bates Page 11 there's discussion of the
23 hydro adjuster under-recovery. And Ms.
24 Menard testified that O&M and depreciation

[WITNESS PANEL: WHITE | MENARD]

1 were higher than forecast. And I'm curious
2 to know how it is that depreciation could
3 vary from the forecast. I thought
4 depreciation is a pretty immutable
5 characteristic of various assets.

6 A. (Menard) The hydro adjuster reconciliation
7 goes back to, if you look on ELM-3, that goes
8 back to April of 2018, when we first went
9 with this new construct for energy service
10 rate. And so these -- this is the first time
11 that we're seeing this ability to reconcile
12 what was originally contemplated in rates.
13 So it's -- you'll see April through October
14 of 2018, those were the same numbers that
15 were previously filed in DE 18-002, in
16 Exhibits CJT-3. This is just the first
17 opportunity to reconcile that and put that
18 over/under recovery into energy service rates
19 in this August update.

20 Q. I understand that. So my question is why
21 would the depreciation number be different
22 than what it was forecasted?

23 A. (Menard) I don't know.

24 Q. I think I am almost done. What I wanted to

[WITNESS PANEL: WHITE | MENARD]

1 do next is ask Mr. White about Attachment
2 FBW-2 and -- excuse me. That's not correct.
3 Here we go. I want to ask Mr. White about
4 Attachment FBW-3, which is the report of the
5 proxy prices that he and his colleagues at
6 Eversource developed. And I think this might
7 be a confidential question, but I just want
8 to figure that out before I ask it or before
9 he answers it.

10 CHAIRMAN HONIGBERG: Yeah, because
11 we do have some people in the room who would
12 need to leave.

13 MR. KREIS: Right. So I was hoping
14 Mr. White could talk a bit about the -- if he
15 could compare the proxy prices at the bottom
16 of that exhibit with the actual prices. And
17 the actual prices are not confidential, but
18 the proxy price is, and so that might be a
19 confidential question?

20 CHAIRMAN HONIGBERG: Hang on,
21 Mr. White.

22 Mr. Fossum.

23 MR. FOSSUM: I guess it depends,
24 then, what kind of a comparison he's looking

[WITNESS PANEL: WHITE|MENARD]

1 for. If it's that the proxy prices are
2 similar to or they reflect the range of, I
3 think that sort of general statements like
4 that are probably fine. But if he's looking
5 for why is it different from this particular
6 number, then we do have a confidentiality
7 issue I think.

8 CHAIRMAN HONIGBERG: Mr. Kreis,
9 does that work for you?

10 MR. KREIS: I would like to ask Mr.
11 White why the --

12 CHAIRMAN HONIGBERG: Well, hang on
13 because it sounds like your question's going
14 to convey information.

15 MR. KREIS: Right. Compare and
16 contrast the proxy prices. That's my
17 question.

18 CHAIRMAN HONIGBERG: How do we want
19 to do this?

20 MR. FOSSUM: I think it's starting
21 to sound like the question is asking for a
22 specific comparison to a specific number.
23 That is confidential.

24 CHAIRMAN HONIGBERG: All right. So

[WITNESS PANEL: WHITE | MENARD]

1 it's clear that, Mr. Olson, you're going to
2 have to leave. And I think, Mr. McLaughlin,
3 there's no reason for you to hear this
4 either. I think if that came up; right?

5 MR. FOSSUM: Agreed.

6 CHAIRMAN HONIGBERG: Okay. So
7 we're going to have Mr. Olson, who was here
8 watching, and Mr. McLaughlin, who's
9 representing the intervenors, step out for a
10 few minutes, and we'll have someone come get
11 you. Let's go off the record for just a
12 second.

13 *(Pages 27 through 43 of the*
14 *transcript are contained under*
15 *separate cover designated as*
16 *"CONFIDENTIAL AND PROPRIETARY."*

[WITNESS PANEL: WHITE | MENARD]

1 **(Hearing now resumes in the public**
2 **portion of the record.)**

3 CHAIRMAN HONIGBERG: All right.
4 Back on the record. Mr. McLaughlin and Mr.
5 Olson are back in the room.

6 Mr. Kreis, you may continue if you
7 have any further questions for the witnesses.

8 MR. KREIS: I have no further
9 questions.

10 CHAIRMAN HONIGBERG: Thank you.
11 Ms. Amidon.

12 Oh, just for the record, for the
13 gentlemen who were out of the room, everyone
14 asked their questions on that part of the
15 testimony, so we shouldn't have to circle
16 back on that. It's possible that something
17 else will come up, but we think we ran down
18 the confidential questions.

19 MR. McLAUGHLIN: Mr. Chairman, my
20 understanding is there would have been no
21 testimony concerning RSA 362-H.

22 CHAIRMAN HONIGBERG: That is
23 correct.

24 MR. McLAUGHLIN: Appreciate it.

[WITNESS PANEL: WHITE | MENARD]

1 Thank you.

2 CHAIRMAN HONIGBERG: Ms. Amidon,
3 you may proceed.

4 MS. AMIDON: Thank you.

5 **CROSS-EXAMINATION**

6 **BY MS. AMIDON:**

7 Q. Good morning, Mr. White. I just have a few
8 questions for you. But first, if you could
9 go to Bates 30, at the top of the page. Let
10 me know when you're there.

11 A. (White) Okay.

12 Q. In the answer to this question, it looks like
13 at 8 through 11 you identified the winning
14 bidders, but I didn't see that you spelled
15 out what portion of the bid they won. And I
16 could have overlooked it given the quick
17 turnaround in this filing. But could you
18 please tell me what portions of service were
19 won by Dynegy, NextEra and Exelon?

20 A. (White) Dynegy will serve 100 percent of the
21 large customer group; NextEra will serve
22 75 percent of the small customer group;
23 Exelon will serve 25 percent of the small
24 customer group.

[WITNESS PANEL: WHITE | MENARD]

1 Q. Thank you. And with respect to the Master
2 Power Supply Agreement, were there any
3 substantial, or substantive, pardon me,
4 changes made to the contract with Dynegy?

5 A. No, there were not.

6 Q. Okay. And the only other question I have
7 relates to how the Company calculates the RPS
8 adder. I know Page Bates 47 in your
9 testimony addresses it, but I'm just looking
10 for a verbal explanation at this point.

11 A. (White) Well, each RPS class has a
12 requirement of sales percentage volume
13 requirement. So we start there. So we know
14 based on our sales forecast the volume of
15 each class of RECs that are required to meet
16 the RPS standards. We also get from broker
17 sheets that deal in the REC markets current
18 market prices for each class of REC. That's
19 essentially how we develop the expected
20 dollars required to meet the requirements,
21 except that we also add in any inventory we
22 already hold at whatever average inventory
23 cost per each of those classes. We fold that
24 in so it becomes a weighted average overall

[WITNESS PANEL: WHITE | MENARD]

1 rate between inventory and expected market
2 purchases. So we developed the cost for each
3 class of REC. That's a total volume of
4 dollars divided by total expected sales to
5 come up with a rate.

6 Q. So is the adder applied uniformly for both
7 the small group and the large customer group,
8 or are there different adders --

9 A. (White) No, it's uniform across both customer
10 groups.

11 Q. Okay.

12 A. It's managed -- all default load is managed
13 together.

14 Q. Okay. And do you reference any of the
15 calculation to the ACP, or do you just
16 consider the market price?

17 A. (White) Well, we would cap the market price
18 at ACP. In this instance, all the market
19 prices are below the ACP, so we only used
20 market price.

21 Q. Okay. Very good.

22 MS. AMIDON: Thank you. That's all
23 I had.

24 CHAIRMAN HONIGBERG: Commissioner

[WITNESS PANEL: WHITE|MENARD]

1 Bailey.

2 **QUESTIONS BY COMMISSIONER BAILEY:**

3 Q. Mr. White -- well, maybe Ms. Menard. On
4 Bates Page 8, you say that the costs of
5 Burgess and Lempster are recovered via the
6 stranded cost recovery charge. And I was
7 wondering how you -- are the market-based
8 portions of those costs collected through the
9 RPS for the megawatts that you used to
10 satisfy those RPS obligations, or does the
11 whole, entire thing go to the stranded costs?

12 A. (Menard) The whole, entire thing goes to
13 stranded costs. The over-market piece gets
14 recovered through stranded costs.

15 A. (White) If I could add, with regard to the
16 Class I RECs that we purchase from Burgess
17 and Lempster, which we currently pay an
18 over-market price for, but the volume that we
19 purchase can be used to meet the default
20 energy requirements for Class I. So we
21 transfer that volume of RECs to default
22 service at a market price established at the
23 time of filing. So if we were to go back to
24 FBW-4, in 2019 the Class I price per RECs

[WITNESS PANEL: WHITE | MENARD]

1 that's identified here is 19.75 per REC. For
2 this delivery term from -- well, for 2019,
3 from August through December, the necessary
4 volume of RECs to meet the RPS requirements
5 for energy service load will be costed out in
6 the energy service at 19.75 a REC, and that
7 collected money would go to the SCRC, as a
8 revenue to SCRC.

9 Q. I see. Okay. Thank you.

10 Ms. Menard, can you talk a little bit
11 about the residual hydro costs? How much do
12 those add to the stranded cost recovery
13 charge? There was only one month of hydro
14 assets in the last -- in the prior period, in
15 the prior summer period. Let's call this
16 period August through January, the summer
17 period, even though I know it's not a
18 complete summer period.

19 A. (Menard) In energy service or stranded cost?

20 Q. Well, on Page 11 you say that you're going to
21 put the residual hydro cost in the stranded
22 cost. So I wanted to know what those -- how
23 much that equated to.

24 A. (Menard) I don't recall the actual number

[WITNESS PANEL: WHITE | MENARD]

1 that was going to stranded cost. I'd have to
2 get back to you. It should be in our filing.

3 Q. In the stranded cost filing?

4 A. (Menard) Yes.

5 Q. And then a little bit of a follow-up to the
6 question that Mr. Kreis asked you about the
7 depreciation costs. Aren't depreciation
8 costs fixed?

9 A. (Menard) They are.

10 Q. So how can they change? How can they vary?
11 How can they vary from the forecast?

12 A. (Menard) They don't vary from the forecast,
13 but they weren't included in the forecast.
14 So the sale completed in August, and so any
15 of the -- when we set the rate in August,
16 there was an assumption of how much would be
17 included in the hydro adjuster. And this
18 filing, the August filing, reconciles all of
19 those costs going back to April and puts
20 those adjustments -- the reconciliation --
21 you can see that, the ELM-3, Line 22, the
22 .00072 --

23 CHAIRMAN HONIGBERG: Wait. What
24 page number is that?

[WITNESS PANEL: WHITE|MENARD]

1 WITNESS MENARD: Bates Page 22.

2 BY COMMISSIONER BAILEY:

3 Q. All right. Can you go over that again,
4 please?

5 A. (Menard) This is the amount that gets
6 reconciled from April through January that
7 will be recovered through the energy service
8 rate.

9 Q. And can you explain why the depreciation
10 charge changes? Doesn't change much in April
11 through July, but then there's a big change
12 in August.

13 A. (Menard) August, it would be likely because
14 it was not a full month in August because of
15 the sale.

16 Q. All right. So from this table, then, it
17 doesn't really look like the depreciation
18 changed.

19 A. (Menard) The depreciation doesn't change.
20 It's just the assumptions of what was in the
21 original rate to what we're reconciling now
22 is the change, the adjustment.

23 Q. Okay.

24 CHAIRMAN HONIGBERG: So just to

[WITNESS PANEL: WHITE | MENARD]

1 close the loop on that particular statement
2 in your testimony, it sounds like it just may
3 be an inartfully worded way of describing
4 what happened with depreciation.

5 WITNESS MENARD: Correct.

6 CHAIRMAN HONIGBERG: Okay. Thanks.

7 BY COMMISSIONER BAILEY:

8 Q. Is there a reason why you don't include the
9 bill impact information in the testimony?

10 A. (Menard) I asked that same question today. I
11 don't know why. I think it would be a good
12 thing to include going forward.

13 Q. Okay. I would greatly appreciate that.
14 Thank you.

15 COMMISSIONER BAILEY: That's all I
16 have. Thank you.

17 CHAIRMAN HONIGBERG: Commissioner
18 Giaimo.

19 **QUESTIONS BY COMMISSIONER GIAIMO:**

20 Q. Good morning. Welcome.

21 A. (Menard) Thank you.

22 Q. Ms. Menard, you were talking about the under-
23 and over-collections on Bates Page 10. I'm
24 wondering to what extent weather played into

[WITNESS PANEL: WHITE|MENARD]

1 the forecast and expectations with respect to
2 energy. Either can answer.

3 You talked a little bit about the small
4 customer base rate over-recovery on
5 Attachment ELM-2, Page 1 or 2, is due
6 primarily to revenue higher than forecast
7 offset by energy costs higher than forecast,
8 and there was some discussion as to what made
9 that happen. I'm wondering, to the extent I
10 heard it had to do with sales, and sales were
11 higher than expected, I'm wondering if
12 weather played any part of -- why that played
13 out the way it did.

14 A. (Menard) There could be many reasons why
15 sales were higher than forecast. Weather
16 could definitely be part of that because the
17 sales are forecasted on a weather-normalized
18 basis. So, yes, that could be a piece of it,
19 too.

20 Q. Do we know if weather was outside the realm
21 of the forecast?

22 A. (White) I don't recall any dramatic outliers.
23 But I don't have a perfect memory, so I'm not
24 sure.

[WITNESS PANEL: WHITE | MENARD]

1 Q. I don't either, so... I don't either recall
2 an outlier, that is. Okay.

3 A. (Menard) Typically, it's colder weather
4 during the winter and warmer weather during
5 the summer. I don't recall that --

6 MR. KREIS: We'll stipulate to
7 that.

8 BY COMMISSIONER GIAIMO:

9 Q. I know this is a stupid question, but I'll
10 ask it anyway. On Line 11 of -- oh, I'm
11 sorry. On Lines 8 and 9 of Page 11, all
12 ongoing residual hydro costs after the sale
13 was complete in August 2018 will be included
14 in the SCRC. There are no remaining residual
15 costs associated with the fossil units; is
16 that correct?

17 A. (Menard) There may be some of the residual
18 costs in what we're calling the "hydro
19 expenses," the hydro O&M. There may be some
20 residual fossil costs in there, but they're
21 not -- they would not be significant.

22 Q. Okay. Mr. White, we are in FCM10 space now?
23 Does that sound correct?

24 A. That's correct.

[WITNESS PANEL: WHITE|MENARD]

1 Q. Okay. And that's actually gone down to \$7.02
2 per kilowatt hour a month. Does that sound
3 right?

4 A. I have 3 cents, but yes.

5 Q. Seven point zero three?

6 A. (White) Yes.

7 Q. And those numbers should go down 25 percent a
8 year over the next two years. Does that
9 sound right? The \$5 range and then to the \$4
10 range?

11 A. (White) Yes. I'll trust your math on the
12 percent. But they're certainly declining,
13 yes.

14 Q. So we can expect in the next couple of years
15 to see at least that portion of the bill --
16 or that portion of the energy service cost go
17 down.

18 A. (White) Yes.

19 Q. Okay. I've asked this before, and I'll ask
20 it anyway. Has there been any discussion
21 about the possibility of aggregating
22 solicitations with your Connecticut and Mass.
23 and New Hampshire customers to improve
24 economies of scale? Has that happened?

[WITNESS PANEL: WHITE|MENARD]

1 A. (White) Well, it's been -- the idea has been
2 raised. I don't know that it's been robustly
3 discussed. It's fairly well agreed that that
4 would not be an easy path to go down, both on
5 our side and on the supplier community side.
6 I think it would be a big disruption and a
7 difficult path. We're not considering that
8 as a viable approach at this time.

9 COMMISSIONER GIAIMO: Okay. I'm
10 fine. Thank you.

11 COMMISSIONER BAILEY: Why is that
12 path so difficult?

13 WITNESS WHITE: Dealing with three
14 different jurisdictions simultaneously, each
15 commission in each state has its own set of
16 rules, established protocols, timing of
17 solicitations. You know, taking an aggregate
18 supply like that across states and
19 distributing after the fact actual costs,
20 it's just -- it would be complex and
21 difficult for agreement, in our view.

22 BY COMMISSIONER GIAIMO:

23 Q. So is the challenge internal with Eversource,
24 or are you speculating a challenge with

[WITNESS PANEL: WHITE | MENARD]

1 respect to what the supplier community would
2 want? Because in my mind's eye, I would
3 think it would be really helpful. If I were
4 a supplier, I would think I would want to bid
5 on three states at one time. I think there
6 would be an economy there, and I would --
7 yeah. So is it -- is the problem you see
8 from an Eversource perspective or from a
9 supplier's perspective, and/or both? Maybe
10 you can elaborate.

11 A. I think the problems would be greater on the
12 Eversource side than on the supplier side.
13 You know, in the capacity market, for
14 example, the Boston area is a different price
15 and capacity market. So to establish an
16 overall rate across three states, you're
17 blending a lot of different cost components.
18 I think suppliers would foresee them being
19 wrapped up in those types of -- you know,
20 balancing all that out. They would be
21 subject to regulatory risks, so to speak,
22 greater than what they may be today. But,
23 you know, we're a large corporation. We have
24 established protocols that to some degree

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1 conform with Commission desires state by
2 state. There's just a lot of aspects to that
3 that would make it complex. Admittedly, I
4 cannot say we've flushed them out rigorously.
5 And, you know, maybe it would be easier than
6 what our vision says it is at this time. But
7 that's our current view.

8 Q. Well, I appreciate the fact that it's been
9 thought about. And to the extent you can
10 continue to explore it, that would be great.

11 COMMISSIONER GIAIMO: Okay.

12 **QUESTIONS BY CHAIRMAN HONIGBERG:**

13 Q. Well, can you also imagine, on this same
14 topic, that the three states being different?
15 You alluded to it briefly. But we're all
16 different. We have different structures of
17 how we review these things, the timing, the
18 expectations; right?

19 A. (White) Absolutely. Even just from a process
20 standpoint, we're at an adjudicative
21 proceedings. Those don't occur in
22 Connecticut and Massachusetts in this same
23 fashion.

24 Q. So we'd have to agree with Connecticut and

[WITNESS PANEL: WHITE | MENARD]

1 Massachusetts as to how this process was
2 going to work; right? The Commissions would
3 have to agree; right?

4 A. (White) Yes.

5 Q. And our process would have to conform to our
6 statutes, and their processes would have to
7 conform to their statutes; right?

8 A. (White) Absolutely.

9 Q. I can imagine this being very complicated on
10 our end.

11 A. (White) Yeah. And when I say Eversource, I
12 mean, we're -- that would be a lot of the
13 complexity for us is getting it before the
14 separate state commissions to perform that.

15 Q. Thank you. I have a non-confidential
16 question about Page 46, which is proxy
17 calculations.

18 The non-confidential dates on the
19 document are June 6th in the upper left-hand
20 corner. Down to the lower left in the notes
21 it says it's using NYMEX closing prices on
22 June 3rd. When was this document prepared,
23 or the work done to make these calculations?

24 A. (White) The morning of June 4th, prior to the

[WITNESS PANEL: WHITE | MENARD]

1 receipt of bids at 10 a.m.

2 Q. Okay. Thank you.

3 I have a question about the dates that
4 rates are changing besides this one. This is
5 an August 1st date. We have other rates
6 changing on August 1st, correct, Ms. Menard?

7 A. (Menard) Correct. Transmission cost
8 adjustment mechanism, and stranded cost
9 rates.

10 Q. All right. Is the Company also seeking to
11 change rates on July 1 in another filing?

12 A. (Menard) Yes, the temporary rates. The rate
13 case that we filed the temporary rates would
14 go into effect July 1st.

15 Q. That seems less than desirable for a lot of
16 reasons. Has there been discussion about
17 delaying the July 1 actual implementation?

18 CHAIRMAN HONIGBERG: Mr. Fossum,
19 you look like you're ready to answer that.

20 MR. FOSSUM: I am. I sat up, and
21 thank you for noticing.

22 Yes, there was a lot of discussion
23 internally and some externally about it. The
24 date for the distribution rate case rate

[WITNESS PANEL: WHITE|MENARD]

1 change was arrived at as a result of the tax
2 case last year, Docket 18-049. There we had
3 an order of the Commission to address the tax
4 changes by way of a refund to customers
5 either through an exogenous events change
6 that was going to occur on July 1st,
7 consistent with the 2015 settlement
8 agreement, or through the July 1st rate
9 change earlier from a rate case. So we were
10 sort of stuck with having to address a
11 distribution rate change on July 1st in any
12 event. It seemed to make the most sense to
13 roll it all in as part of the rate case to
14 the degree that we could rather than have an
15 exogenous change on July 1st and then a
16 separate distribution rate change
17 attributable to the rate case on August 1st
18 along with these other rates.

19 CHAIRMAN HONIGBERG: Is it --
20 understanding that anything is possible, is
21 it reasonable to think about delaying it all
22 to August 1st, with effective dates of
23 July 1, and just doing all the math so that
24 it would have the same effect, understanding

[DE 19-082] {RATE HEARING} [06-10-2019]

[WITNESS PANEL: WHITE|MENARD]

1 there will be a handful of customers who
2 won't be the same, paying the same bills one
3 month later?

4 MR. FOSSUM: I'm not sure about
5 that. I think I would have some reservation
6 about doing that on the energy service side,
7 particularly with large customers who do have
8 a monthly rate.

9 CHAIRMAN HONIGBERG: Well, but that
10 is the August 1st date for energy service.

11 MR. FOSSUM: That's true.

12 CHAIRMAN HONIGBERG: It's really
13 the distribution temporary rate and the tax
14 change that would have to be held over is
15 what I'm thinking.

16 MR. FOSSUM: Correct. I mean, the
17 dates for that are derived from the 2015
18 settlement agreement, as I said, the
19 exogenous change that was there. It lives
20 within that agreement. So I'm not certain
21 how much flexibility we have to move it. It
22 sounds like what your suggestion is, is at
23 least we declare it as having taken effect on
24 July 1st, but the actual change in customer

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1 bills would not occur until August 1st. I'm
2 not certain you can do that. Also, I'm
3 getting a bit of wisdom from the person
4 sitting next to me, who thankfully is full of
5 bits of wisdom, that there's a potential for
6 possibly resetting -- and I think, you know,
7 the rates folks would have to look at all the
8 math of all of this, the temporary rates in
9 the rate case effective as of July 1st at
10 current rate levels and then put in the new
11 proposed rate levels as of August 1st; that
12 way, it establishes temporary rates on the
13 appropriate date. Again, I'd have to look
14 and discuss more with our rates folks to know
15 whether that's even workable. Sort of you
16 plant a flag on July 1 but move to August 1.
17 I'm not certain. I think it's possible, but
18 I don't know for sure.

19 CHAIRMAN HONIGBERG: You've given a
20 very helpful and good answer to the question.
21 I appreciate that. I guess I would ask you
22 and the wise man to your right to confer with
23 your rates people, Staff, the OCA, about what
24 the most sensible way to proceed is, working

[DE 19-082] {RATE HEARING} [06-10-2019]

[WITNESS PANEL: WHITE | MENARD]

1 on the assumption that there are multiple
2 things happening 31 days apart. And if
3 there's one way to lessen the confusion for
4 customers, that's probably a good thing.

5 MR. FOSSUM: We agree. And that's
6 never been an ideal setup. We've never been
7 giant fans of it ourselves. And so we were
8 doing what we thought made the most sense
9 under the circumstances, understanding that
10 it does provide this sort of bizarre rate
11 treatment for customers.

12 CHAIRMAN HONIGBERG: The other
13 thing I wanted to hear about was what the
14 situation is with Mr. McLaughlin's clients.
15 We had a little bit of testimony in the
16 prefiled testimony, nothing here yet. What
17 can you tell us?

18 MR. FOSSUM: Well, I don't know.
19 Is that directed at me or Mr. McLaughlin?

20 CHAIRMAN HONIGBERG: Why don't you
21 start.

22 MR. FOSSUM: I can give a little
23 bit of detail. To the extent that more is
24 necessary, Mr. Bersak would certainly have

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1 some more details.

2 As a general matter, nothing much
3 has changed. We are essentially in the same
4 position that we were some months ago. We do
5 not have executed contracts, and we remain
6 essentially waiting for action from the FERC,
7 and/or now from the New Hampshire Supreme
8 Court. But right now we have -- and I
9 believe this is described in our filing made
10 last week on our stranded cost charge. We
11 have issued the solicitation. We received
12 back the responses from those entities. But
13 we have not actually executed any contracts,
14 and we remain essentially in the same
15 position we were some months ago.

16 CHAIRMAN HONIGBERG: What's the
17 status of the legislation that might change
18 the playing field somewhat?

19 MR. FOSSUM: If you're referring to
20 the new legislation that's working through
21 that creates, for lack of a better term on my
22 part, a new REC that would be purchased, my
23 understanding is that has passed House and
24 Senate, but has not been signed into law yet.

[DE 19-082] {RATE HEARING} [06-10-2019]

[WITNESS PANEL: WHITE|MENARD]

1 So that's the status of it at the
2 Legislature. How that would be implemented,
3 I don't know.

4 CHAIRMAN HONIGBERG: Mr.
5 McLaughlin.

6 MR. McLAUGHLIN: Yes, I believe the
7 new legislation has not in fact passed the
8 House yet.

9 With regard to the second
10 solicitation, from my clients' point of view,
11 there is a statute, RSA 362-H, that's in
12 effect. And just because there may be some
13 future challenge to it that does not exist
14 right now doesn't mean Eversource is to pick
15 a different route. So, on April 26th, 2019,
16 Eversource complied with the second of the
17 six solicitations required by the statute.
18 There were a number of characterizations, but
19 ultimately solicitations as well.

20 On May 17th, 2019, each of my five
21 clients submitted a responsive proposal.
22 Each of the responsive proposals comply with
23 requirements of the statute, comply with the
24 orders from the previous default docket from

[DE 19-082] {RATE HEARING} [06-10-2019]

[WITNESS PANEL: WHITE | MENARD]

1 last year. So from my clients' point of
2 view, they have submitted to Eversource fully
3 conforming proposals. The statute doesn't
4 then say thou shall sign it, Eversource. The
5 statute says thou shall review it and submit
6 it to the Commission if it conforms. So at
7 least from my clients' point of view, there
8 is again a failure to comply with the law,
9 the law being solicitation response; if they
10 comply, submit. There may well be other
11 issues, but that's what the statute requires.
12 My clients find themselves again in the
13 position of nothing submitted for the
14 Commission's review and needing to at least
15 submit filings for the Commission's review in
16 order to preserve that posture that's
17 required by statute.

18 CHAIRMAN HONIGBERG: Is there
19 anything different now than there was in the
20 prior round under 18-002?

21 MR. McLAUGHLIN: In the prior
22 round, the last proposal was January 31st,
23 2019. And for this solicitation proposal,
24 the terms of that January 31, 2019 proposal

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1 are incorporated.

2 I likewise have a person who is
3 filled with wisdom. And in terms of the
4 January 31st, 2019 proposal, that is the
5 proposal that the Commission chose not to
6 review in its rehearing order, although it
7 said if we did review it, it wouldn't change
8 our analysis. So from my clients' point
9 view, I think it's important to have that
10 particular proposal before the Commission.

11 CHAIRMAN HONIGBERG: If the
12 legislation that's pending -- I think you
13 said it hasn't passed the House yet -- if
14 that becomes law in the form that it passed
15 the Senate, does that moot the -- it replaces
16 sections, parts of the old statute, doesn't
17 it? Or does it -- what does it do to the old
18 statute? Someone help me out. Mr. Bersak.

19 MR. BERSAK: Thank you, Mr.
20 Chairman. The House has in fact passed that.
21 So it's passed both Houses of the
22 Legislature. So it's on its way to the
23 governor right now.

24 CHAIRMAN HONIGBERG: Hang on. I

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1 think there's some disagreement. Are you
2 looking at the docket according to the
3 Legislature's web site?

4 MR. BERSAK: I'm looking at the
5 docket of Senate Bill 183. And let me see
6 what it says here.

7 MR. OLSON: House Bill 183.

8 MR. BERSAK: Oh, House Bill 183.
9 Okay. I stand corrected. I can take a look
10 at that one.

11 But as far as what the bill does,
12 it adds a new section to the law. It does
13 not take away what's there. So under the
14 amended law, the eligible facilities would
15 still be able to sell energy to the host
16 utility at the statutorily established price.
17 The six wood plants would have an additional
18 option. Instead of selling energy, they can
19 generate, and an equivalent number of new
20 RECs would be produced that the host utility,
21 being Eversource, would have to compensate
22 them for at a price that is economically
23 equal to what they would have gotten on the
24 sale of energy.

[WITNESS PANEL: WHITE | MENARD]

1 CHAIRMAN HONIGBERG: Mr.
2 McLaughlin.

3 MR. McLAUGHLIN: I have two other
4 points I would like to make quickly. One is
5 with regard to stranded cost issues.

6 (Court Reporter interrupts.)

7 MR. McLAUGHLIN: Is it working?

8 CHAIRMAN HONIGBERG: It's working.
9 We just can't hear you. You need to get
10 closer to it.

11 MR. McLAUGHLIN: With regard to
12 stranded cost issues, if that's been filed in
13 another PUC docket, I'm going to need to look
14 at that because my understanding is it's
15 supposed to be filed in this docket. And
16 then for the January 31st, 2019
17 solicitations, the proposal's backwards.
18 There are in fact security provisions as the
19 Commission suggested. So that is also a
20 change.

21 CHAIRMAN HONIGBERG: Mr. Fossum.

22 MR. FOSSUM: Just to clarify what
23 is included -- and Mr. McLaughlin is free to
24 of course check this for himself. What is

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1 included in the stranded cost is a recitation
2 of the solicitation and the response, but
3 also a description of the fact that, because
4 the Commission has declined to order recovery
5 through the stranded cost charge thus far,
6 we -- Eversource, that is -- have not
7 included any of those costs in the stranded
8 cost charge calculations. So those have been
9 omitted.

10 CHAIRMAN HONIGBERG: Do you know
11 the docket number, off the top of your head,
12 the stranded cost docket?

13 MR. FOSSUM: I believe it was just
14 assigned as, I believe, 19-108.

15 CHAIRMAN HONIGBERG: Mr. McLaughlin
16 gives us a thumbs up on that.

17 MR. McLAUGHLIN: I have written
18 down DE 19-108.

19 MR. FOSSUM: I don't know if it's
20 gone live on the Commission site yet, but it
21 will be there.

22 CHAIRMAN HONIGBERG: Anything else
23 we need to know for today?

24 MR. McLAUGHLIN: Just that I think

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1 those stranded cost filings need to be in
2 this docket.

3 CHAIRMAN HONIGBERG: Without
4 knowing what they are, I'm not sure. I don't
5 know whether that's right or not.

6 Anything else we need to do then
7 before circling back for redirect?

8 MR. KREIS: Mr. Chairman, I want to
9 say I heard both Mr. Fossum and Mr. Bersak
10 refer to the new purchase obligation that
11 would be created by House Bill 183 as "new
12 RECs." The OCA does not agree with that
13 characterization.

14 CHAIRMAN HONIGBERG: They have a
15 name. It's something like --

16 MR. KREIS: Renewable base load
17 energy credits. And they are --

18 (Court Reporter interrupts.)

19 CHAIRMAN HONIGBERG: Renewable base
20 load energy credits.

21 MR. KREIS: And they are -- you
22 know, again we're talking about pending
23 legislation, so it, you know, doesn't have
24 any legal significance at that point. But

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1 the current version of that legislation
2 creates something that is significantly
3 different than what we know here as renewable
4 energy credits.

5 CHAIRMAN HONIGBERG: I think that
6 was just a convenience kind of reference
7 but...

8 MR. FOSSUM: Absolutely.

9 CHAIRMAN HONIGBERG: I didn't have
10 any other questions for the witnesses. Do
11 you have any redirect, Mr. Fossum?

12 MR. FOSSUM: No.

13 MR. McLAUGHLIN: May I interject?
14 I only have a question so that I'm clear on
15 what the record was and oral testimony --

16 CHAIRMAN HONIGBERG: Question for
17 whom?

18 MR. McLAUGHLIN: For the -- if
19 there's a redirect for the witnesses, just to
20 make sure from my point of view there's no
21 testimony that I missed about RSA 362-H.

22 CHAIRMAN HONIGBERG: No, you missed
23 nothing.

24 MR. McLAUGHLIN: Okay. Thank you.

[WITNESS PANEL: WHITE | MENARD]

1 CHAIRMAN HONIGBERG: All right. So
2 I think the witnesses can probably stay where
3 they are 'cause it won't be long from here.

4 Without objection, we'll strike
5 I.D. in Exhibits 1, 2 and 3.

6 I believe it's time to allow the
7 parties to sum up. Mr. McLaughlin, I assume
8 you have no -- nothing to say about the
9 underlying default energy solicitation that
10 we're here to talk about.

11 MR. McLAUGHLIN: You are correct.

12 CHAIRMAN HONIGBERG: And you've
13 said what you need to say about the other
14 issues.

15 MR. McLAUGHLIN: You are correct.

16 CHAIRMAN HONIGBERG: Thank you.
17 Mr. Kreis.

18 **CLOSING STATEMENTS**

19 MR. KREIS: Thank you. The Office
20 of the Consumer Advocate recommends that the
21 Commission approve the results of the energy
22 service solicitation that's consistent with
23 the applicable statutes and resulting in just
24 and reasonable rates. Beyond that, I would

[WITNESS PANEL: WHITE | MENARD]

1 like to thank both the Chairman and
2 Commissioner Bailey for bringing the ball
3 down across the goal line on a couple of
4 lines of questions that I raised. In
5 particular, I'm grateful to Commissioner
6 Bailey for clarifying that depreciation issue
7 in the hydro adjuster because now I
8 understand what happened. And I had
9 forgotten to ask Mr. White to testify about
10 the date on which Attachment FBW-3 was
11 prepared, and the Chairman took care of that
12 for me. So I'm grateful to the Commission
13 for its assistance on behalf of residential
14 utility customers, and I recommend approval
15 of the Company's filing.

16 CHAIRMAN HONIGBERG: Thank you, Mr.
17 Kreis. Ms. Amidon.

18 MS. AMIDON: Thank you. Staff has
19 reviewed the filing and has determined that
20 the Company complied with the solicitation
21 and evaluation of the bid process approved by
22 the Commission in Order No. 17,013. And I
23 believe the selection of the winning
24 suppliers is reasonable and based on the

[WITNESS PANEL: WHITE|MENARD]

1 competitive market. As a result, we think
2 that the resulting rates to recover the costs
3 of those power supply agreements are just and
4 reasonable, and we recommend the Commission
5 approve the petition in the time frames
6 required by the Company.

7 In addition, we reviewed the
8 calculation of what I'm calling the 362-H
9 default service price proxy, in the event
10 that 362-H were to be implemented, and we
11 believe that the Company also appropriately
12 calculated that rate.

13 CHAIRMAN HONIGBERG: Thank you, Ms.
14 Amidon. Mr. Fossum.

15 MR. FOSSUM: Thank you. I
16 appreciate the comments of the Staff and the
17 OCA in support. We likewise would ask and
18 recommend that the default service
19 solicitation and resulting rates be approved
20 and that specifically the resulting rates be
21 approved as just and reasonable rates. And
22 we would also, relative to 362-H, would only
23 ask for the -- to the extent the Commission
24 believes it necessary, that it confirm the

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[WITNESS PANEL: WHITE | MENARD]

1 calculation we have provided in granting
2 whatever approval it may grant.

3 Lastly, just as Staff's pointed
4 out, we have requested an order on, I don't
5 know if it's expedited, but it's at least
6 expedited compared to many other dockets, but
7 in energy service, a relatively
8 straightforward time frame so that we can
9 implement rates as proposed.

10 I also had one other sort of
11 off-docket item. I just wanted to
12 congratulate the Chairman on his nomination.
13 And since I wasn't sure how many
14 opportunities I would have to say so, just
15 thank you for your service, and I wish you
16 good luck in your nomination.

17 CHAIRMAN HONIGBERG: Thank you,
18 Mr. Fossum. You're very kind.

19 If there's nothing else, we'll
20 close the record and take the matter under
21 advisement, understanding we have a very
22 quick turnaround on this, issue an order as
23 quickly as we can. We are adjourned.

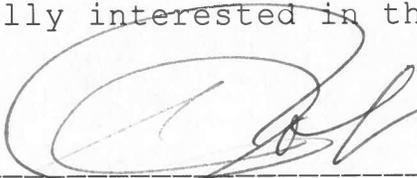
24 **(Hearing adjourned at 11:41 a.m.)**

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C E R T I F I C A T E

I, Susan J. Robidas, a Licensed
Shorthand Court Reporter and Notary Public
of the State of New Hampshire, do hereby
certify that the foregoing is a true and
accurate transcript of my stenographic
notes of these proceedings taken at the
place and on the date hereinbefore set
forth, to the best of my skill and ability
under the conditions present at the time.

I further certify that I am neither
attorney or counsel for, nor related to or
employed by any of the parties to the
action; and further, that I am not a
relative or employee of any attorney or
counsel employed in this case, nor am I
financially interested in this action.



Susan J. Robidas, LCR/RPR
Licensed Shorthand Court Reporter
Registered Professional Reporter
N.H. LCR No. 44 (RSA 310-A:173)

C E R T I F I C A T E

I, Walter Watson, do hereby certify that

the following information was obtained from

the files of the Federal Bureau of Investigation

and that the same is true and correct

to the best of my knowledge and belief

and that I am not a party to the same

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[Handwritten signature]

WALTER WATSON
Special Agent in Charge
Federal Bureau of Investigation
Washington, D. C. 20535