

1 STATE OF NEW HAMPSHIRE

2 PUBLIC UTILITIES COMMISSION

3
4 **December 13, 2017** - 1:08 p.m.
5 Concord, New Hampshire

20 DEC '17 PM 2:33

6
7 RE: **DE 17-136**
8 **ELECTRIC AND GAS UTILITIES:**
9 **2018-2020 New Hampshire Statewide**
10 **Energy Efficiency Plan.**

11
12 **PRESENT:** Chairman Martin P. Honigberg, Presiding
13 Commissioner Michael S. Giaimo

14 Clare Howard-Pike, Clerk

15 **APPEARANCES: Reptg. Public Service of New Hampshire**
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19 **Northern Utilities, Inc.:**
20 Liam J. Paskvan, Esq. (Pierce Atwood)

21 **Reptg. Liberty Utilities (Granite State**
22 **Electric) Corp. and Liberty Utilities**
23 **(EnergyNorth Natural Gas) Corp.:**
24 Michael J. Sheehan, Esq.

Reptg. New Hampshire Electric
Cooperative:
Mark W. Dean, Esq.

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

CERTIFIED
ORIGINAL TRANSCRIPT

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		LESZEK STACHOW
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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here this
3 afternoon in Docket DE 17-136, which is the
4 2018 to 2020 EERS Plan, both electric and gas.
5 I'll note for the record that Commissioner
6 Bailey is not at the hearing, but she will be
7 reviewing the record and the transcript of what
8 we do here today.

9 Before we do anything else, let's
10 take appearances.

11 MR. FOSSUM: Good afternoon,
12 Commissioners. Matthew Fossum here for Public
13 Service Company of New Hampshire doing business
14 as Eversource Energy.

15 MR. SHEEHAN: Good afternoon. Mike
16 Sheehan, for Liberty Utilities (EnergyNorth
17 Natural Gas) and Liberty Utilities (Granite
18 State Electric).

19 MR. DEAN: Good afternoon. Mark
20 Dean, representing New Hampshire Electric
21 Cooperative.

22 MR. PASKVAN: Good afternoon. Liam
23 Paskvan, from the law firm of Pierce Atwood,
24 representing Unitol Energy Services and

1 Northern Utilities.

2 MS. BRAND: Good afternoon. Brianna
3 Brand, representing the New Hampshire
4 Sustainable Energy Association.

5 MS. OHLER: Good afternoon. Rebecca
6 Ohler, representing the New Hampshire
7 Department of Environmental Services.

8 MR. BURKE: Good afternoon. Raymond
9 Burke, from New Hampshire Legal Assistance,
10 representing The Way Home. And to my left is
11 my co-counsel, Alan Linder, also from New
12 Hampshire Legal Assistance.

13 MS. HAWES: Good afternoon. Ellen
14 Hawes, for Acadia Center.

15 MS. BIRCHARD: And good afternoon.
16 Melissa Birchard, for Conservation Law
17 Foundation.

18 MR. KREIS: Good afternoon. D.
19 Maurice Kreis, the Consumer Advocate, doing
20 business on behalf of residential utility
21 customers.

22 MR. DEXTER: And Paul Dexter,
23 appearing on behalf of the Commission Staff.
24 Good afternoon.

1 CHAIRMAN HONIGBERG: Did we miss
2 anybody?

3 *[No indication given.]*

4 CHAIRMAN HONIGBERG: All right. How
5 are we proceeding this afternoon?

6 Mr. Fossum.

7 MR. FOSSUM: So, this afternoon, I
8 don't know if the Commissioners have -- since
9 we have a comprehensive Settlement Agreement,
10 we've prepared an Exhibit List, which
11 Mr. Sheehan will be providing to the
12 Commissioners.

13 *[Atty. Sheehan distributing*
14 *documents.]*

15 MR. FOSSUM: So, this, the Exhibit
16 List with which you've now been provided, has
17 been circulated amongst the Parties. Pursuant
18 to the terms of the Settlement Agreement that
19 brings us here this afternoon, all of the
20 testimony in the proceeding is, by agreement of
21 the Parties, to be admitted. And, so, this
22 Exhibit List reflects all of the testimony that
23 has been submitted in the docket. And, so,
24 that's what is in front of you this afternoon.

1 So, the Settlement Agreement marked
2 for identification as "Exhibit 1"; the initial
3 Plan as "Exhibit 2"; and the testimony of the
4 various parties following from there.

5 (The documents, as described
6 within the Hearing Exhibit List
7 provided, were herewith marked
8 as **Exhibit 1** through **Exhibit 9**,
9 respectively, for
10 identification.)

11 MR. FOSSUM: Beyond that, we had
12 intended to have a panel testify this
13 afternoon, representatives of the utilities and
14 the Staff. And I would note, before that panel
15 goes up, that we do have a number of other
16 witnesses and individuals in the room who are
17 available to answer specific parties --
18 specific questions, to the extent any party or
19 the Commissioners are unable to explore an
20 issue with those on the panel.

21 Absent having specific questions for
22 specific parties, we would only intend to have
23 the panel witnesses this afternoon.

24 CHAIRMAN HONIGBERG: Okay. Who's

1 going to be on the panel?

2 MR. FOSSUM: We will have Kate
3 Peters, from Eversource; Heather Tebbetts, from
4 Liberty Utilities; and Les Stachow, from the
5 Commission Staff.

6 CHAIRMAN HONIGBERG: All right. Are
7 we going to have the others who submitted
8 testimony at least adopt their testimony for
9 purposes of getting it into the record?

10 MR. FOSSUM: My understanding is
11 that, by agreement of the Parties, that we
12 would have that testimony become part of the
13 record without requiring specific witnesses to
14 adopt it specifically.

15 CHAIRMAN HONIGBERG: Haven't we gone
16 through this in other proceedings recently,
17 where we felt compelled, either from outward
18 sources, like statutes or internal compunction,
19 feeling like we should make a complete record,
20 to have people adopt their testimony? Am I
21 misremembering that?

22 MR. FOSSUM: No. That issue has come
23 up in some dockets recently. And I know that
24 there had been decisions, which I took as more

1 specific to the cases in which they were
2 rendered, rather than a declaration of how
3 business would be conducted from there forward,
4 about how these sorts of things would be
5 handled.

6 To the extent necessary, many, but
7 not all, of these witnesses are present today,
8 and could go through the exercise of adopting
9 their testimony. But, for those who are not
10 present, if another method is necessary, then I
11 suppose that's what we would have to do.

12 But we had been of the understanding
13 that the agreement of all of the Parties to the
14 docket, and signatories to the Settlement
15 Agreement, that all of the testimony would come
16 in without -- without a problem, would be
17 adequate.

18 CHAIRMAN HONIGBERG: Mr. Dexter, Mr.
19 Kreis, any comment or thought on this? And
20 others who are familiar with the process can
21 weigh in as well.

22 MR. DEXTER: We recommend following
23 the process outlined by Attorney Fossum.

24 CHAIRMAN HONIGBERG: Mr. Kreis?

1 MR. KREIS: Indeed. The docket where
2 I remember this being an issue was the big Net
3 Metering proceeding. And, of course, in that
4 case, you had a couple of different settlement
5 agreements pending before you, not everybody
6 was in agreement. So, there wasn't universal
7 acknowledgement, I suppose, that all of the
8 prefiled written testimony could be admitted
9 into the record.

10 Since the rules of evidence don't
11 apply at the Commission, the lack of a live
12 witness to swear to the truth of the statements
13 in the testimony isn't really necessary as a
14 legal matter.

15 CHAIRMAN HONIGBERG: Yeah. I think
16 there may be a statute that talks about the
17 record of proceedings requiring sworn
18 testimony. It would not be the first time that
19 I am misremembering something.

20 But, for now, we'll at least get
21 started. I agree with -- I understand and can
22 see that many of the people who have submitted
23 testimony are here. Just who's not here, so we
24 can note that at this point?

1 Mr. Linder.

2 MR. LINDER: Mr. Chairman, New
3 Hampshire Legal Assistance, on behalf of The
4 Way Home, did submit testimony of an expert,
5 Roger Colton. And it is -- that prefiled
6 testimony is listed on the Exhibit List that
7 was just distributed.

8 Mr. Colton is not here today. He's
9 from out-of-state. We were under the
10 impression that it would not be necessary to
11 have a witness present to adopt --

12 CHAIRMAN HONIGBERG: Don't worry,
13 Mr. Linder, I understand entirely what's going
14 on. There's no intention to assign blame, or
15 this is not a negative. I just want to make
16 sure that this record gets created properly.

17 And, in that proceeding that Mr.
18 Kreis was just referring to, affidavits were
19 submitted under oath to have people adopt
20 testimony, so that that record was
21 satisfactory, you know, in all ways.

22 By the way, Mr. Linder, it's nice to
23 see you. I haven't seen you in a long time.

24 MR. LINDER: Thank you very much, Mr.

1 Chairman.

2 CHAIRMAN HONIGBERG: Off the record.

3 *[Off-the-record discussion*
4 *ensued.]*

5 CHAIRMAN HONIGBERG: We had an
6 off-the-record conversation. And what we're
7 going to do is, for the two witnesses who are
8 not present and whose testimony can't be
9 adopted by anybody else, we're going to have
10 them submit affidavits attesting to their --
11 swearing to their testimony, basically, to
12 comply with RSA 541-A:33, out of an abundance
13 of caution to make sure that our record is
14 complete.

15 Any other procedural matters we can
16 bat around for a little while?

17 Mr. Linder.

18 MR. LINDER: Mr. Chairman, we, New
19 Hampshire Legal Assistance, learned yesterday
20 that Mr. Colton's testimony that was filed, the
21 attachments to his testimony are not numbered
22 subsequently, and an interpretation of the
23 rules could be that they should have been. And
24 having learned about that late yesterday, we

1 brought to the hearing today ten copies of Mr.
2 Colton's testimony and attachments, this time
3 numbered sequentially, in Bates numbering
4 style, from 001 through Page 088, or whatever
5 the last numbered page is.

6 And I can distribute those now to the
7 Commissioners and to the Clerk and the
8 Stenographer, or we can submit it in another
9 way.

10 CHAIRMAN HONIGBERG: What I'm going
11 to ask is that you work with Staff and the
12 Clerk's Office to get those in. It seems like
13 the way this is going to proceed is we probably
14 won't need to look at it. But, if we do, we'll
15 work around whatever the issue is. And
16 perhaps, at that time, we'll have you hand them
17 out if someone needs to refer to that.

18 MR. LINDER: Okay. Thank you.

19 CHAIRMAN HONIGBERG: Anything else,
20 before we start with the witnesses?

21 *[No verbal response.]*

22 CHAIRMAN HONIGBERG: All right.
23 Mr. Fossum, you seem to have the best handle on
24 who's going to be doing what when. So, I'll

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 look to you.

2 MR. FOSSUM: I assure you my handle
3 is no better than anybody else in the room.
4 But nonetheless, if you would please join us up
5 front.

6 (Whereupon **Kate Peters,**
7 **Heather Tebbetts,** and
8 **Leszek Stachow** were duly sworn
9 by the Court Reporter.)

10 CHAIRMAN HONIGBERG: Mr. Fossum.

11 MR. FOSSUM: Thank you.

12 **KATE PETERS, SWORN**

13 **HEATHER TEBBETTS, SWORN**

14 **LESZEK STACHOW, SWORN**

15 **DIRECT EXAMINATION**

16 BY MR. FOSSUM:

17 Q We'll sort of move down the line. Ms. Peters,
18 could you please state your name and your place
19 of employment, and your responsibilities for
20 the record in this proceeding please.

21 A (Peters) Yes. My name is Kate Peters. I work
22 for Eversource Energy. I'm a Senior Analyst
23 for our energy efficiency programs, where I
24 cover regulatory planning and support

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 functions.

2 Q Now, just so I'm clear, we did have this
3 off-the-record conversation about witnesses who
4 had filed testimony. Ms. Peters, have you
5 filed testimony in this proceeding?

6 A (Peters) I have not.

7 Q Okay. Have you ever previously filed testimony
8 before the Commission or testified before this
9 Commission?

10 A (Peters) I have not.

11 Q Then, for completeness of the record, could you
12 please very briefly describe your education and
13 experience, in particular with relevance to
14 what we're here for today?

15 A (Peters) Sure. I have a Bachelor's of Arts
16 degree from Cornell University. Although I'm
17 proud to say I grew up in New Hampshire and
18 moved back here afterwards. I have worked for
19 Eversource Energy and the energy efficiency
20 programs for a little more than four years now.
21 Prior to that, I worked on the federally funded
22 Better Buildings Energy Efficiency Program
23 through CDFA. And prior to that, I worked on
24 energy and environmental issues for both

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Governor Lynch and the New Hampshire State
2 Senate.

3 Q Thank you. Now, Ms. Peters, did you
4 participate in the drafting of the Energy
5 Efficiency Plan that has been marked for
6 identification as "Exhibit 2" today?

7 A (Peters) Yes, I did.

8 Q And you're familiar with the terms of that Plan
9 and can speak to its contents?

10 A (Peters) Yes, I am.

11 Q And did you likewise participate in the
12 negotiations/drafting of the Settlement
13 Agreement, which has been marked for
14 identification as "Exhibit 1"?

15 A (Peters) Yes, I did.

16 Q And you're familiar with the terms of that
17 Agreement and can speak to the terms of that
18 Agreement?

19 A (Peters) Yes, I can.

20 Q Moving down, Ms. Tebbetts, could you state your
21 name, place of employment, and responsibilities
22 for the record please.

23 A (Tebbetts) Yes. My name is Heather Tebbetts.

24 I work for Liberty Utilities Service Corp., a

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Senior Analyst in our Rates and Regulatory
2 Group. And I'm responsible for regulatory
3 related functions for EnergyNorth Natural Gas
4 and Granite State Electric.

5 Q And for efficiency, Ms. Tebbetts, did you
6 submit prefiled testimony in this proceeding?

7 A (Tebbetts) Yes.

8 Q And that is the prefiled testimony included in
9 what has been marked for identification as
10 "Exhibit 2", the Plan?

11 A (Tebbetts) Yes.

12 Q And do you adopt that testimony as your sworn
13 testimony for this proceeding?

14 A (Tebbetts) Yes.

15 Q Ms. Tebbetts, have you also reviewed the
16 prefiled testimony that was submitted as part
17 of Exhibit 2 by David Simek?

18 A (Tebbetts) Yes.

19 Q And you're familiar with the terms of that
20 testimony?

21 A (Tebbetts) Yes.

22 Q And do you likewise adopt that testimony as
23 your own testimony for purposes of this
24 proceeding?

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 A (Tebbetts) Yes.

2 Q Ms. Tebbetts, did you also participate in the
3 drafting of the Plan that has been marked for
4 identification as "Exhibit 2"?

5 A (Tebbetts) Yes.

6 Q And you're familiar with the terms of that Plan
7 and can speak to its contents?

8 A (Tebbetts) Yes.

9 Q And did you also participate in negotiation and
10 drafting of the Settlement Agreement, which has
11 been marked for identification as "Exhibit 1"?

12 A (Tebbetts) Yes.

13 Q And you're familiar with the terms of that
14 Agreement and can speak to its contents?

15 A (Tebbetts) Yes.

16 *(Atty. Fossum conferring briefly*
17 *with Atty. Dexter.)*

18 BY MR. DEXTER:

19 Q Good afternoon, Mr. Stachow. Could you please
20 state your name and position with the
21 Commission please.

22 A (Stachow) Yes. My name is Leszek Stachow. And
23 I am the Assistant Director in the Electrical
24 Division.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Q Very good. Mr. Stachow, did you submit
2 prefiled testimony in this proceeding?

3 A (Stachow) I did.

4 Q Do you have that before you?

5 A (Stachow) Somewhere in my papers, yes.

6 Q It's a series of questions and answers. If I
7 were to ask you the questions contained in the
8 testimony, would your answers be the same as
9 those contained therein?

10 A (Stachow) They would indeed.

11 Q Do you have any corrections or updates that you
12 need to make to that testimony at this time?

13 A (Stachow) No.

14 Q And do you adopt those answers as your sworn
15 testimony in this proceeding?

16 A (Stachow) I do.

17 MR. DEXTER: Thank you.

18 BY MR. FOSSUM:

19 Q Having gone through the pleasantries, I would
20 ask that the witnesses, with reference to what
21 has been marked for identification as "Exhibit
22 1", the Settlement Agreement, since that is
23 what brings us here this afternoon, if you
24 could please explain, each of you as

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 appropriate, the terms of that Settlement
2 Agreement and what it is that that Settlement
3 is doing, and what it is that we are asking of
4 the Commission today.

5 A (Peters) Certainly. I'll begin with Section A,
6 which is the "Plan". And the Settling Parties
7 agree that the 2018 to 2020 Plan, as filed and
8 modified by the Agreement, meets the energy
9 savings goals set forth through the EERS, with
10 a cost-effective portfolio of -- a
11 cost-effective and comprehensive portfolio of
12 electric and natural gas programs, with a
13 secondary focus on fuel-neutral savings.

14 And this Plan presents the opportunity to
15 achieve significant additional energy savings
16 in New Hampshire and the path to get there.
17 We're able to reach more customers, to help
18 them do projects that will save energy, save
19 money, reduce CO2 emissions, reduce fossil fuel
20 use, and provide significant benefits to New
21 Hampshire.

22 In this Plan, we're going to be expanding
23 our marketing, education, and outreach. We
24 have the opportunity to strengthen

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 relationships with partners all over the state,
2 including contractors, energy service
3 providers, lenders, retailers, and others.

4 We have a new framework for evaluation,
5 measurement and verification for the programs.
6 Seventeen (17) percent of the budget goes
7 towards income-eligible programs. And the
8 programs themselves build on the successful
9 existing NHSaves Programs, providing a range of
10 energy efficiency options for all customers.

11 A few examples of new items that are in
12 this Plan as we've evolved from our previous
13 programs. We have a new Energy Audit option
14 for natural gas customers. We have expanded
15 program offerings for new home construction.
16 We have a focus on long-term planning and
17 multi-year commitments for our large customers,
18 and new performance-based incentives for our
19 commercial customers, among a number of other
20 things.

21 And this Plan was developed through an
22 enhanced stakeholder process, which included
23 four kick-off workshops early this year,
24 numerous meetings with the Energy Efficiency

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 and Sustainable Energy Board and that Board's
2 EERS Committee. Through all of these
3 discussions, the Utilities were able to educate
4 stakeholders about the programs and about our
5 thought process for moving forward. We were
6 able to receive feedback and ideas and
7 recommendations from numerous stakeholders
8 through the process, and then able to
9 incorporate those as we drafted the Plan and
10 then revised the Plan prior to submission on
11 September 1st.

12 And all of that collective work that we've
13 been doing together has resulted in the Plan
14 that's before you, along with the Settlement
15 Agreement today.

16 Moving into a few of the more specific
17 items in the Settlement Agreement. B is
18 "Non-Energy Impacts". The Settling Parties
19 have agreed that an adder of 10 percent of
20 total electric, gas, and other fuel benefits
21 will be applied to the benefits in the Plan.
22 This adder is a reasonable proxy for non-energy
23 impacts, based on our review of evidence and
24 studies performed recently around the region.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 The Settling Parties have agreed that this
2 10 percent adder should be applied to the
3 benefits in the Plan for 2018 and 2019. We
4 have also agreed that the EM&V Group should
5 begin to develop New Hampshire-specific,
6 evidence-based studies, with the goal of
7 applying the results from those studies for the
8 2020 Plan Update.

9 The application of non-energy impacts
10 provides a symmetrical view of both the costs
11 and the benefits within the Total Resource Cost
12 test. Without NEIs, we're including all of the
13 costs, but not all of the benefits. The
14 inclusion of NEIs leads to a better informed
15 decision-making when looking at the portfolio
16 of cost-effective programs.

17 And I'll just note an area where you can
18 kind of see the application of NEIs in the
19 Plan. If you look at Attachment A to the
20 Settlement Agreement, and then the second page,
21 it says "Present Value Benefits - 2018 Plan"
22 for Eversource Energy. The last column on the
23 right is labeled "Other Non-Resource Benefits",
24 and that is the quantification of that

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 10 percent adder.

2 Q And just for clarity, is that what is marked
3 with as Bates Page 019 of the Settlement?

4 A (Peters) I believe it is. Thank you. And I
5 would note that the Eversource Energy
6 attachments here in Attachment A include a
7 footnote that says that the "10 percent NEI
8 adder is applied to total benefits excluding
9 water". The other utility attachments do not
10 include that same footnote, but they do also
11 include the 10 percent adder. Just for
12 clarification, both the electric and the gas
13 companies use exactly the same adder process in
14 our models.

15 The Settling Parties also had additional
16 discussion regarding income-eligible non-energy
17 impacts. And we've agreed that the EM&V
18 Working Group should prioritize the evaluation
19 of income-eligible non-energy impacts.

20 There is also going to be a Benefit/Cost
21 Working Group, which we'll talk about a little
22 more in a moment. But that Benefit/Cost
23 Working Group will also be discussing
24 income-eligible non-energy impacts, and, in

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 particular, whether it's appropriate to adopt
2 an income-eligible adder separate from a
3 portfolio-wide 10 percent adder. Whether the
4 studies undertaken should include a separate
5 evidence-based income-eligible NEI study. And
6 whether any adder adopted in this proceeding
7 should be extended through the 2020 program
8 year until the NEI studies that were just
9 mentioned have been substantially completed.

10 And that Benefit/Cost Working Group will
11 keep the EM&V Working Group informed. And all
12 of the working groups will be reporting
13 regularly at the quarterly meetings, so we make
14 sure that everyone is kind of aware of the
15 discussions that are happening on these topics.

16 The next item in the Settlement is "Demand
17 Reduction Induced Price Effects", or "DRIPE".
18 DRIPE was added to the benefit/cost
19 calculations beginning in 2017. There are
20 several elements of DRIPE that are included in
21 the Avoided Energy Supply Costs Study. And the
22 Settling Parties have agreed that DRIPE
23 elements specific to New Hampshire should be
24 included in the Benefit/Cost Test. But that

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 the Rest of Pool DRIPE should be removed from
2 the Benefit/Cost Test.

3 The Benefit/Cost Working Group that I just
4 mentioned will be discussing Rest of Pool DRIPE
5 and its impacts. That group will also be able
6 to discuss the regionwide 2018 Avoided Energy
7 Supply Costs Study, which is kicked off and
8 will be happening over the next number of
9 months. And that group will be able to make
10 recommendations for adjustments to the
11 Benefit/Cost Model in future annual updates for
12 the Plan.

13 And for the next couple items, I'm going
14 to turn it over to Heather Tebbetts.

15 A (Tebbetts) Thank you. For Section E, we're
16 going to discuss the Performance Incentive.
17 So, in previous Order No. 25,932, the
18 Commission determined that the Utilities should
19 continue to receive the Performance Incentive
20 according to the same -- the same formula that
21 has been approved in previous dockets. The
22 Utilities' Plan for 2018 through 2020 calls for
23 the continued application of the existing
24 Performance Incentive formula.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 A Performance Incentive Working Group,
2 discussed in Section II.M.(1) of the
3 Settlement, will be formed in 2018 to review
4 potential Performance Incentive calculation
5 methodologies that could further promote the
6 achievement of New Hampshire's EERS goals.
7 Topics for that working group will include
8 metrics to cover income-eligible participation
9 and peak load reductions. The PI Working Group
10 will make recommendations for the 2020 Plan
11 Update.

12 Section F is the "Lost Revenue Adjustment
13 Mechanism". The Utilities implemented the Lost
14 Revenue Adjustment Mechanism, or the LRAM, in
15 2017, pursuant to Order No. 25,976. And the
16 LRAM will remain in place as a continuation for
17 2018, and the lost base revenue from energy
18 efficiency measures installed in 2017 will be
19 calculated for the lifetime of the measures
20 based on the same methodology. That was
21 approved in the 2017 Plan in Docket Number DE
22 14-216.

23 The LBR measures installed in 2019 and
24 forward will be calculated using the method

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1 proposed by Staff in their November 1, 2017
2 testimony in this docket, consisting of average
3 distribution rates for kilowatt-hours and
4 kilowatt components, but incorporating the
5 appropriate kilowatt savings value.

6 The working group will be established in
7 2018 to determine what that appropriate
8 kilowatt savings value for the
9 commercial/industrial sector will be.

10 Specifically, for the LBR Working Group,
11 which is also discussed in Section II.M.(4),
12 will be considered -- will be considering items
13 such as the impact of customer peak and the
14 general impact of demand charge ratchets.

15 And I will turn it over to Ms. Peters to
16 handle Section G.

17 Q Before that, Ms. Tebbetts, --

18 A (Tebbetts) Oh.

19 Q -- I believe I heard you explain what's
20 happening to measures installed in 2017, and
21 then jump to 2019, and maybe I misheard. But,
22 just in case, could you please very quickly
23 explain what happens to measures installed in
24 2018?

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 A (Tebbetts) My apologies, yes. I have it
2 written down, and I skipped over it myself.
3 So, the measures in 2018 will have the -- we'll
4 be using the same methodology for measures in
5 2018 as we did in 2017. It's the 2019 year
6 where we'll be looking at a different
7 methodology possibly, based on what the
8 recommendation is from the working group.

9 Q Thank you for that clarification. So, with
10 that, please continue.

11 A (Peters) Section G is the "Eversource Customer
12 Engagement Platform". This is a
13 company-specific program for Eversource, which
14 is our internet-based interactive tool that
15 provides targeted information for customers
16 about their energy use and energy efficiency
17 options.

18 The Settling Parties have agreed that
19 Eversource is going to be tracking its
20 marketing campaigns to promote the use of the
21 Customer Engagement Platform, and will be
22 providing updates at quarterly meetings as
23 appropriate. We did have an outreach campaign
24 that began this fall. And we'll be doing

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1 additional outreach in 2018 on the CEP.

2 The Settling Parties have agreed that, if
3 the results of those outreach campaigns do not
4 result in increases in customer access to the
5 platform, comparable to increases that were
6 seen from outreach campaigns in Eversource's
7 Massachusetts and Connecticut territories, that
8 any of the Settling Parties could then propose
9 alternative strategies regarding the CEP.

10 Section H has to do with program
11 continuity and budget approvals. The Settling
12 Parties have agreed on a measure that,
13 currently in the programs there is a 40 percent
14 cap on commitments for future year funds, and
15 the Settling Parties have agreed that that
16 40 percent will be raised to 50 percent. So,
17 the total of all customer commitments in any
18 program in any future year will not exceed 50
19 percent of the total amount budgeted for that
20 program in the current year without prior
21 concurrence of Staff and the other Settling
22 Parties. That increase will allow for a little
23 bit more flexibility as move into our
24 multi-year commitments with commercial and

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 industrial customers.

2 Any commitments that are made under that

3 will be reported in the Quarterly Report.

4 Additionally, the Quarterly Report will include

5 information showing the original program

6 budgets and any transfers made. Transfers of

7 20 percent or less of a program's budget will

8 not require notification beyond inclusion in

9 the Quarterly Report. Transfers of greater

10 than 20 percent of a program's budget will

11 require notification, as described on Page 35

12 of the Plan.

13 And the Quarterly Report will also include

14 information related to any changes in

15 incentives that are made during the course of

16 the program year.

17 Section I, "Evaluation, Measurement &

18 Verification": The Plan document lays out a

19 framework for EM&V. And the Settling Parties

20 agree that the Commission should approve this

21 framework, as modified through the Settlement

22 Agreement. The Settling Parties are clarifying

23 that the representative of the EESE Board,

24 appointed by the EESE Board Chair, will not

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 necessarily have to be a member of the EESE
2 Board. A little additional flexibility for
3 that member of the EM&V Working Group.

4 The framework in the Plan outlines a
5 number of different input points for
6 stakeholder involvement in the EM&V process.
7 And in addition to those input points mentioned
8 in the Plan, the Settling Parties also agree
9 that the EM&V Working Group will provide
10 regular updates at quarterly meetings and, when
11 pertinent, to the EESE Board. And the EM&V
12 Working Group will also be sharing information
13 and coordinating efforts with the Benefit/Cost
14 Working Group that we discussed previously.

15 On the topic of "Funding and Financing",
16 the Settling Parties have agreed to create a
17 Funding and Financing Working Group. The
18 financing offerings in Section 8 of the Plan
19 will move forward. But this is an evolving
20 field. And, so, the Working Group will
21 research potential funding and financing
22 mechanisms for energy efficiency services. And
23 if they find potential mechanisms, and
24 determine that they may work in New Hampshire,

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1 the Working Group will work with the Utilities
2 to test those options, and can make
3 recommendations for incorporation of such
4 options in either annual Plan Update filings or
5 in the '21 to '23 Plan time period.

6 Section K is the "Planning Process and
7 Stakeholder Consultant". The Utilities will
8 file annual Plan Updates for the 2019 and 2020
9 program years. The subsequent three-year Plan,
10 covering 2021 and 2023, will be developed
11 through an enhanced stakeholder process that
12 would begin during the Fall of 2019. And to
13 assist in that development, an independent
14 planning expert shall be hired by the
15 Commission, to provide advice and assistance to
16 the EESE Board, its EERS Committee, the
17 Settling Parties, and other stakeholders.

18 Section L is "Peak Reduction". As
19 described in Section 9.3 of the Plan, the
20 Utilities will be monitoring peak demand
21 reduction demonstrations that are currently
22 being tested elsewhere in New England. The
23 Plan does achieve peak reductions as energy
24 efficiency measures also reduce peak. There

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1 are a number of pilots happening in other
2 jurisdictions currently. And as more
3 information is gained from these initiatives,
4 the Utilities will be providing updates as
5 appropriate at quarterly meetings, regarding
6 those demonstrations and their possible
7 applicability to the New Hampshire programs.

8 And we've mentioned a number of working
9 groups so far in the discussion. Section M of
10 the Settlement outlines those Working Groups
11 more specifically: Include the Performance
12 Incentive Working Group that Heather Tebbetts
13 discussed; the Financing and Funding Working
14 Group that I just discussed; the Benefit/Cost
15 Working Group; and the Lost Base Revenue
16 Working Group.

17 Those four working groups will each be
18 chaired by a PUC Staff member, and will
19 determine their own meeting schedules and
20 timing. Those working groups will be providing
21 updates at the quarterly meetings, and sharing
22 information between each other as necessary.
23 Working Group members will include but not be
24 limited to representatives of the parties of

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1 this docket.

2 And in addition, if you were keeping
3 track, we've also discussed the EM&V Working
4 Group. That is slightly separate. It's
5 described in more detail in the Plan itself
6 through the EM&V framework.

7 Lastly, we have a few items related to
8 reporting. Parties have agreed that the
9 Utilities will be submitting electronic
10 spreadsheets associated with the Benefit/Cost
11 Test as part of any future annual Plan Update
12 filings and Plan filings. And will also be
13 including trend shark -- trend charts, excuse
14 me, showing actual and planned budgets, actual
15 and planned savings, in dollars per kW, kWh,
16 and MMBtu saved.

17 I believe that concludes my review of the
18 Settlement Agreement.

19 BY MR. FOSSUM:

20 Q Thank you very much. Ms. Peters and Ms.
21 Tebbetts, could you -- is it the position of
22 the Utilities then that the Plan, as modified
23 by the Settlement Agreement, is just and
24 reasonable?

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 A (Peters) Yes, it is.

2 Q And is it your position then that the Plan, as
3 modified by the Settlement Agreement, should be
4 implemented by the Commission -- should be
5 approved by the Commission for implementation
6 beginning in 2018?

7 A (Peters) Yes. It is my position that it should
8 be.

9 Q Just as one sort of other bookkeeping question,
10 will -- the Settlement Agreement contains a
11 number of attachments indicating changes to
12 various portions of the Plan. Does the
13 Settlement Agreement require revision to
14 portions of the Plan?

15 A (Peters) Yes. Attachment A was included with
16 the Settlement Agreement as -- to show the
17 impacts of the removal of Rest of Pool DRIPE
18 from the Benefit/Cost Test. We will be
19 compiling the revisions to the Plan and
20 submitting a -- I'm not quite sure of the
21 terminology, but submitting a final version.

22 Q And that would be -- essentially, so, a new
23 Plan will be submitted that incorporates what
24 is included in the Settlement Agreement?

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1 A (Peters) That's correct.

2 MR. FOSSUM: Thank you. And that's
3 what I have for direct.

4 CHAIRMAN HONIGBERG: Does anyone else
5 out there need to ask questions of this panel
6 to highlight anything that they were
7 particularly interested in?

8 Mr. Linder.

9 MR. LINDER: Thank you, Mr. Chairman.
10 Just really one question. And not to pick on
11 Ms. Peters, that any member of the panel can
12 respond.

13 **CROSS-EXAMINATION**

14 BY MR. LINDER:

15 Q But, going back to Section B, in Exhibit 1,
16 which is the Settlement Agreement, on Page 3,
17 and Section B is the "Non-Energy Impacts"
18 section. And there is a sentence that says
19 that "The purpose of the adder is to account
20 for non-energy impacts of energy efficiency
21 programs and measures." And I just wondered if
22 it might not be helpful if the panel could give
23 at least one example of what a non-energy
24 impact would be, and which is going to be

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1 studied? Would it be possible that, say,
2 health and safety would be an example of a
3 non-energy impact?

4 A (Peters) Health and safety is an example of a
5 non-energy impact. I can't say at this time
6 exactly which non-energy impacts will
7 particularly be studied in the future for New
8 Hampshire. That's something that the EM&V
9 Working Group will be looking at and, based on
10 the Settlement Agreement, will be prioritizing
11 in its work.

12 The studies that were submitted as part of
13 the Plan, in Attachment L, covered items such
14 as health and safety, and a number of other
15 impacts reduced costs for commercial customers,
16 in terms of their workforce activities. There
17 are, I believe, six studies that were
18 referenced when developing that 10 percent
19 adder, that looked at a variety of
20 customer-based non-energy impacts that could be
21 quantified and reviewed.

22 MR. LINDER: Thank you very much.
23 And that's all I have. Thank you, Mr.
24 Chairman.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 CHAIRMAN HONIGBERG: Anyone else?

2 MR. DEXTER: Mr. Chairman, I had some
3 questions for Staff's witness.

4 CHAIRMAN HONIGBERG: Mr. Dexter.

5 MR. DEXTER: Thank you.

6 **DIRECT EXAMINATION (resumed)**

7 BY MR. DEXTER:

8 Q Mr. Stachow, were you involved in the
9 proceeding that led to the Settlement that's
10 presented for approval today?

11 A (Stachow) I was indeed.

12 Q And are you familiar with the terms of the
13 Settlement that's presented?

14 A (Stachow) I am.

15 Q And having listened to the summary presented by
16 the utility witnesses earlier, do you have
17 anything that you'd like to add to that summary
18 at this time?

19 A (Stachow) No, I do not.

20 Q And in your opinion, does the Settlement
21 implement the requirements of the EERS Standard
22 that was established in DE 15-137?

23 A (Stachow) Yes, it does.

24 Q And in your opinion, does the Settlement

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1 present a just and reasonable resolution of the
2 issues presented in this docket?

3 A (Stachow) Yes.

4 Q And do you recommend its adoption by the
5 Commission?

6 A (Stachow) I do.

7 MR. DEXTER: Thank you. That's all I
8 have.

9 CHAIRMAN HONIGBERG: Thank you, Mr.
10 Dexter. Anyone else out there who has
11 questions for the panel?

12 *[No indication given.]*

13 CHAIRMAN HONIGBERG: Commissioner
14 Giaimo.

15 CMSR. GIAIMO: Good afternoon. Good
16 afternoon. I could do this all afternoon.
17 Good afternoon.

18 WITNESS PETERS: Good afternoon.

19 CMSR. GIAIMO: Thank you.

20 BY CMSR. GIAIMO:

21 Q The 10 percent adder number, could someone
22 explain, it's a proxy, but what's the actual
23 basis for utilizing that 10 percent number?

24 A (Peters) The details of that are in the

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Testimony of Michael Goldman in the Plan. The
2 Utilities reviewed studies that have been done
3 throughout the region, recent studies, looked
4 at the percentage impact that had been adopted
5 based on those studies in those other states,
6 for both electric and for gas. And then, based
7 on those different percentages seen in other
8 states, determined that 10 percent would be a
9 conservative adder for New Hampshire, and then
10 discussed that with the other stakeholder
11 parties.

12 Q Great. I am wondering why, given the tightly
13 integrated nature of the power system, why the
14 Demand Reduction Induced Price Effect for the
15 Rest of Pool should be removed and only use New
16 Hampshire-specific?

17 A (Peters) The feeling among the Settling Parties
18 was that focusing on the New Hampshire-specific
19 impacts was the most appropriate first step.
20 And then that the Benefit/Cost Working Group
21 will be discussing Rest of Pool, in particular,
22 to discuss a little bit more those impacts and
23 whether that should be added in the future.

24 Q And just as a point of clarification, "Rest of

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Pool" is, in the wholesale world, a specific
2 term of art with respect to markets. But, for
3 this -- for this, we're talking about the rest
4 of New England, not "Rest of Pool" as a proper
5 noun in the ISO world?

6 A (Peters) Correct. The rest of New England.

7 Q Okay. Thanks. The Eversource Customer
8 Engagement Platform, is that an incubator that
9 the other utilities would plan to use, if it
10 works for Eversource?

11 A (Peters) I believe the other utilities have
12 looked at different types of or options for
13 engaging their customers online. Eversource's
14 Customer Engagement Platform is specific to
15 Eversource as a company. And, so, I don't
16 think I could speak to exactly what the other
17 utilities might do in the future.

18 A (Tebbetts) So, I actually -- I can't speak for
19 Unitil or the Co-op. But I can tell you, in
20 New Hampshire, for Liberty, you know, we've
21 taken a look at exactly what Eversource has put
22 forward. And there's always opportunity for us
23 to create some kind of customer engagement
24 platform in the future. I don't -- my

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1 understanding at this moment is that we don't
2 have one. But, again, there's nothing that
3 prevents us from taking a look at it in the
4 future.

5 Q Okay.

6 CHAIRMAN HONIGBERG: While he's
7 looking for his next question, that is
8 something I would like to hear from Unitil and
9 the Co-op, just in this context. If there's --
10 I assume that there's someone here who can
11 provide the type of answer that Ms. Tebbetts
12 provided a moment ago. Doesn't have to be this
13 second, but you figure out how to do that when
14 we're at the next stage of hearing from
15 witnesses.

16 BY CMSR. GIAIMO:

17 Q With respect to Section L, the "Peak
18 Reduction", we talk about looking for
19 opportunities to incorporate the technologies.
20 I'm wondering if the thought is to take the
21 technologies, and then to also bid them into
22 the various markets, and then reinvest the
23 money obtained from the markets back into
24 future efficiency programs? Is that consistent

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 with the expectation?

2 A (Peters) I don't know that we've gone quite
3 that far down the line in the thought process.
4 Currently, there are a number of demonstrations
5 going on in Massachusetts and Rhode Island,
6 looking at battery storage, Wi-Fi thermostats,
7 a number of other technologies. And I think,
8 initially, we want to see the cost-effective of
9 those programs, how they're working with
10 customers, how they're being deployed, what
11 they learn from those studies. And then think
12 about how we can apply them in New Hampshire
13 and I guess the next steps down the line from
14 that.

15 Q My final question is, there seems to be a lot
16 of committees being created. Can you touch
17 upon who will be invited? Will there be a
18 limitation on who gets invited? And are there
19 so many committees that you may have committee
20 paralysis?

21 A (Peters) There are a number of committees. You
22 know, a lot of these issues are evolving issues
23 and require continued conversation, especially
24 when looking at a plan that goes three years

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 into the future.

2 The anticipation is that the Settling
3 Parties and the other stakeholders could
4 participate on those committees. We have not
5 determined the exact makeup of each committee
6 yet. I assume that's something that would
7 start early in 2018.

8 So, I think it will be a good amount of
9 work, but it will be worthwhile conversations.

10 CMSR. GIAIMO: Thank you.

11 BY CHAIRMAN HONIGBERG:

12 Q Ms. Peters, following the previous question
13 Commissioner Giaimo asked you, with respect to
14 the studies that are going on in other states,
15 what's the timeline for results from those
16 studies, do you know?

17 A (Peters) I do not know off the top of my head.
18 I believe we have some folks in the room that
19 may have more details on that, though.

20 CHAIRMAN HONIGBERG: All right.
21 Then, if Mr. Fossum can identify that and get
22 information on the record, I'd appreciate it.

23 MR. FOSSUM: Just from -- well, we
24 have a witness who can do that, who is going to

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 have to adopt testimony anyway. So, he'll be
2 brought up and can answer that question at that
3 time.

4 CHAIRMAN HONIGBERG: Fine. You'll be
5 prepared to ask him that question, in case I
6 forget?

7 MR. FOSSUM: I will make a note of it
8 right now.

9 CHAIRMAN HONIGBERG: Thank you very
10 much.

11 BY CHAIRMAN HONIGBERG:

12 Q Commissioner Giaimo also asked about the DRIPE
13 discussion in one way, I have a different
14 question about DRIPE. In the middle of Section
15 D, on Page 5, where it says that "The Settling
16 Parties recognize that the exclusion...may
17 cause the ratio for some programs to fall below
18 1.0 for 2018." The next sentence says "The
19 Settling Parties agree that those programs may
20 continue as contemplated in the Plan."

21 Is there a time limitation on that, on
22 that agreement? Is that for the remainder of
23 the period we're considering? Is it just for
24 the next year? Or something else?

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1 A (Peters) I believe the intent was for the next
2 year, for 2018, because the Benefit/Cost
3 Working Group will be discussing these issues.
4 So, we may have updates for 2019.

5 Additionally, just the timing, when we decided
6 to do this, the programs had already been
7 developed. And, so, the thought of the
8 Settling Parties was the programs had been
9 developed, they're good programs to be
10 providing to our customers, and so we should
11 continue with that in 2018.

12 Q I understand the motivation. I just wanted to
13 know if there was an expected limit from the
14 Parties, and certainly given the most
15 conservative, the most appealing in one way for
16 those who are concerned. And I think it's
17 always possible that, if the studies say "Well,
18 we're not quite done, but we should continue
19 with them for another year", someone could come
20 in and make such a request?

21 A (Peters) Correct. We'll be doing an Update
22 filing for 2019. So, we could address it then.

23 Q Commissioner Giaimo asked you about the
24 sizes -- or, rather the makeup of the Working

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Group, and I was interested in the same thing,
2 I wrote "sizes", with a question mark.

3 A (Peters) uh-huh.

4 Q I think we all have experience trying to work
5 with working groups of well-intentioned,
6 motivated people, that, when the groups get
7 large, they become unwieldy.

8 Maybe you've already answered it. But is
9 there anything -- any other thoughts that you
10 all have had about how to put those groups
11 together to make sure they'll function
12 effectively and efficiently?

13 A (Peters) We did not determine a specific size
14 for those groups. I think the work that the
15 Parties and other stakeholders have done
16 together over the past year as this Plan was
17 developed, the significant stakeholder process
18 that we went through, kind of helps inform some
19 of that future process. There are a number of
20 stakeholders who have been involved all year
21 long.

22 And, so, I think, as a group, maybe we
23 have a general sense of who will be interested
24 in what topics, and feel that it is manageable.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 But we did not get to the level of kind of
2 determining an exact number for the working
3 group memberships.

4 Q And I understood that from your answer to
5 Commissioner Giaimo, but thank you for the
6 additional information.

7 With respect to funding and financing, I
8 would say, over the course of hearing about the
9 development of the EERS, the order that was
10 issued that produced this proceeding that we're
11 in right now, there's been a lot of talk about
12 how to bring other sources of money to the
13 table to fund this.

14 A (Peters) Uh-huh.

15 Q And we now have a Working Group to look at
16 this, but it doesn't look like it plans on
17 doing anything until the next round. What's
18 the expectation, and maybe Mr. Stachow, I know
19 you've talked about this at length with me and
20 with others, what's the expectation for finding
21 funding for this?

22 A (Stachow) If you look at the recommendation in
23 the Settlement, you'll see that the expectation
24 is that we will begin to explore those options

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 in a very tangible way right at the beginning
2 of 2018. If we identify funding sources, if we
3 identify alternative financing mechanisms, that
4 could be implemented. The expectation from the
5 Settlement is that they could be implemented in
6 each annual update.

7 So, by the end of 2018, we may have an
8 agreed upon initial plan of action for a piece
9 of that process, and so on, for each successive
10 year.

11 Q Do you expect to be part of that effort,
12 Mr. Stachow?

13 A (Stachow) I hope so.

14 Q Me, too. Working backwards, Ms. Peters, you
15 talked about the adder in Section B, and New
16 Hampshire-based studies that would be used to
17 inform whatever decisions are made for 2020.

18 A (Peters) Uh-huh.

19 Q What I've written in the margin is a general
20 question, and I wish I could focus it better.
21 But, beyond what you've already said, what is
22 the Plan for those studies? How are those
23 going to get done? When are they going to get
24 scoped out and developed, so that they can be

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 done in time to be useful?

2 A (Peters) Two things on that. The EM&V Working
3 Group that currently exists, we have an EM&V
4 process and group already. They will be
5 transitioning, hopefully, seamlessly into 2018.
6 I believe there's a meeting this month of that
7 group looking at the plans going forward. So,
8 timingwise, it's that group that would be doing
9 the actual RFPs for studies and determining
10 exactly what would be included in studies.

11 Back to the Settlement Agreement, the
12 Settling Parties have agreed that the
13 evidence-based research that we're talking
14 about could include research that supporting
15 NEIs from other jurisdictions that could be
16 reasonably applied to New Hampshire. Or, it
17 could -- and/or it could include studies using
18 New Hampshire-specific raw data.

19 And, so, that's an important thing to
20 note, because that allows the EM&V Working
21 Group to make use of data that already exists,
22 in terms of the timeframe that we have to do
23 these evaluations, so that we could have
24 information available for the 2020 time period.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Q That was helpful. Thank you. I think I had
2 missed the subtle point you made in there.

3 With respect to the stakeholder process
4 you talked about, I mean, I can identify all
5 the folks in this room, and I know generally
6 who sits on the EESE Board and who participate
7 who's not technically a member. There's a lot
8 of business and legislative interest in this
9 process and how it's being paid for and what
10 it's going to mean for rates. What has the
11 involvement been of both of our friends in the
12 Legislature and our friends in the business
13 community, who are mainly concerned about rates
14 these days?

15 A (Peters) There are two -- there are three
16 legislative members of the EESE Board. I
17 believe all three of them were present when the
18 Board discussed in July the recommendations
19 that it made to the Utilities for the Plan that
20 we submitted in September. Two of those
21 legislators participated fairly significantly
22 with the EERS Committee, chaired by Mr. Kreis,
23 which undertook a lot of the more detailed
24 review work and discussion for the Board.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 There is a member of the BIA on the EESE
2 Board. There was a member of the contractor
3 community on the EERS Committee. I may be
4 forgetting other business-specific members.
5 But that board and the EERS committee and other
6 stakeholders, you know, does include business
7 members and members of the Legislature. There
8 are, obviously, 424 members of the Legislature,
9 and we had two of them at most of the meetings.
10 But I believe they were reporting back to their
11 committee that they sit on.

12 Q There's always legislation introduced every
13 year that's relevant to what we're all doing
14 here today. Has the group spoken about how to
15 address that legislation comprehensively? Is
16 there going to be an effort to provide
17 appropriate information to the Legislature
18 about how what it is considering might affect
19 whatever it is we do here?

20 A (Peters) I think we'll definitely be taking
21 advantage of opportunities for education to the
22 Legislature, which, as you know, is an ongoing
23 process, because elections happen every two
24 years. So, there is always someone who is

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1 fairly new to the process.

2 In terms of the stakeholders as a group, I
3 think the approach thus far has been more
4 individual entities discussing with
5 legislators, based on their own relationships
6 and information.

7 I would note that there was a line in the
8 budget bill that was passed in June that
9 anticipated legislative review of the System
10 Benefits Charge. But it specifically excluded
11 the three-year Plan that we're currently
12 looking at. And I think that provides some
13 recognition of the education that was done as
14 to the value of EERS and the energy efficiency
15 programs.

16 And it would be my hope that, if we have a
17 successful three-year Plan, we will also be
18 able to communicate that success and that value
19 that's being provided to the citizens in this
20 state.

21 A (Stachow) Commissioner, may I add something?

22 Q Absolutely.

23 A (Stachow) Following the BIA conference --
24 symposium, excuse me, last week, I had occasion

[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 to talk to senior representatives of the BIA
2 and the New Hampshire Ratepayers Association,
3 who clearly were aware of the Settlement draft,
4 at least in scope, and assured me that they
5 would be actively participating going forward.
6 Nothing more.

7 Q Fair enough.

8 A (Stachow) It was a verbal choice.

9 Q No, I very much appreciate that. And I also
10 appreciate the answer Ms. Peters gave. I think
11 many of us were at various hearings where this
12 has been discussed, and I think we've all seen
13 legislation. There's no doubt that, you'd
14 agree, I think, that good groundwork, producing
15 a consensus among various groups like this, is
16 a helpful thing to be able to bring to the
17 Legislature, and I know you, Ms. Peters, in
18 particular, has spent a lot of time dealing
19 with legislators, and tell me if I'm wrong.
20 When you can bring large groups to the table
21 with good work behind it, you have a better
22 chance of being successful in your education
23 process?

24 A (Peters) I agree.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 CHAIRMAN HONIGBERG: All right. I
2 think that was all the questions I had for this
3 group.

4 Mr. Fossum, Mr. Dexter, is there
5 anything else you need to do on redirect or
6 anything else you want to follow up on with
7 these witnesses?

8 MR. FOSSUM: None for me.

9 MR. DEXTER: Staff has nothing
10 further.

11 CHAIRMAN HONIGBERG: Mr. Linder?

12 MR. LINDER: Mr. Chairman, this is
13 not in the nature of redirect or recross. But
14 there was a topic brought up during the panel
15 presentation, which I think perhaps would be
16 best addressed by counsel for the Utilities.

17 There was a reference to needing to
18 eventually file a revised updated Plan. And my
19 question actually goes to the timing of that,
20 when the Utilities would intend to or be able
21 to do that. And perhaps we could have that
22 discussion a little later today.

23 But our concern would be that it be
24 done prior to the issuance of an order in this

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 case. And just wondered if we could put that
2 on the agenda for discussion sometime today.

3 CHAIRMAN HONIGBERG: Well, let's
4 finish with these witnesses, and then we can
5 talk about that briefly before we do whatever
6 else needs to be done.

7 Is there anything else, it seems like
8 there's not, for these three witnesses?

9 *[No indication given.]*

10 CHAIRMAN HONIGBERG: All right.
11 Well, thank you all. You can return to your
12 seats.

13 While they're doing that, I guess I'm
14 interested in what Mr. Linder said, although it
15 seems like the cart being before the horse.
16 Because my perception is that what you've done
17 is you've gotten a document that -- or, a
18 Settlement that, if it's approved, would
19 require modifications. If it's not approved or
20 if it's approved with conditions, or if there's
21 things that are changed, that you would need to
22 adjust what you were planning on doing with a
23 modified Plan.

24 Where is the -- how did you

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 contemplate this working? I guess I'll look at
2 you, Mr. Fossum.

3 MR. FOSSUM: I think our assumption,
4 and it was only an assumption, we hadn't
5 actually discussed this, beyond recognizing
6 that a revised document would be necessary at
7 some point. But our assumption had been, I
8 think, that once an order is issued, you know,
9 I'll presume that the Settlement Agreement is
10 approved, then the document that we would have
11 would be consistent with the amendments that
12 are required to implement the Settlement
13 Agreement.

14 To the extent that the Commission
15 feels it either can't approve the Settlement
16 Agreement or that it can only do so with
17 certain conditions, then I would agree with
18 you, other changes would be necessary. So, I
19 think our assumption had been "order first,
20 revised document later."

21 That said, this is a comprehensive
22 Settlement Agreement. As far as I know,
23 there's no parties to the docket who have not
24 joined in. And, so, I'm hoping that means that

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 approval is likely. And, with that
2 recognition, we've already begun working on the
3 revisions that would be necessary. I can't
4 commit right now to say that we'll have them
5 done by Monday or Tuesday or anything like
6 that.

7 So, that's my very long-winded
8 explanation of, we assumed it would be after an
9 order, depending on how fast an order is, it
10 could happen before that. But that's as far as
11 we've gotten in the timing issue.

12 CHAIRMAN HONIGBERG: Mr. Linder, I
13 guess I'm not -- maybe I'm missing what you're
14 thinking. What's the thought process behind
15 what you were thinking? And why isn't what
16 Mr. Fossum said the right way to do this?

17 MR. LINDER: Mr. Chairman, it may be
18 the right way. I know, historically, at the
19 energy efficiency annual hearings and update
20 hearings, there would be a revised plan filed
21 at the time of the hearing, and that would be
22 prior to the issuance of an order. And it
23 served several purposes. It did give the
24 Parties and the Staff an opportunity to make

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 sure that -- to examine it and make sure that
2 the modifications and revisions were in line
3 with the thought process and discussions that
4 had taken place leading up to the filing of a
5 settlement agreement.

6 The filing of a revised plan after
7 the issuance of an order might impose some
8 limitation on the ability of the Staff and
9 Parties to bring to the Commission's attention
10 any item which may not be congruent with the
11 previous discussions.

12 So, we were just raising this point.
13 We're not wedded to a particular result. But
14 we thought that it's something that should be
15 clear and transparent as to what's going to
16 happen and when, and what might be the pros and
17 cons of doing it one way or the other.

18 CHAIRMAN HONIGBERG: I don't have a
19 good enough memory of how each CORE filing
20 went, and whether those were always -- that
21 what was filed was the result of a
22 comprehensive all-parties settlement.

23 I did look through the list of
24 intervenors, and I think you're right,

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 Mr. Fossum. I think everybody who is a party
2 to this docket is on the Settlement Agreement.

3 MR. DEXTER: Mr. Chairman, could I --

4 CHAIRMAN HONIGBERG: Sure, Mr.

5 Dexter. Go ahead.

6 MR. DEXTER: Well, I just wanted to
7 give Staff's view of this issue. When we
8 reached the settlement, there was sort of a
9 fundamental change to what was in the Plan, and
10 that was the exclusion of Rest of Pool, or, as
11 Commissioner Giaimo said, Rest of New England
12 DRIPE. And that affected the benefit/cost
13 ratios.

14 And before Staff was willing to sign
15 the Settlement, we needed to see the
16 mathematics of that followed through, to see
17 what the impact was on the cost-effectiveness
18 of the programs. And the Companies put
19 together the attachments to the Settlement.
20 And we were able to review those before we
21 signed the Settlement. And we were satisfied
22 that the mathematics were correct, that the
23 removal of the Rest of Pool DRIPE was done
24 appropriately.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 In the course of that, it became
2 clear that there were a few other sections in
3 the Plan, the actual blue book Plan that
4 probably would change. It was a fairly
5 compressed timeframe, and we didn't believe it
6 was possible for the Companies to produce, nor
7 did Staff really want to try to review, in a
8 matter of hours, a refiled Plan. So, we filed
9 the Settlement the way it was with what we
10 thought was the pertinent schedules updated and
11 attached.

12 Our understanding of what might come
13 in after the order would be the Plan, as it's
14 submitted as "Exhibit 2", and some pages that
15 had to change, because of this Settlement, but
16 mostly related, or if not perhaps entirely
17 related, to the removal of the Rest of Pool
18 DRIPE.

19 So, while the panel might have called
20 it a "new Plan" or a "revised Plan", our
21 understanding is that what we've put before the
22 Commission today is the Plan as filed in
23 September, the Settlement, which makes some
24 modifications to that, with a good deal of the

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 exhibits already taken care of. And what would
2 come in would be any other pages that
3 absolutely had to change because of the
4 information contained in the Settlement.

5 But nothing -- nothing new, no new
6 ideas, no new text, no new spin or anything
7 like that. That's Staff's understanding of
8 what would come in. And, if it came in after
9 the order, we would view it as sort of a
10 compliance filing.

11 CHAIRMAN HONIGBERG: Okay. Mr.
12 Dexter, you articulated it pretty much the way
13 I would have had I had all the information that
14 you had.

15 That, to me, sounds like the right
16 way to go. But it's not like we're going to
17 issue an order tomorrow or Friday. So, if,
18 after we adjourn today, the Parties get
19 together and describe that they want to do
20 something different or have a particular order
21 of events that they want to follow, rather they
22 can file something to clarify that.

23 But it strikes me that the way
24 Mr. Fossum and Mr. Dexter both, in general

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 ways, described it, is the way that this should
2 work.

3 I know there are other witnesses we
4 need to hear from briefly, in part, because
5 there are specific questions and, in part, to
6 get their testimony sworn to. Is it time to
7 start doing that now, Mr. Fossum?

8 MR. FOSSUM: I have nothing for
9 anyone else. So, for me, yes.

10 CHAIRMAN HONIGBERG: All right.
11 Let's go off the record.

12 *[Brief off-the-record discussion*
13 *ensued.]*

14 CHAIRMAN HONIGBERG: What witness or
15 witnesses? Is there some -- and I know I asked
16 Unitil and the Co-op for some specific
17 information.

18 MR. PASKVAN: Yes. Mr. --

19 CHAIRMAN HONIGBERG: Who's
20 talking? Oh.

21 MR. PASKVAN: Okay. Mr. Chairman,
22 Unitil is prepared to respond to the question
23 regarding a implementation of an engagement
24 platform.

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[WITNESS PANEL: Peters|Tebbetts|Stachow]

1 CHAIRMAN HONIGBERG: Okay. Do you
2 have a witness who submitted testimony?

3 MR. PASKVAN: Ms. Asbury submitted as
4 part of the September 1 testimony.

5 CHAIRMAN HONIGBERG: Okay.

6 MR. PASKVAN: She will not be
7 responding to this question, however. It will
8 be Ms. Mary Downs, who is also here with us
9 today.

10 CHAIRMAN HONIGBERG: All right. Why
11 don't we have the Co-op and the Unitil
12 witnesses go up together, and have Mark and you
13 do what needs to be done with both testimony
14 and answering the questions that were asked
15 next. Okay?

16 Mr. Dean, you looked like you grabbed
17 the metaphorical microphone.

18 MR. DEAN: Could you swear in the
19 witnesses please.

20 (Whereupon **Karen Asbury,**
21 **Carol Woods,** and **Mary Downs** were
22 duly sworn by the Court
23 Reporter.)

24 CHAIRMAN HONIGBERG: Mr. Dean.

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[WITNESS PANEL: Asbury|Woods|Downs]

1 MR. DEAN: Thank you.

2 **KAREN ASBURY, SWORN**

3 **CAROL WOODS, SWORN**

4 **MARY DOWNS, SWORN**

5 **DIRECT EXAMINATION**

6 BY MR. DEAN:

7 Q Ms. Woods, could you please give your full name
8 and your position with the Co-op.

9 A (Woods) My name is Carol Woods.

10 *[Court reporter interruption.]*

11 **BY THE WITNESS:**

12 A (Woods) My name is Carol woods. I am Energy
13 Solutions Executive at New Hampshire Electric
14 Co-op. And my responsibilities are the
15 regulatory aspects of the energy efficiency
16 programs the Co-op offers.

17 BY MR. DEAN:

18 Q And you were involved in and are familiar with
19 the Plan that we're here for today?

20 A (Woods) I am.

21 Q With regard to the question concerning
22 Eversource's Customer Engagement Program, can
23 you describe, to the extent you know, what the
24 Co-op's plans or positions are concerning that

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[WITNESS PANEL: Asbury|Woods|Downs]

1 type of program?

2 A (Woods) So, the Co-op has plans to explore some
3 different options for member engagement
4 opportunities for -- that would be appropriate
5 and would work in the Co-op's service territory
6 with our members. We have some funding set
7 aside in 2019 and also in 2020. But we don't,
8 at this time, have any specific options or
9 opportunities identified.

10 Q And not to paraphrase the Commissioner's
11 question, but would you be looking at the
12 Eversource program as a pilot or just a point
13 of information in developing the Co-op's own
14 initiatives?

15 A (Woods) We would look at that just as sort of
16 a -- for an informational perspective.

17 MR. DEAN: Thank you.

18 BY CHAIRMAN HONIGBERG:

19 Q As a Co-op, do you have -- you, obviously, have
20 a different relationship with your customers
21 than the investor-owned utilities do. Your
22 brothers and sisters around the country, are
23 they a better model for you to look at, in
24 terms of customer engagement?

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[WITNESS PANEL: Asbury|Woods|Downs]

1 A (Woods) So, we -- we actually are a member of a
2 national organization, the National Rural
3 Electric Association, and we do partner and
4 look for opportunities. And, so, we would be
5 looking at what other co-ops are doing, in
6 addition to what other companies are doing in
7 the state.

8 CHAIRMAN HONIGBERG: Thank you. Mr.
9 Paskvan.

10 MR. PASKVAN: Thank you, Mr.
11 Chairman. I would like to begin with
12 Ms. Asbury first, if I may.

13 CHAIRMAN HONIGBERG: Is your
14 microphone on?

15 MR. PASKVAN: I believe it is. Is
16 that better? Very good.

17 Ms. Asbury, good afternoon.

18 WITNESS ASBURY: Good afternoon.

19 BY MR. PASKVAN:

20 Q For the purposes of the record, could you
21 please state your name, your employer, your
22 position at that employer, and your
23 responsibilities.

24 A (Asbury) My name is Karen Asbury. I'm Director

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[WITNESS PANEL: Asbury|Woods|Downs]

1 of Regulatory Services for Unitil Service Corp.
2 And my primary responsibilities relate to rate
3 and regulatory filings.

4 In particular, in this proceeding, I filed
5 testimony supporting the calculation of the
6 Company's System Benefits Charge.

7 Q Thank you. And I was just going to ask you,
8 did you file testimony in this proceeding on
9 September 1st, 2017?

10 A (Asbury) Yes, I did.

11 Q And that is the testimony that you were just
12 referring to, correct?

13 A (Asbury) Yes.

14 Q Okay. And do you have any corrections to that
15 September 1st testimony?

16 A (Asbury) No, I do not.

17 Q Thank you, ma'am. And do you adopt that
18 September 1st testimony for purposes of this
19 hearing?

20 A (Asbury) I do.

21 Q Thank you. Moving on to Ms. Downs. Ms. Downs,
22 good afternoon. Could you please state your
23 name for the record.

24 A (Downs) Mary Downs.

[WITNESS PANEL: Asbury|Woods|Downs]

1 Q And your employer?

2 A (Downs) I work at Unitil.

3 Q And your position at Unitil?

4 A (Downs) I am the Manager of Administration and
5 Compliance, and that covers the energy
6 efficiency programs.

7 Q And if you could provide just a brief summary
8 of your responsibilities?

9 CHAIRMAN HONIGBERG: Off the record.

10 *[Brief off-the-record discussion*
11 *ensued.]*

12 **BY THE WITNESS:**

13 A (Downs) So, I am responsible for the
14 administration and compliance of energy
15 efficiency programs in both New Hampshire and
16 Massachusetts, which involves evaluation,
17 reporting, planning, and other activities
18 related to the regulatory responsibilities.

19 BY MR. PASKVAN:

20 Q Thank you, Ms. Downs. Previously Commissioner
21 Giaimo asked the prior panel regarding a
22 question to the effect of "has the utility
23 considered implementation of a Customer
24 Engagement Platform?" Do you recall that

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[WITNESS PANEL: Asbury|Woods|Downs]

1 question?

2 A (Downs) Yes.

3 Q And can you respond to it --

4 A (Downs) Sure.

5 Q -- to the extent that you can?

6 A (Downs) Yes. We have been engaged at Unitil in
7 developing and launching a customer information
8 system over the last several years, which was
9 launched this year. And we have prioritized
10 that enterprisewide system. But we will be
11 looking at that, as well as our behavior
12 programs that we will be launching for the
13 first time in 2018, as a means of engaging our
14 customers. And from there, we will look at
15 other opportunities as they come along.

16 MR. PASKVAN: Thank you.

17 WITNESS DOWNS: You're welcome.

18 MR. DEAN: Mr. Chairman?

19 CHAIRMAN HONIGBERG: Mr. Dean.

20 MR. DEAN: I had neglected to have
21 Ms. Woods adopt her testimony. She was a
22 signatory to the joint testimony for the
23 Utilities.

24 BY MR. DEAN:

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[WITNESS PANEL: Asbury|Woods|Downs]

1 Q So, Ms. Woods, if -- I guess rephrase my
2 earlier question. You are familiar with and
3 involved in and filed testimony supporting the
4 Plan that was filed on September 1st, is that
5 correct?

6 A (Woods) That's correct.

7 Q Okay. And, if the questions asked of you in
8 that prefiled testimony were asked today under
9 oath, would they be the same?

10 A (Woods) They would.

11 Q And do you adopt that testimony as your own?

12 A (Woods) Yes, I do.

13 MR. DEAN: Thank you. No further
14 questions.

15 CHAIRMAN HONIGBERG: All right. Does
16 anyone have questions for these three
17 witnesses?

18 *[No indication given.]*

19 CHAIRMAN HONIGBERG: Thank you all.
20 You can return to your seats.

21 Who else do we need to hear from, to
22 get testimony into the record, if nothing else?

23 MR. FOSSUM: Eversource has two, two
24 other witnesses this afternoon.

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[WITNESS PANEL: Goulding|Goldman]

1 MR. DEXTER: Staff has three
2 witnesses as well.

3 CHAIRMAN HONIGBERG: All right. Why
4 don't we do the Eversource witnesses first.

5 (Whereupon *Christopher Goulding*
6 and *Michael Goldman* were duly
7 sworn by the Court Reporter.)

8 **CHRISTOPHER GOULDING, SWORN**

9 **MICHAEL GOLDMAN, SWORN**

10 **DIRECT EXAMINATION**

11 BY MR. FOSSUM:

12 Q Okay. Mr. Goulding, could you please state
13 your name, your place of employment, and your
14 responsibilities for the record.

15 A (Goulding) Sure. My name is Christopher
16 Goulding. I'm the Manager of New Hampshire
17 Revenue Requirements for Eversource, located at
18 780 North Commercial Street, in Manchester.
19 And my responsibilities include the revenue
20 requirement, rate -- and rate calculations
21 associated with Energy Service rates,
22 Alternative Default Energy rate, TCAM, Stranded
23 Cost Recovery Charge, and the SBC.

24 Q And, Mr. Goulding, did you submit testimony as

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[WITNESS PANEL: Goulding|Goldman]

1 part of the Plan that was filed in this
2 proceeding and which has been marked as
3 "Exhibit 2"?

4 A (Goulding) Yes, I did.

5 Q And do you have any changes or updates to that
6 testimony today?

7 A (Goulding) No, I do not.

8 Q And do you adopt that testimony as your sworn
9 testimony for this proceeding?

10 A (Goulding) Yes, I do.

11 Q And, now, Mr. Goldman, could you also state
12 your name, your place of employment, and your
13 responsibilities for the record.

14 A (Goldman) My name is Michael Goldman. I work
15 for Eversource Energy. And my main areas of
16 responsibility are evaluation for energy
17 efficiency programs across our three-state
18 service territory. And I also lead our
19 behind-the-meter peak load reduction
20 initiatives.

21 Q And, Mr. Goldman, did you likewise submit
22 testimony in this proceeding, and which is
23 included as part of Exhibit 2?

24 A (Goldman) Yes, I did.

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[WITNESS PANEL: Goulding|Goldman]

1 Q And do you have any changes or updates to that
2 testimony today?

3 A (Goldman) No, I do not.

4 Q And do you adopt that testimony as your sworn
5 testimony for this proceeding?

6 A (Goldman) Yes, I do.

7 Q And, Mr. Goldman, I'd like you to -- the
8 Chairman asked a question a little while ago
9 that I would like to raise with you again. And
10 to the extent a reference is necessary, in
11 referring to, I believe, Section L of the
12 Settlement Agreement, and peak demand reduction
13 demonstrations in other jurisdictions, the
14 Chairman had asked a question about those other
15 studies and timelines for completion of those
16 studies.

17 Could you please provide, to the extent
18 that you're aware, just information on those
19 studies and their timing?

20 A (Goldman) Yes. I'm aware of several ongoing
21 demonstration projects and studies that are
22 ongoing in the region. A few examples include
23 National Grid has a commercial/industrial
24 pay-for-performance type demand response

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[WITNESS PANEL: Goulding|Goldman]

1 program. On the resi side, they are testing
2 Wi-Fi thermostat demand response. Those
3 demonstration projects are ongoing through
4 2018, and they have evaluations being done
5 concurrently.

6 In our Connecticut Eversource service
7 territory, on the commercial/industrial side,
8 there is currently a software and controls
9 demonstration that has ongoing evaluation. On
10 the residential side, there's also a Wi-Fi
11 thermostat demand response type program. It is
12 also undergoing evaluation.

13 In our Massachusetts operating company, on
14 the C&I side, we are starting to demonstrate
15 battery technology, thermal storage technology,
16 software controls, and economic demand
17 response. That will be ongoing in 2018 and
18 2019 with concurrent evaluations.

19 Also, in Massachusetts, Unitil will be
20 testing out a residential battery program,
21 hopefully starting in 2018 through 2019, with
22 ongoing evaluation. And the Cape --

23 *[Court reporter interruption.]*

24 **CONTINUED BY THE WITNESS:**

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[WITNESS PANEL: Goulding|Goldman]

1 A (Goldman) The Cape Light Compact, in
2 Massachusetts, is testing residential Wi-Fi
3 thermostat demand response through 2018, with
4 concurrent evaluations.

5 BY MR. FOSSUM:

6 Q And those are the types of demonstrations and
7 evaluations that you expect would be part of a
8 discussion for potential inclusion or reference
9 for New Hampshire as well?

10 A (Goldman) Correct. Those could be potentially
11 applicable.

12 MR. FOSSUM: Thank you.

13 CHAIRMAN HONIGBERG: Thank you. Does
14 anyone have questions for these witnesses?

15 *[No indication given.]*

16 CHAIRMAN HONIGBERG: All right.
17 Thank you, gentlemen. You can return to your
18 seats.

19 Let's have Staff's witnesses.

20 (Whereupon **James J. Cunningham,**
21 **Jr., Jay Dudley,** and **Elizabeth**
22 **Nixon** were duly sworn by the
23 Court Reporter.)

24 CHAIRMAN HONIGBERG: Mr. Dexter.

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[WITNESS PANEL: Cunningham|Dudley|Nixon]

1 MR. DEXTER: Thank you.

2 BY MR. DEXTER:

3 Q Starting with the gentleman closest to me, one
4 by one, would you please all state your name
5 and positions with the Commission please.

6 A (Cunningham) My name is James J. Cunningham,
7 Jr. And I'm a Utility Analyst with the
8 Commission.

9 A (Dudley) My name is Jay E. Dudley. And I am a
10 Utilities Analyst in the Electric Division for
11 the New Hampshire PUC.

12 A (Nixon) My name is Elizabeth Nixon. I'm a
13 Utility Analyst at the New Hampshire Public
14 Utilities Commission.

15 Q Thank you. Did each of you submit prefiled
16 testimony in this proceeding?

17 A (Cunningham) Yes, I did.

18 A (Dudley) Yes, I did.

19 A (Nixon) Yes.

20 Q Do any of you have any corrections or updates
21 you'd like to make to that prefiled testimony
22 at this time?

23 A (Cunningham) No, I do not.

24 A (Dudley) No, I do not.

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[WITNESS PANEL: Cunningham|Dudley|Nixon]

1 A (Nixon) No, I don't either.

2 Q And if I were to ask you the questions
3 contained in your prefiled testimony today,
4 would your answers be the same as those
5 contained therein?

6 A (Cunningham) Yes, they would.

7 A (Dudley) Yes.

8 A (Nixon) Yes.

9 Q And do adopt that testimony as your sworn
10 testimony in this proceeding?

11 A (Cunningham) Yes, I do.

12 A (Dudley) Yes.

13 A (Nixon) Yes.

14 MR. DEXTER: Thank you. That's all
15 the questions I have.

16 CHAIRMAN HONIGBERG: I assume there's
17 no questions for these witnesses?

18 *[No indication given.]*

19 CHAIRMAN HONIGBERG: Thank you. You
20 can return to your seats.

21 Off the record for a moment.

22 *[Brief off-the-record discussion*
23 *ensued.]*

24 CHAIRMAN HONIGBERG: We're back on.

{DE 17-136} {12-13-17}

1 The only other exhibit I have is the Acadia
2 Center comments, which are not in the form of
3 testimony, correct?

4 MS. HAWES: Correct.

5 CHAIRMAN HONIGBERG: And, Ms. Hawes,
6 it is -- it's okay with you if this just goes
7 in as a comment, it's not testimony, right?

8 MS. HAWES: It was submitted as
9 comments and not as testimony.

10 CHAIRMAN HONIGBERG: All right.

11 MS. HAWES: So, you can just leave it
12 that way.

13 CHAIRMAN HONIGBERG: Okay. Is there
14 anything else we need to do before we do the
15 closing ceremonies?

16 *[No indication given.]*

17 CHAIRMAN HONIGBERG: All right.
18 Seeing none. Without objection, we'll strike
19 ID on Exhibits 1, 2, 5, 6, 7, 8, and 9. We're
20 going to hold the record open for affidavits to
21 sponsor Exhibits 3 and 4.

22 Anything else we need to do before we
23 allow the Parties to sum up?

24 *[No verbal response.]*

1 CHAIRMAN HONIGBERG: Seeing nothing.
2 I guess, normally, we would have the utilities
3 go last as they're generally the moving
4 parties. But, since this is a comprehensive
5 Settlement, I think, Mr. Fossum, I'm going to
6 look to you again to lead us off here.

7 MR. FOSSUM: Well, in that case, I
8 will lead off.

9 I'll begin by thanking the Parties to
10 this docket for being able to reach a
11 comprehensive Settlement Agreement amongst all
12 Parties. You know, as a Settlement Agreement,
13 it represents a measure of compromise amongst
14 all parties. And as clear from the Agreement
15 itself, we weren't able to resolve, finally and
16 forever, all issues, as indicated by the
17 working groups that we will be having. But I
18 think that this lays a strong groundwork for
19 the work that will be undertaken pursuant to
20 this Plan over the next three years.

21 I think all parties are looking
22 forward to the expansion of these programs,
23 additional offerings for New Hampshire
24 customers, and the benefits that it will bring

1 to the state.

2 I would ask that the Commission
3 approve the Plan as submitted and as modified
4 by the Settlement Agreement. Given that this
5 is all for implementation beginning in 2018, I
6 would ask that, to the extent possible, that
7 approval come in sufficient time to permit
8 implementation for January 1st of 2018, so that
9 there's no lapse in the programs.

10 And I would supplement that request
11 with, if it's not possible to have an order of
12 approval in that time, that there be some other
13 approval granted to allow the programs to
14 continue until such time as an order approving
15 the Settlement Agreement and underlying Plan
16 can be issued.

17 With that, I would just again thank
18 the Parties for their work in this docket. We
19 recognize there's still a lot of work ahead of
20 us in implementing the programs, and the
21 additional work for the remainder of this
22 planning period. And we look forward to that
23 work. And we would ask the Commission approve
24 what has been filed.

1 CHAIRMAN HONIGBERG: Mr. Paskvan?

2 MR. PASKVAN: Nothing further, sir.

3 Thank you.

4 CHAIRMAN HONIGBERG: Mr. Sheehan?

5 MR. SHEEHAN: I concur with what

6 Mr. Fossum said. So, no. Thank you.

7 CHAIRMAN HONIGBERG: Mr. Dean?

8 MR. DEAN: Nothing further. Thank

9 you.

10 CHAIRMAN HONIGBERG: Ms. Brand?

11 MS. BRAND: Thank you, Mr. Chairman.

12 I will be very brief. The New Hampshire
13 Sustainable Energy Association is supportive of
14 the Settlement Agreement and hopes it gets
15 approved. And we look forward to the
16 implementation in 2018.

17 CHAIRMAN HONIGBERG: Off the record.

18 *[Brief off-the-record discussion*
19 *ensued.]*

20 CHAIRMAN HONIGBERG: Ms. Ohler?

21 MS. OHLER: Thank you. The
22 Department of Environmental Services likewise
23 supports the Settlement Agreement. This
24 agreement really sets us on a critical path to

1 address our ever increasing energy use in New
2 Hampshire. And that energy use not only harms
3 our environment, but it drains our economy.
4 And this Settlement Agreement gives us a very
5 clear path forward to get going in the other
6 direction.

7 We really, really appreciate the hard
8 work and dedication of all Settling Parties.
9 This, the amount of compromise that happens
10 from all sides, I believe, leads us to sort of
11 to what Chairman Honigberg sort of alluded to,
12 in terms of "is this defensible in front of the
13 New Hampshire Legislature?" And I think that
14 this absolutely is. We do not go too far in
15 this Plan. Everything in it is defensible, is
16 well justified by the data behind it.

17 And to that extent, we look very much
18 forward to working with all the Parties to get
19 this implemented.

20 CHAIRMAN HONIGBERG: Mr. Burke or Mr.
21 Linder?

22 MR. BURKE: Thank you, Mr. Chairman.
23 The Way Home also supports the Settlement
24 Agreement presented to you today, and

1 respectfully recommends that the Commission
2 approve this Agreement. The Way Home believes
3 that this Settlement Agreement is just and
4 reasonable and in the public interest.

5 And that the Agreement should be
6 approved for the following reasons: First, as
7 was mentioned, the Agreement will provide
8 needed energy efficiency services for New
9 Hampshire ratepayers. Secondly, The Way Home
10 also believes that the Low-Income Home Energy
11 Assistance Program will provide necessary
12 weatherization and energy efficiency services
13 for low-income customers, which will help make
14 their utility bills more affordable.
15 Importantly, these services will also
16 contribute to improved levels of health,
17 safety, and comfort for low-income families and
18 individuals. Lastly, the EERS Plan that will
19 be implemented through this Agreement will
20 provide valuable energy efficiency services for
21 schools and municipalities as well.

22 The Way Home would also like to take
23 this opportunity to thank the PUC Staff, the
24 utilities, and the other Settling Parties, for

1 working together in a spirit of compromise and
2 consensus in arriving at this important
3 Settlement Agreement.

4 The Way Home likewise looks forward
5 to continue working with the Settling Parties
6 and other stakeholders in 2018, at both the
7 quarterly meetings and in the working groups,
8 as there are a number of important issues
9 described in the Plan and in the Settlement
10 Agreement that need to be addressed and
11 resolved, so that the EERS goals can be fully
12 implemented.

13 Thank you.

14 CHAIRMAN HONIGBERG: Ms. Hawes?

15 MS. HAWES: Yes. Thank you, Mr.
16 Chairman. Acadia Center fully supports the
17 Settlement Agreement regarding the three-year
18 Plan. We feel it represents a good balance
19 between giving the utilities reasonable
20 certainty in their planning and revenue, while
21 allowing stakeholders to revisit and study
22 certain issues.

23 In particular, we support the greater
24 clarity and role the Settlement Agreement

1 provided for stakeholder working groups, to
2 review Benefit/Cost Testing, Performance
3 Incentives, Lost Base Revenue, and Financing
4 and Funding.

5 And we look forward to continuing to
6 work with the groups here in strengthening the
7 efficiency programs in New Hampshire.

8 Thank you.

9 CHAIRMAN HONIGBERG: Ms. Birchard.

10 MS. BIRCHARD: Thank you, Mr.
11 Chairman. Conservation Law Foundation
12 supports -- likewise supports the unanimous
13 Settlement in this proceeding, and looks to the
14 launch of programs under New Hampshire's first
15 Energy Efficiency Resource Standard.

16 Energy efficiency is the cheapest
17 resource available to us, and the investments
18 that we make through these programs will save
19 all New Hampshire electric and gas customers
20 money.

21 Conservation Law Foundation supports
22 the inclusion of DRIPE. Failing to recognize
23 the substantial benefits that energy efficiency
24 offers, in terms of reduced prices, would be an

1 error. In particular, New Hampshire does not
2 want to be left paying an outsized share of the
3 costs of the regional electric grid, while
4 their neighbors to each direction pocket
5 savings not proportional to their populations
6 as a result of more advanced energy efficiency
7 programming.

8 We also look forward to continued
9 discussions around Rest of Pool DRIPE, because
10 we agree with Commissioner Giaimo that the
11 regional markets are tightly integrated.

12 CLF supports the inclusion of a 10
13 percent adder for non-energy impacts. This
14 commonsense measure is especially important,
15 because it recognizes that, for low-income
16 populations, among others in the state, energy
17 efficiency measures can be the difference
18 between life or death. For example, they help
19 to prevent avoidable fires. They can also be
20 the difference between sleeping through the
21 night and making it to school in the morning,
22 or staying home sick.

23 Conservation Law Foundation
24 recognizes that, under the terms of the

1 Settlement, much work lies ahead. And we are
2 enthusiastic to begin work on issues reserved
3 for the stakeholder working groups. Important
4 issues that we anticipate will be addressed
5 through these groups include stronger
6 incentives for work in the areas -- in areas
7 such as peak demand reduction, strategic
8 electrification, and low-income programs.

9 CLF also strongly supports changes to
10 the Plan development process outlined in the
11 Settlement, which should help to reduce the
12 need for such working groups in the future.

13 Finally, Conservation Law Foundation
14 recommends acceptance of the Settlement
15 presented today, together with the Plan filed
16 by the Utilities. We believe that the Plan, as
17 modified, will advance New Hampshire's energy
18 efficiency programs to the next level, help
19 lower costs, and keep us from falling behind
20 our neighbors in the ISO-New England region.

21 Thank you.

22 CHAIRMAN HONIGBERG: Mr. Kreis?

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

24 The decision that you get to make in this

1 docket is one of the most important decisions,
2 I think, that the Commission is going to make
3 in all of 2017. Assuming you approve the
4 Settlement Agreement that's pending before you,
5 and I earnestly hope, on behalf of residential
6 utility customers, that you do, will mark an
7 important transition for New Hampshire, as we
8 become the last of the New England states to
9 launch an Energy Efficiency Resource Standard.

10 You two distinguished gentlemen on
11 the Bench very astutely, I think, identified
12 the fact that there are many important
13 questions that this docket raises that, in a
14 sense, remain unanswered and are consigned to a
15 series of working groups that will wrestle with
16 those questions. And I would like to stress
17 how important those questions are, and how
18 engaged my office intends to be on behalf of
19 residential utility customers in resolving
20 them.

21 In particular, I think the most
22 important of the working groups is the EM&V
23 Working Group. "EM&V", of course, stands for
24 "Evaluation, Measurement and Verification".

1 That is critically important to the success of
2 any ratepayer-funded energy efficiency program.
3 And the question of "what role non-energy
4 impacts should play?" The question of "how
5 much non-energy impacts to recognize with
6 respect to income-eligible customers on top of
7 the non-energy impacts that apply to all
8 customers?"

9 These are critical issues that remain
10 unresolved at present, having inserted a
11 10 percent placeholder into the Settlement
12 Agreement. And they need to be grappled with
13 in a very deep and sometimes skeptical way.

14 It is critically important that the
15 Settlement Agreement calls for the energy
16 efficiency -- or, the Energy Efficiency and
17 Sustainable Energy Board to have representation
18 on the EM&V Working Group. EM&V tends to be
19 one of those subjects that only a very select
20 group of people have an intimate and therefore
21 working knowledge of. And without
22 representation from beyond simply utilities and
23 the Commission Staff, it is difficult for those
24 of us outside of that EM&V process to feel

1 confidence that the EM&V process is being
2 developed and implemented properly. And that
3 representation by the Energy Efficiency and
4 Sustainable Energy Board is very valuable and
5 critical.

6 There's also the Benefit/Cost Working
7 Group. And as the Settlement reflects, this
8 question of "how to apply the Benefit/Cost
9 Test?" is a dynamic question that continues to
10 evolve and will require further attention.

11 Another issue that I think we have
12 consigned to future conversations is this
13 question of "what the right Performance
14 Incentive is for the utilities to get to apply,
15 as a means of rewarding them for their
16 excellent work in the field of energy
17 efficiency?" And we intend to participate
18 vigorously in that.

19 There's the Lost Base Revenue Working
20 Group. And that Working Group I think is
21 convened with recognition that we need to do a
22 better job of calculating exactly what lost
23 base revenues need to be credited to the
24 utilities for purposes of allowing them to

1 recover revenues that they have lost.

2 Finally, there's the Funding and
3 Finance Working Group. And as the discussion
4 here has brought out, one of the key aspects of
5 that Working Group's job is to look at this
6 question of "what other sources, outside of the
7 System Benefits Charge and the other ratepayer
8 funded mechanisms that we use to finance our
9 energy efficiency programs, can be added to or
10 supplemented by outside sources of funding?"

11 But it is important to stress that
12 the other aspect of that Working Group's task
13 is to look at enhancing the opportunities for
14 customers to obtain borrowed capital, so that
15 they can meet their individual customer
16 co-pays. It's our sense at the OCA that there
17 are a lot of opportunities that aren't being
18 taken advantage of in that realm, and the
19 Funding and Finance Working Group, in which we
20 intend to participate very vigorously, will be
21 looking at ways to make contractors, utilities,
22 and financial institutions more dynamic, with
23 respect to making sure that customers have all
24 the opportunities they can to do the kind of

1 deep retrofits that will make the state's
2 housing stock truly energy efficient.

3 At Pages 9 and 10 of the Settlement
4 Agreement, there is a sentence that says "The
5 subsequent three-year plan covering 2021 to
6 2023 will be developed through an enhanced
7 stakeholder process beginning in the Fall of
8 2019." And I would like to stress, on behalf
9 of the OCA, that that sentence does not mean
10 that there cannot and will not be a rigorous
11 and skeptical examination of exactly what
12 paradigm should prevail with respect to how we
13 deliver and who delivers ratepayer-funded
14 energy efficiency programs.

15 As I think everybody in the room
16 knows, the two neighboring northern New England
17 states rely on a third party administrator to
18 deliver the energy efficiency programs that we
19 rely on our utilities to deliver here. And
20 while I think it's very unlikely that we would
21 switch to that third party administrator
22 paradigm, it's not necessarily just a binary
23 choice. It is an opportunity to look at how we
24 can optimize the delivery of ratepayer-funded

1 energy efficiency programs. And it's very
2 important to the OCA that the Commission
3 acknowledge, and hopefully even highlight in
4 its order, the fact that the paradigm that we
5 have now is not necessarily the one that we'll
6 be employing after the current three-year
7 period ends in 2020.

8 Finally, I want to highlight the fact
9 that, in the Settlement Agreement that got
10 approved last year, in Docket No. 15-137, each
11 of the utilities agreed, in exchange for the
12 adoption of the Lost Revenue Adjustment
13 Mechanism, that they would propose a revenue
14 decoupling mechanism in the first rate case
15 that they file after the current -- after the
16 next three-year period, meaning in 2021 and
17 forward.

18 And I just want to highlight and laud
19 the fact that one of our utilities, which is to
20 say EnergyNorth, the Liberty Utilities gas
21 affiliate, has kept faith with that obligation
22 in a very dynamic way, by already making a
23 revenue decoupling proposal. Revenue
24 decoupling is important, because it's

1 symmetrical, and the Lost revenue Adjustment
2 Mechanism is not symmetrical. And therefore,
3 the utilities' ongoing obligation to make a
4 symmetrical revenue decoupling proposal in
5 their next rate case after this three-year
6 period that we're about to embark on is very
7 important to the OCA.

8 There were references today to the
9 business community. And I guess, on behalf of
10 the OCA, which represents residential utility
11 customers, I would say that I perceive no
12 divergence between the interests of residential
13 utility customers and commercial and industrial
14 customers when it comes to energy efficiency.
15 And the fact that the business community is not
16 represented here today I think ought to be
17 interpreted by the Commission as a type of
18 assent to the approach to energy efficiency
19 that we are looking at here today.

20 I think it's also useful for the
21 Commission to take note of the fact that the
22 business organization, New Hampshire Businesses
23 for Social Responsibility, has adopted a set of
24 clean energy principles, which mention energy

1 efficiency quite prominently as essential to
2 the future section of the business community in
3 our state.

4 And, with that, I think I would just
5 like to stress that the System Benefits Charge,
6 which will increase as a result of the -- as a
7 result of the Settlement Agreement that's
8 pending here today, is not. As I've heard over
9 at the Legislature, a tax. It's not a tax,
10 because the government doesn't collect it, the
11 government doesn't hold it, the government
12 doesn't spend it; it is a rate. And although
13 rate-setting is a -- legally considered a
14 legislative activity, legislatures, like our
15 Legislature, typically delegate ratemaking
16 authority to regulatory commissions, based on
17 the entirely sensible notion that rates ought
18 to be developed pursuant to a rigorously
19 developed factual record that is created with
20 attentiveness to due process.

21 What we have here through the
22 enhanced stakeholder process that we would
23 perpetuate, assuming approval of the Settlement
24 Agreement, is really the best of both worlds.

1 I think the fact that we use that enhanced
2 stakeholder process to develop the Plan that's
3 before you and the Settlement Agreement that's
4 before you is a sign that that process works.
5 And, by "enhanced stakeholder process", I mean
6 when we use the Energy Efficiency and
7 Sustainable Energy Board as an opportunity for
8 the utilities to bring what they are
9 contemplating before a group of stakeholders
10 that has a deep opportunity to vet what the
11 utilities are thinking about, that leads to
12 fewer contested issues during the second part
13 of the consideration, which involves a
14 traditional, contested, administrative process,
15 such as the one that we're involved here.

16 To my way of thinking, that's the
17 best of both worlds. It leads to the kind of
18 excellent results that are reflected in the
19 Settlement Agreement that you have before you
20 here today. And therefore, on behalf of the
21 state's residential utility customers, I
22 respectfully request that the Commission
23 approve the Settlement Agreement and the System
24 Benefits Charge reflected in it as a just and

1 reasonable rate.

2 CHAIRMAN HONIGBERG: Mr. Dexter.

3 MR. DEXTER: Thank you, Mr. Chairman.
4 Staff will make it unanimous, and request that
5 the Commission approve the Settlement as
6 presented. We believe it's truly a
7 comprehensive Settlement. It includes all the
8 Parties to the case, all the Parties to the
9 case signed the Settlement.

10 It addresses all the issues. It lays
11 out a framework to proceed over the next three
12 years. And it sets up a series of working
13 groups to address issues that require
14 flexibility and study and more detail.

15 With that said, Staff recommends
16 approval. Thank you.

17 CHAIRMAN HONIGBERG: Thank you all
18 for the hard work you did on this. It's
19 reflected in the filing, the comprehensive
20 Settlement, the testimony that you all provided
21 here today, which we greatly appreciate.

22 We're going to close the record,
23 except for submissions to deal with Exhibits 3
24 and 4, take the matter under advisement, and

1 issue an order as quickly as we can. We are
2 adjourned.

3 ***(Whereupon the hearing was***
4 ***adjourned at 2:58 p.m.)***

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