

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

February 14, 2018 - 10:10 a.m.
Concord, New Hampshire

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RE: DE 18-002
EVERSOURCE ENERGY:
2018 Energy Service Solicitation.
(Hearing regarding the period of
April 1, 2018 through July 31, 2018)

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

Jody Carmody, Clerk

APPEARANCES: Reptg. Eversource Energy:
Matthew J. Fossum, Esq.

Reptg. NextEra Energy Marketing, LLC:
Douglas L. Patch, Esq. (Orr & Reno)

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
James Brennan, Finance Director
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Thomas Frantz, Director/Electric Div.
Richard Chagnon, Electric Division

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

CERTIFIED
ORIGINAL TRANSCRIPT

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here this
3 morning in Docket DE 18-002, which is
4 Eversource's 2018 Energy Service Solicitation
5 docket. We have a filing for the first
6 four-month period. There's a number of things,
7 preliminary matters we're going to have to deal
8 with.

9 But, before we do that, let's take
10 appearances.

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

15 MR. PATCH: Good morning,
16 Commissioners. Doug Patch, from Orr & Reno, on
17 behalf of NextEra Energy Marketing, LLC.

18 MR. KREIS: Good morning,
19 Commissioners. I'm D. Maurice Kreis, the
20 Consumer Advocate, here on behalf of
21 residential utility customers. The gentleman
22 to my left is Mr. Jim Brennan, the OCA's
23 Director of Finance.

24 MS. AMIDON: Good morning, and Happy

1 Valentine's Day. I'm Suzanne Amidon, for
2 Commission Staff. To my far left is Tom
3 Frantz, the Director of the Electric Division,
4 and to my immediate left is Rich Chagnon, an
5 Analyst with that division.

6 CHAIRMAN HONIGBERG: All right.
7 Where do you want to start? You want to start
8 with intervention?

9 Mr. Fossum, do you have any position
10 on Mr. Patch's petition?

11 MR. FOSSUM: I have no position.

12 CHAIRMAN HONIGBERG: Anyone else have
13 a position? Mr. Kreis?

14 MR. KREIS: No position.

15 CHAIRMAN HONIGBERG: Ms. Amidon?

16 MS. AMIDON: None.

17 CHAIRMAN HONIGBERG: Mr. Patch, the
18 mere fact that others have been let in does not
19 demonstrate you have a right, duty, privilege,
20 *etcetera*, affected by this. Can you do better
21 than what was in writing?

22 MR. PATCH: I think we made a few
23 others points in there, Mr. Chairman. And I
24 guess what I would emphasize is that NextEra

1 Energy Marketing is clearly a supplier of
2 electricity. That's what this docket is about,
3 is sort of the precedent that would be
4 established going forward for Eversource, in
5 terms of the RFP process that it's going to
6 file and how that will impact on various
7 suppliers of electricity.

8 CHAIRMAN HONIGBERG: We had a
9 proceeding about that, and there was a
10 Settlement Agreement that set a process. And
11 if you wanted to make sure the process was
12 being followed, you could look at the filings,
13 attend the hearing, you could even make comment
14 on it. But that's not the same as being an
15 intervenor.

16 MR. PATCH: Well, and one thing I
17 would point out, in that Settlement Agreement,
18 and we were, as you noted, a party in that
19 docket, there's an agreement that Eversource
20 will manage its RPS obligation in a manner
21 consistent with Commission precedent for other
22 regulated electric utilities in New Hampshire.
23 I mean it's --

24 CHAIRMAN HONIGBERG: Are you a party

1 in the other, the Unitil and Liberty dockets?
2 Not that I'm aware of.

3 MR. PATCH: No. We have not been.
4 But this is new. This is brand new. We want
5 to make sure that the process that's
6 established is something that is consistent
7 with that Settlement Agreement, consistent with
8 what the other utilities do in New Hampshire.
9 And we believe that we have rights, duties,
10 obligations that will be affected by this.

11 CHAIRMAN HONIGBERG: Isn't the
12 simpler argument you're "a bidder"?

13 MR. PATCH: We have been a bidder.

14 CHAIRMAN HONIGBERG: You're directly
15 interested in the outcome of the proceeding?

16 MR. PATCH: Sure. Yes, that's
17 definitely part of it.

18 CHAIRMAN HONIGBERG: And I think that
19 would have been a really big part of it. That
20 might have been my first sentence.

21 But, even in that status, it doesn't
22 entitle you to legitimately confidential
23 information about the bid process. If you're
24 part of a competitive bid process, you

1 understand that, if you are let in, it will
2 be -- you will have limited access to
3 information. And if we have to get into
4 confidential information on the record, we'll
5 have to ask you to leave at that point, right?

6 MR. PATCH: Absolutely. We
7 understand that. Again, I'm not sure we will
8 be in any other proceedings, but this one is an
9 important one.

10 CHAIRMAN HONIGBERG: Yes. There's a
11 "shakedown cruise" element to this that I think
12 will come up in other aspects of this
13 conversation that we're hoping to get right.

14 I don't know. Commissioner Bailey
15 has a question, Mr. Patch.

16 CMSR. BAILEY: Did you say your
17 interest was about the RPS adder?

18 MR. PATCH: No. I didn't say that.

19 CMSR. BAILEY: Oh. Okay.

20 MR. PATCH: Yes.

21 CMSR. BAILEY: I misheard you. All
22 right.

23 CHAIRMAN HONIGBERG: I didn't think I
24 heard you say that either, but I wasn't sure.

1 Yes. There's clearly a first time
2 for Eversource to be doing this thing that
3 Unitil and Liberty have been doing for a number
4 of years. So, as following the model that they
5 have established where they do essentially the
6 same thing, if, you know, when Eversource gets
7 to the point where it is doing the same thing,
8 that will probably make everyone's life a
9 little easier, including Eversource.

10 I think, on the basis that you're
11 going to look an awful lot like a member of the
12 public, you probably do have an interest in the
13 outcome of this proceeding for the specific
14 reason that we identified. And, so, on that
15 basis, we're going to let you in as an
16 intervenor, limited in the ways that we talked
17 about.

18 MR. PATCH: Okay. Thank you.

19 CHAIRMAN HONIGBERG: Other matters?
20 There's a concern, I think, Mr. Fossum, about
21 how much information has been redacted from the
22 filing. It seems that you have redacted quite
23 a bit more than we are used to seeing redacted
24 from Liberty's and Unitil's filings.

1 What's the thinking here?

2 MR. FOSSUM: Well, a couple of things
3 on that. And I will say Staff had, to their
4 credit, had let us know that those were
5 concerns about the -- what was redacted in this
6 filing. So, a couple of points to make on
7 that, in that there's a couple of differing
8 reasons depending on what was redacted.

9 So, and to the point about what's
10 redacted in Liberty and Unitil's filings, I
11 will say sometimes it's tough to tell what's in
12 there and what's not. I will say, for example,
13 I know that Unitil includes what I believe is
14 referred to as a "Bidder Evaluation Form", I
15 think that's the term they use for it, which is
16 many pages long and completely black. So, I
17 don't know what that is. That seems like --
18 I've not been able to read it. You know, we
19 don't have anything like that in here.

20 But getting to what we do have in
21 here and what we did do. One of the things
22 that we sought to protect, which I know is
23 different than the other utilities, is the
24 names of the bidders, both winning and losing.

1 And I recognize that that is a difference
2 between how we have done things and how the
3 other utilities have done things, where they
4 disclose the names of the winning bidders.

5 The reason for that was, well, one,
6 we looked at the Commission's rules. And in
7 default service proceedings, it identifies as
8 one of the -- in the routine filings, a
9 description in 201.06, that "bidder
10 information" is included. And it doesn't
11 define that any further than "bidder
12 information".

13 Additionally, our view, and probably
14 more importantly, our view was that given the
15 size of the load that we put out to bid, it's
16 unlikely that a winning supplier would be able
17 to hedge all of that load in a single
18 transaction immediately following approval. It
19 would take some time for them to go out and do
20 all the things that they need to do once they
21 have gotten the approval from the Commission.
22 And, so, our thought was "we don't want that
23 supplier to be concerned about their" -- "the
24 fact that they are the winning bidder and now

1 must go out and make these transactions to be
2 part of their transacting." We wanted that
3 supplier to have the freedom to work in the
4 market as made sense to them to hedge as
5 appropriate for them, without anybody knowing
6 that they were now required to meet a certain
7 load. It's my understanding from the folks in
8 the Company who deal with the energy supply
9 side of things that that is a real concern that
10 has been expressed by some suppliers.

11 So, we believed it was appropriate to
12 protect the name of the winning supplier, along
13 with the other suppliers, in the filing itself,
14 and for at least a reasonable amount of time
15 following the approval. So, this wouldn't
16 necessarily be a "forever redaction". But
17 that, for purposes of this filing, and at least
18 for a reasonable amount of time after the
19 approval, we believed it was necessary to
20 protect that bidder's identity.

21 CHAIRMAN HONIGBERG: Okay. Well,
22 let's, before you move -- are you done with
23 that aspect of the redactions?

24 MR. FOSSUM: Yes.

1 CHAIRMAN HONIGBERG: All right. So,
2 on that, does anyone want to comment on
3 redacting the name of the winning bidder,
4 understanding that it's temporary, according to
5 what Mr. Fossum is saying?

6 Mr. Kreis, then Ms. Amidon.

7 MR. KREIS: I think that kind of
8 redaction is completely inappropriate, it's
9 unprecedented. It is certainly inconsistent
10 with -- I assume that the Commission's rules
11 about routine filings were promulgated based on
12 what was then existing practice. I think the
13 public has a right to know who the winning
14 default service bidder is.

15 I don't accept the premise that the
16 winning bidder or bidders in this proceeding
17 made their bids with the expectation that, if
18 they won, their name would remain confidential.

19 And I think, to some extent, the fact
20 that the company or companies providing default
21 service to utilities in New Hampshire becomes
22 public, and that has some incremental effect on
23 the Default Service rate, because it somehow
24 affects the way those bidders then get to

1 operate in the market, I think that's the cost
2 of providing default service. And that is one
3 way in which competitive suppliers have an
4 advantage. I think that's built into the whole
5 restructuring model.

6 CHAIRMAN HONIGBERG: Ms. Amidon.

7 MS. AMIDON: I agree with the
8 Consumer Advocate. In addition, I imagine the
9 winning bidders are winning bidders in other
10 solicitations as well. So, when they go to the
11 market, they're just not buying for or
12 purchasing power for one company. They're
13 probably purchasing power for a number of
14 companies. So, I don't see how masking the
15 identity of the winning bidder helps at all.

16 And I agree with the Consumer
17 Advocate that I don't expect that either of the
18 winning bidders asked for protection of their
19 identification and hold it confidential in New
20 Hampshire.

21 CHAIRMAN HONIGBERG: All right. What
22 else you got, Mr. Fossum?

23 MR. FOSSUM: I think the --

24 CHAIRMAN HONIGBERG: Hang on. I

1 think Commissioner Bailey has a question.

2 Sorry.

3 MR. FOSSUM: Certainly.

4 CMSR. BAILEY: Mr. Patch, do you have
5 any information that would illuminate this
6 discussion about whether the identification
7 before the hedging happens would affect the
8 rate that the supplier might get?

9 MR. PATCH: I don't have any specific
10 information on that. The only thing I'll say
11 is that my client was surprised to see that the
12 information about the winning bidder was being
13 redacted, because that's not consistent with
14 what was done with Unitil and Liberty.

15 And again, I cited that provision in
16 the Settlement Agreement that said this was
17 going to be done consistent with the way those
18 were done.

19 CMSR. BAILEY: Okay.

20 MR. PATCH: So, they were surprised
21 by that.

22 CMSR. BAILEY: Thank you. That's
23 helpful.

24 CHAIRMAN HONIGBERG: Sorry.

1 Mr. Fossum.

2 CMSR. GIAIMO: May I ask --

3 CHAIRMAN HONIGBERG: Oh.

4 Commissioner Giaimo.

5 CMSR. GIAIMO: Do you know if other
6 large utilities in other states have their
7 winning bidders redacted?

8 My understanding, at least of Central
9 Maine Power, is that their load -- the winner
10 of their default is known.

11 MR. FOSSUM: I only know what I have
12 been told. And I believe later we will have
13 Mr. White, for example, testify on behalf of
14 the Company. He would probably have more
15 knowledge of this than I would. My
16 understanding is I believe that, as a general
17 matter in the other states, and subject to
18 check or correction, that they are kept
19 confidential for a period of time after the bid
20 is awarded. Not forever. So, sort of along
21 the lines of what we were thinking here is, you
22 know, perhaps a ten-day period following the
23 order.

24 Again, subject to being corrected

1 later, that's my understanding.

2 CHAIRMAN HONIGBERG: All right.

3 Other matters that are redacted?

4 MR. FOSSUM: The other specific
5 matter that was brought to my attention ahead
6 of time as being of concern was that there was
7 some of the information contained in the rate
8 calculations that was -- that the Company had
9 redacted. And I'll say the reasoning behind
10 having redacted the information that we did is
11 that, if, for example, if the retail rate is
12 disclosed, and it is, that's the rate we're
13 proposing be charged, if that is disclosed,
14 along with the various adjustments that were
15 made to result in that rate, then somebody with
16 minimal effort could I guess the term is "back
17 in" to what the wholesale bid was. I don't
18 think anybody would argue that the wholesale
19 bid should be disclosed. And, so, we believed
20 it appropriate to protect or to redact the
21 information underlying that calculation so that
22 there wouldn't be a means for somebody to very
23 easily calculate the wholesale bid from the
24 retail rate.

1 CHAIRMAN HONIGBERG: This side of the
2 room? Mr. Kreis?

3 MR. KREIS: I guess my position about
4 that is identical to the position I previously
5 articulated about the identify of the winning
6 bidder or bidders. I think, you know, the
7 whole -- one of the fundamental underlying
8 assumptions about restructuring is that default
9 service is a public process. And I think that
10 to the extent that disclosure of the components
11 that lead to the actual retail rate Eversource
12 is proposing here allows other market players
13 to back in to figuring out what the winning bid
14 looked like, that's just the cost of providing
15 default service.

16 And I think there's a fundamental
17 distinction here in the Commission's rules
18 between bidders and winners. And I think there
19 are some compelling reasons to keep a lot of or
20 essentially all information about losing bids
21 confidential. But the winning bidder isn't
22 just a bidder anymore, it is a default service
23 supplier and it has to conduct its business
24 publicly.

1 CHAIRMAN HONIGBERG: Ms. Amidon?

2 MS. AMIDON: Well, Staff doesn't
3 disagree that the wholesale price is
4 confidential for a period of time pursuant to
5 FERC rules, but all of these various elements
6 don't necessarily lead to the wholesale price.
7 These elements are part of the rate that
8 customers will pay effective, what is it,
9 April 1, in this instance. And under the Right
10 to Know law, the public is entitled to
11 information which sheds light on the work of
12 the Commission, and certainly setting the rate
13 is an important part of that. And knowing what
14 the elements are, say, for example, the RPS
15 adder, the A&G adjustment factor, which I think
16 is a administrative and general service type
17 adjustment factor, the Hydro adjustment factor,
18 which was part of the Settlement Agreement,
19 which is totally public, all of those are
20 relevant to understanding how the Commission
21 derived the rate.

22 So, I think it's important. I think
23 it's the public's right to know. And we've
24 never heard this argument from Liberty or

1 Unitil.

2 Thank you.

3 CHAIRMAN HONIGBERG: Mr. Patch, I'll
4 ask Commissioner Giaimo's question. In other
5 solicitations your client's been involved in,
6 are you used to seeing the winning bid numbers
7 redacted?

8 MR. PATCH: I don't have the answer
9 to that. I could try to get an answer for you.
10 But I just don't know off the top of my head.

11 CHAIRMAN HONIGBERG: Commissioner
12 Bailey.

13 CMSR. BAILEY: Ms. Amidon, in the
14 Unitil and Liberty filings, is the rate per
15 kilowatt-hour that goes into the Default
16 Service rate redacted, the energy portion of
17 it?

18 MS. AMIDON: No, it is not. And the
19 reason it is not, it's not necessarily a
20 reflection of the wholesale price, because
21 there are other adjustments that are made to
22 the calculation of the actual rate. So, the
23 retail rate is not confidential; the wholesale
24 price is. In other words, they will give us an

1 aggregate of the wholesale price or the energy
2 price for the six-month period.

3 CMSR. BAILEY: Oh. Right.

4 MS. AMIDON: Correct.

5 CMSR. BAILEY: So, the wholesale
6 price is bid on a monthly number.

7 MS. AMIDON: Right.

8 CMSR. BAILEY: And then the average
9 number that comes out, that goes into the rate
10 that's being proposed, --

11 MS. AMIDON: Yes.

12 CMSR. BAILEY: -- is not redacted?

13 MS. AMIDON: Correct. Because there
14 are other adjustments to the wholesale rate.

15 CMSR. BAILEY: You mean, like for
16 loss?

17 MS. AMIDON: Right. Loss factor
18 and --

19 CMSR. BAILEY: But we know what the
20 loss factor is in the public record.

21 MS. AMIDON: Oh, that's true.

22 CMSR. BAILEY: And then -- and then
23 they identify the RPS rate?

24 MS. AMIDON: Correct.

1 CMSR. BAILEY: And they identify the
2 overhead rate?

3 MS. AMIDON: Right. I mean, it's all
4 there.

5 CMSR. BAILEY: So, the average
6 wholesale rate that is going into the Default
7 Service rate is identified?

8 MS. AMIDON: It is --

9 CMSR. BAILEY: The rate that gets
10 bid, the average of those six months, --

11 MS. AMIDON: Right.

12 CMSR. BAILEY: -- that goes -- that
13 is the component of the Default Service rate is
14 not redacted, is it?

15 MS. AMIDON: Right.

16 CMSR. BAILEY: Is that not your
17 understanding, Mr. Fossum?

18 MR. FOSSUM: I guess, if I'm
19 following your question, is it sounds like what
20 you're saying is, with the retail rate being
21 identified, and the various adjustments are
22 being identified, that at least the average
23 wholesale rate either is or certainly very
24 easily can be identified.

1 CMSR. BAILEY: I think it is.

2 MR. FOSSUM: And, so, then I think
3 that gets back to my initial point, is now the
4 wholesale rate bid is known.

5 CMSR. BAILEY: Right. But is known,
6 and everybody expects it to be known. So, I
7 don't understand -- I mean, I thought I
8 understood what you were saying is that it
9 could be known if the other components, like
10 the RPS charge and the general/administrative
11 charge were publicly available, you could back
12 that out and get to the wholesale rate, the
13 average wholesale rate.

14 MR. FOSSUM: Correct.

15 CMSR. BAILEY: But in the other
16 filings that we see, the average wholesale rate
17 is identified up front, not redacted, I
18 believe.

19 MR. FOSSUM: And I understand that
20 that's the case. I'm explaining what our
21 reasoning was for doing what we did here.

22 Ultimately, in the end, and I'm
23 prepared to have this discussion, is that, if
24 the Commission does not agree with our

1 position, then we're happy to work with what
2 the Commission wants and what the Staff and the
3 OCA have come to expect in preparing future
4 filings. Our concern was, in putting together
5 this filing, that giving out or making easily
6 calculable the wholesale supplier bid
7 information was not appropriate, and so we
8 wanted to protect that information. And to do
9 so, we had to protect the information that
10 would allow you to calculate that rate.

11 CMSR. BAILEY: Did you look at the
12 Unitil filing?

13 MR. FOSSUM: Yes. And I understand,
14 you know, there was an expectation that we
15 would produce a filing consistent with those.
16 We didn't read "consistent" as "identical
17 with". So, we've provided very similar
18 information in very similar ways to what they
19 have provided, but we didn't feel that it -- we
20 didn't understand that there was an expectation
21 that we would do exactly the same thing that
22 they had done.

23 CHAIRMAN HONIGBERG: Ms. Amidon.

24 MS. AMIDON: With all due respect, I

1 mean, it is the winning bidder, and it is the
2 base of the rates. I don't know why you would
3 want to mask the elements of the rate for the
4 customers. The fact that they selected the
5 winning bidders. Now, as long as the customer
6 is not affected by, and I'm assuming that in
7 this filing, the customers are held harmless
8 from any further purchases that are made by --
9 well, the winning bidders that may exceed the
10 costs that they bid, that's borne by the power
11 supplier.

12 So, it's the winning bidder and it's
13 for full transparency. I don't see how and why
14 this retail rate information is masked the way
15 it is in this filing. I don't understand it.

16 CHAIRMAN HONIGBERG: Mr. Kreis, it
17 looked like you wanted to say something.

18 MR. KREIS: Well, only -- I would
19 make the further observation that, as you, Mr.
20 Chairman, mentioned at the beginning of this
21 hearing, this docket is a "shakedown cruise".
22 I think that's an excellent way of putting it.
23 And, so, there is a heightened public interest
24 in the way this particular transition from the

1 previous paradigm, to this new world, in which
2 PSNH is doing exactly what the other electric
3 utilities in this state are doing, means that
4 the public's interest in disclosure of this
5 information is unusually strong in this docket,
6 in contrast to the garden variety default
7 service procurement cases that we're used to
8 handling with the other two electric utilities.

9 So, it's almost like the Commission
10 shouldn't be treating this as the kind of
11 "routine filing" that it's thinking -- that it
12 thought about when it promulgated the rules
13 governing confidential material in routine
14 filings.

15 CHAIRMAN HONIGBERG: Yes. I
16 understand what you're saying, Mr. Kreis. I'm
17 not sure I agree with you, but I understand --
18 I understand the point.

19 I don't want to discount what the
20 Company thought would make sense in this
21 context without thinking about it further and
22 without giving them an opportunity. It may be
23 that Mr. White or Mr. Goulding has something
24 they want to put on the record under oath about

1 how -- the word "premature" is a valuating
2 word, I don't mean to use it in that way, but
3 premature disclosure of that information might
4 affect bidder behavior and increase costs.

5 What I heard Mr. Fossum say is, he
6 fully anticipated the information becoming
7 public "soon", not immediately, but "soon".
8 And if somebody wants to make a record under
9 oath, with a qualified witness, that that's
10 relevant and would affect the costs that are
11 incurred and the rates that customers were
12 charged, I'd kind of like to hear it.

13 But, Mr. Fossum, you can see that
14 there's a lot of discomfort with the way you
15 did this. And I think we understand the
16 reasons you did it. I don't think anybody is,
17 you know, making any, again, any value
18 judgments directed at you, you did what you
19 thought would work and within the rules, but
20 there's a lot of concern about it.

21 Under our rules, claims of
22 confidentiality are observed and recognized
23 until basically they're given up or appeal
24 processes run. I know that's the way the rule

1 works on motions for confidential treatment.

2 I'm not 100 percent certain that the "routine
3 filing" rule works the same way.

4 Can one of the lawyers in the room
5 tell me if they know the answer to that off the
6 top of their head?

7 Seeing no response, --

8 MR. FOSSUM: Well, are you saying the
9 process under those rules, is that what you're
10 asking?

11 CHAIRMAN HONIGBERG: Well, I know
12 that if you make a motion for confidential
13 treatment, then there's a rule in our rules
14 that say "we'll observe the confidentiality,
15 we'll protect it, until appeal rights have
16 run." I don't have -- I mean, and Commissioner
17 Bailey is looking at the rules, and I think
18 some other people are as well. Is that how the
19 "routine filing" rule claim of confidentiality
20 works as well?

21 MR. FOSSUM: My recollection is "not
22 quite". My recollection of that rule is that
23 the proponent of the evidence makes the initial
24 claim of confidentiality pursuant to the rule,

1 and the Commission will essentially agree with
2 it, sort of without doing anything, unless and
3 until somebody challenges that. And then there
4 is a period of time where there is an
5 opportunity to respond to the challenge, and
6 then there would be a ruling.

7 So, then it would -- it's sort of --
8 it's essentially, my recollection is, that it's
9 sort of assumed confidential until challenged,
10 and then, once challenged, it becomes more like
11 it would under a standard motion.

12 CHAIRMAN HONIGBERG: Okay.

13 Ms. Amidon.

14 MS. AMIDON: So, I searched my memory
15 I've engaged, and I know that Unitil, out of
16 abundance of caution, has in the past with its
17 default service filings filed a motion for
18 confidential treatment, in addition to the
19 petition for approval of the filing, and has
20 attempted to get agreement from the Bench at
21 hearing that the information that they have
22 redacted is indeed consistent with the rule.
23 And in those instances, often the Consumer
24 Advocate or the attorney at this table will say

1 "they've reviewed the confidential redactions
2 and agree."

3 So, there is a process that is done
4 in this room or, well, outside of this room,
5 but is asserted in this room, to provide the
6 information and guidance to the Commission as
7 to whether or not the redactions are consistent
8 with the rule and with prior practice of the
9 Commission.

10 And in this instance, if you were to
11 ask me, I would say it's not consistent with
12 the rule and prior practice of the Commission
13 in many instances. The wholesale prices, you
14 know, we certainly understand the wholesale
15 contract price is confidential until such time
16 as FERC says it's not. But there's a lot of
17 other information in this filing, including the
18 identity of the winning bidders, that the
19 Commission has not considered "bidder
20 information" under the rule.

21 Thank you.

22 CHAIRMAN HONIGBERG: Mr. Kreis.

23 MR. KREIS: So, Paragraph (e) of Rule
24 201.06 does indeed say that you, and I guess

1 all of us, will treat information as
2 confidential pending the Commission resolution
3 of any request for disclosure of that
4 information in cases to which the rule applies,
5 i.e. routine filings.

6 I guess the argument that I'm making
7 on behalf of customers is that this isn't
8 really a "routine filing" under the meaning of
9 the rule, given that we're on this "shakedown
10 cruise", which is why I made that argument.

11 That said, I personally am eager to
12 handle this in whatever way the Commission
13 feels would be most efficient and respectful of
14 all the interests of the various parties here.

15 CHAIRMAN HONIGBERG: Well, I mean, I
16 think efficient today and respectful of the
17 interest is to maintain confidentiality for
18 whatever the Company believes is confidential
19 through this hearing. And I think we've heard
20 what you all have said so far. If there's
21 other things you want to say orally, we can
22 take them up.

23 We might require something in writing
24 explaining the position. You know, maybe we

1 need a motion from you, Mr. Fossum, because
2 you've been challenged, I think, under your
3 formulation, you've been challenged. Although,
4 maybe what we need from Staff and the OCA is a
5 more specific identification of what they think
6 should not be redacted.

7 MS. AMIDON: And I'm prepared to do
8 that on the record.

9 CHAIRMAN HONIGBERG: Okay. If that's
10 the most efficient way to do it, that might
11 make sense.

12 Mr. Fossum, you look like you're
13 ready to say something.

14 MR. FOSSUM: Just two items. One
15 perhaps more important than the other. I think
16 the lesser important one is the resolution
17 process for this under the Commission's rules
18 is a little different than what I had
19 formulated. I happen to have the rule in front
20 of me.

21 It presumes, first of all, that this
22 is a routine filing, which I understand the OCA
23 doesn't necessarily agree with. But, assuming
24 that it is, then items are kept confidential

1 until there is a written communication -- until
2 there is a request for those documents to be
3 publicly made available or the portions of
4 documents. And then following the receipt of
5 that request, there's a written acknowledgment,
6 there's an opportunity for the submitter to
7 just disclose the information, or the submitter
8 to object to disclosure and explain the reasons
9 for their objection. So, there is a process
10 for that.

11 I guess the broader point is one that
12 I think fundamentally we do not disagree with
13 the positions and the arguments that have been
14 offered by the Staff and the OCA. I was
15 prepared this morning to explain to you, we did
16 what we did for what we thought were
17 appropriate reasons. And if they don't agree,
18 and if the Commission does not agree with our
19 position, then we're willing and able to work
20 with the Staff, the OCA, or a directive from
21 the Commission, to understand what information
22 it is that should be disclosed, and we'll abide
23 by that in the future.

24 The reasons that we did this were

1 ultimately we believed that this would help
2 keep costs down. It would lower risk to
3 suppliers. And if, as Mr. Kreis has
4 articulated, then that's sort of the cost of
5 doing business with the regulated utility is
6 that disclosure of that is, and that they're
7 willing to live with that cost, and the
8 Commissioner is willing to live with that, we
9 understand.

10 I guess all I'm trying to say is
11 we're willing to work with people to get this
12 right. We want to work with people to get this
13 right. For this filing, we did it this way,
14 because we believed that was right.

15 CHAIRMAN HONIGBERG: Thank you,
16 Mr. Fossum. I appreciate everything you just
17 said, and the sentiments underlying it.

18 I don't know if there is a cost to
19 disclosing the type of information that you've
20 identified. It may be. I mean, I know
21 inherently, and have heard testimony in other
22 similar dockets, that virtually everything that
23 adds uncertainty in the minds of the suppliers
24 can and often is priced in to their bids.

1 So, it would not surprise me. But I
2 don't have anything that would tell me that
3 it's true here of this information, other than
4 people's opinions. It could be true. I just
5 don't know. If someone is going to testify to
6 it, then that might be significant.

7 I think in light of the offer that
8 you made, I think what we'd like you to do is
9 work with Staff and the OCA, review the filings
10 by Unitil and Liberty, which have now become
11 routine filings, so that things that should be
12 public are public. Things that should be
13 confidential are confidential.

14 I'm fairly certain that there's
15 things that you redacted that should be public
16 now. But we don't need to make a ruling on
17 that now, because there's a process. And I
18 think following -- following your offer, I
19 think I'm going to ask the Parties to shortcut
20 the process if they can. Agree on what you can
21 agree on. For which you can't agree on, put in
22 writing, and we'll resolve it afterwards.

23 Okay?

24 What else have we got? I know one of

1 things that was not in the filing, Mr. Fossum,
2 was the agreement with the suppliers, the
3 contract.

4 MR. FOSSUM: Correct.

5 CHAIRMAN HONIGBERG: Do you have that
6 today? Is that going to become part of the
7 record, either confidential or not.

8 MR. FOSSUM: I have confidential, I
9 have -- yes. I have copies of the contracts,
10 the Master Power Supply Agreements --

11 CHAIRMAN HONIGBERG: Okay.

12 MR. FOSSUM: -- and the transaction
13 confirmation documents. I have them in both
14 the confidential and redacted forms, because we
15 treated them as we had treated the other
16 information. So, winning bidder information,
17 for example, their identities have been -- have
18 been protected.

19 That was left out of the filing
20 simply because, yes, we've seen it in the
21 filings of others, but we didn't understand it
22 to be essential to the ruling of the Commission
23 on the appropriateness of the rates. So, we
24 elected to omit it.

1 CHAIRMAN HONIGBERG: This is -- I'm
2 not criticizing right now. I would just want
3 to make sure, we feel we need to know what the
4 terms are, in case there's some weird term that
5 Staff or the OCA identifies as being a
6 potential problem. For us to be able to
7 approve the arrangement, we need to be
8 satisfied that there's nothing unusual or
9 problematic about the agreement.

10 So, you've got -- you're going to put
11 it in the record, and that's fine.

12 MR. FOSSUM: Yes.

13 CHAIRMAN HONIGBERG: Anything else we
14 need to do?

15 I guess I have an understanding that
16 the only witnesses we're going to be hearing
17 from are Mr. White and Mr. Goulding, is that
18 correct?

19 *[Non-verbal indication given.]*

20 CHAIRMAN HONIGBERG: Yes, I see
21 nodding heads. Is there anything else we need
22 to do then, before the witnesses take the
23 stand?

24 *[No verbal response.]*

[WITNESS PANEL: Goulding|White]

1 CHAIRMAN HONIGBERG: All right. Why
2 don't we make that happen.

3 (Whereupon **Christopher J.**
4 **Goulding** and **Frederick B. White**
5 were duly sworn by the Court
6 Reporter.)

7 CHAIRMAN HONIGBERG: Mr. Fossum.

8 MR. FOSSUM: This part of the
9 proceeding I think I can do pretty well.

10 CMSR. BAILEY: You're doing pretty
11 well anyway.

12 MR. FOSSUM: Oh.

13 **CHRISTOPHER J. GOULDING, SWORN**

14 **FREDERICK B. WHITE, SWORN**

15 **DIRECT EXAMINATION**

16 BY MR. FOSSUM:

17 Q Mr. Goulding, could you please state your name
18 and your place of employment and your
19 responsibilities for the record.

20 A (Goulding) Sure. My name is Christopher
21 Goulding. I'm employed by Eversource, 780
22 North Commercial Street, Manchester, New
23 Hampshire. I'm Manager of Revenue Requirements
24 for New Hampshire. And under me I perform the

[WITNESS PANEL: Goulding|White]

1 calculation and implementation of revenue
2 requirement calculations associated with TCAM,
3 distribution rates, Energy Service rates, and
4 Stranded Cost Recovery Charge.

5 Q Thank you. And, Mr. White, could you also
6 state your name, your place of employment, and
7 your responsibilities for the record.

8 A (White) My name is Frederick White. I'm
9 employed by Eversource Energy, based in
10 Connecticut. I work in the Electric Supply
11 Department. Our responsibilities include the
12 analysis of the portfolio of load and resources
13 for the purposes of serving energy service in
14 New Hampshire, including the conduct of the RFP
15 that's subject at this hearing. We manage IPP
16 and PPA contracts, and manage the RPS portfolio
17 for New Hampshire energy service customers.

18 Q And staying with Mr. White, did you, back on
19 February 9th, submit prefiled testimony and
20 attachments in this docket?

21 A (White) Yes.

22 Q And do you have -- and was that testimony
23 prepared by you or at your direction?

24 A (White) Yes, it was.

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[WITNESS PANEL: Goulding|White]

1 Q Do you have any changes or updates or
2 corrections to that testimony today?

3 A (White) I do not.

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

6 A (White) Yes.

7 Q And, Mr. Goulding, did you also, on
8 February 9th, submit prefiled testimony and
9 exhibits in this proceeding?

10 A (Goulding) Yes, I did.

11 Q And was that testimony prepared by you or at
12 your direction?

13 A (Goulding) Yes, it was.

14 Q And do you have any changes or updates or
15 corrections?

16 A (Goulding) I do.

17 Q Would you please identify those?

18 A (Goulding) Sure. On Bates Page 039, Line 10,
19 after the word "Attachment CJG-1", it should
20 say "Page 1". Line 15 says "Attachment CJG-2",
21 it should say "Attachment CJG-1, Page 2". And
22 finally, in the table on Line 17, those are not
23 "dollar per kWh rates", those are "cents per
24 kWh rates". So, the dollar sign needs to be

[WITNESS PANEL: Goulding|White]

1 replaced by the word "cents".

2 Q Thank you. Do you have any other changes or
3 updates to your testimony?

4 A (Goulding) No, I do not.

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

7 A (Goulding) Yes, I do.

8 MR. FOSSUM: I would ask that the
9 February 9th submission, including the
10 testimony of Mr. White and Mr. Goulding, be
11 marked for identification as "Exhibit 1"?

12 CHAIRMAN HONIGBERG: Okay.

13 (The document, as described, was
14 herewith marked as **Exhibit 1** for
15 identification.)

16 BY MR. FOSSUM:

17 Q Mr. White, since you had mentioned the RFP that
18 is the subject of the hearing this morning,
19 could you very briefly explain the conduct of
20 that RFP and the process through that RFP and
21 that has brought us here this morning?

22 A (White) Well, throughout the course of the
23 prior docket, 17-113, we entered into a
24 Settlement Agreement, along with Staff, OCA,

[WITNESS PANEL: Goulding|White]

1 and other parties, regarding the proper
2 approach for the conduct of an RFP to secure
3 default service for PSNH's customers. In
4 accordance with that Settlement, we issued an
5 RFP on January 12th for the April through
6 July 2018 rate term.

7 We posted the RFP and Master Power Supply
8 Agreement on our website, along with load data
9 and any information suppliers would need to
10 properly analyze and provide offers in response
11 to the RFP.

12 We conducted -- or, we contacted over 200
13 ISO-New England participants through the
14 Markets Committee, as well as we made direct
15 contact with suppliers that we typically deal
16 with for similar types of service in other
17 jurisdictions, those whom we consider to be the
18 primary players in providing this type of
19 service.

20 The RFP was to acquire service for two
21 customer groups, a Large Group and a Small
22 Customer Group. The responses were due on
23 February 7th. We evaluated -- we evaluated all
24 the offers received, and picked winning

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[WITNESS PANEL: Goulding|White]

1 suppliers. We reviewed that evaluation with
2 senior management, and subsequently notified
3 winning suppliers that they had won the supply
4 of service. And all those suppliers, all the
5 bidders into the RFP, had previously entered
6 into Master Power Supply Agreements with
7 Eversource. And, with the winning suppliers,
8 on the day after the RFP due date, we entered
9 into transaction confirmations specifically for
10 the period April through July. And the results
11 of those contracts are what's included in the
12 filing here, resulting in the rates as
13 proposed.

14 Q And, Mr. White, is it your position, is it the
15 Company's position that the RFP was open, fair
16 and competitive?

17 A (White) Yes, it is.

18 Q And is it your opinion that the results
19 produced are in line with expected results for
20 a market-based solicitation?

21 A (White) Yes, it is. All the offers and all the
22 suppliers met all the requirements as outlined
23 in the RFP. And, essentially, the results came
24 down to lowest price.

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[WITNESS PANEL: Goulding|White]

1 Q Thank you. Mr. Goulding, I have just a couple
2 of questions for you, since you had done the
3 rate calculations. Did you calculate -- the
4 rates that are calculated and included in your
5 testimony, were those calculated in line with
6 the Settlement in the prior docket?

7 A (Goulding) Yes, they were.

8 Q And including all the relevant adjustments?

9 A (Goulding) Yes.

10 Q I have a document to show you.

11 *[Atty. Fossum distributing*
12 *documents.]*

13 BY MR. FOSSUM:

14 Q Could you very briefly explain what that
15 document is?

16 A (Goulding) Sure. So, this is what we refer to
17 as the "bingo sheet". So, it's a little bit
18 simple, because we only have one rate change
19 we're requesting here. Looking at Page 1, this
20 is for --

21 Q Hold on for just a moment. So, was this
22 document prepared by you or at your direction?

23 A (Goulding) Yes, it was.

24 MR. FOSSUM: And before I go on, I'll

[WITNESS PANEL: Goulding|White]

1 say I've distributed copies already to the
2 other parties in the room. So, they have them
3 already.

4 BY MR. FOSSUM:

5 Q And, so, now with that, could you please
6 explain what it is that this document shows?

7 A (Goulding) Sure. So, on Page 1, what it shows
8 is the calculation of an average residential
9 customer's bill before the rate change on
10 April 1st and with the current rates. So, what
11 you'll see is, if you look down to the column
12 where it says "January 1st" rates by component
13 and "April 1st" rates by component, currently
14 customers are paying, 600 kilowatt-hour usage,
15 residential customers are paying \$67.50 a
16 month. After this rate adjustment,
17 incorporating these Energy Service rates, they
18 will be paying \$47.42 for Energy Service. So,
19 a reduction of \$20.08, or roughly 30 percent
20 reduction in the individual Energy Service
21 component. So, their total bill currently will
22 be \$123.64. It will go down to \$103.56.

23 MR. FOSSUM: And before continuing
24 on, I apologize, I should have asked with the

[WITNESS PANEL: Goulding|White]

1 identification -- if this could be marked for
2 identification as "Exhibit 2"?

3 CHAIRMAN HONIGBERG: Just before we
4 go further. This has been marked "2". Is
5 there a redacted version of 1 that's going to
6 be marked?

7 MR. FOSSUM: I have a redacted and --
8 I have two versions, yes, a redacted and
9 confidential version. I can provide paper
10 copies of them.

11 CHAIRMAN HONIGBERG: We don't need
12 them. It's just a matter of what record gets
13 posted in public, you know, the redacted
14 version needs to be --

15 MR. FOSSUM: My understanding is the
16 redacted version is already upon the
17 Commission's website as it was when it was
18 submitted. I do have a redacted version I can
19 provide to the Clerk now as well.

20 CHAIRMAN HONIGBERG: Ms. Amidon, do
21 we need to have the redacted version marked
22 separately as an exhibit?

23 MS. AMIDON: Yes.

24 MR. FOSSUM: Oh.

[WITNESS PANEL: Goulding|White]

1 CHAIRMAN HONIGBERG: All right.

2 Then, why don't we have that marked.

3 MR. FOSSUM: Then, in that case, do I
4 understand that the confidential version is
5 "Exhibit 1"?

6 CHAIRMAN HONIGBERG: Uh-huh.

7 MR. FOSSUM: And so that would make
8 the redacted version of the February 9th filing
9 "Exhibit 2". And so then the bingo sheet
10 exhibit would become "3".

11 CHAIRMAN HONIGBERG: Perfect.

12 MR. FOSSUM: And I apologize.

13 CHAIRMAN HONIGBERG: Jody is that
14 okay?

15 MS. CARMODY: Yes.

16 CHAIRMAN HONIGBERG: All right.

17 Thanks.

18 (The documents, as described,
19 were herewith marked as
20 **Exhibit 2** and **Exhibit 3**,
21 respectively, for
22 identification.)

23 MR. FOSSUM: Okay. Thank you for
24 that clarification.

[WITNESS PANEL: Goulding|White]

1 BY MR. FOSSUM:

2 Q Now, Mr. Goulding, if you could continue
3 explaining what is included in what has now
4 been marked for identification as "Exhibit 3".

5 A (Goulding) Okay. And then Page 2 of Exhibit 3
6 is just the -- basically, the reduction in the
7 total bill. So, you'll see, for residential
8 customers, they're going to see a total bill
9 reduction of 16.3 percent, which is consistent
10 with Page 1 of Exhibit 3, where it says, due to
11 this change, there's going to be a 16.24
12 percent decrease in the overall total bill.

13 And then Page 3, similar information to
14 Page 2, but just portrayed slightly
15 differently. Has the same number, 16.3 percent
16 decrease in the total bill.

17 Q Thank you. One thing, Mr. Goulding, I'd like
18 you to clarify for the record, could you
19 explain what is happening with the Company's
20 Rate ADE as part of this transition?

21 A (Goulding) Yes. As part of the Settlement in
22 DE 17-113, there was some shuffling of
23 customers that had to be moved from one load
24 asset ID to another load asset ID. And it

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[WITNESS PANEL: Goulding|White]

1 resulted in Rate ADE being eliminated effective
2 March 1st. So, basically, all customers,
3 beginning March 1st, become Energy Service
4 customers, no longer -- or, DE Energy Service
5 customers, no longer Rate ADE customers. So,
6 they'll be charged the current DE rate of 11.25
7 cents.

8 Q And then, for those customers, then with the
9 elimination of ADE, what happens then on
10 April 1st?

11 A (Goulding) On April 1st, those are all large
12 customers, LG and GV customers. So, they will
13 continue to be charged a monthly rate. So, it
14 should be pretty much seamless to them
15 because -- to those customers, because right
16 now, the ones that are on Rate ADE are being
17 charged a monthly rate. So, they'll continue
18 to be charged a monthly rate.

19 Q And for those who are not on ADE, will there be
20 a difference? Or, who have not previously been
21 on ADE?

22 A (Goulding) Yes. We have customers, large LG
23 customers and GV customers, currently on Rate
24 DE. So, they're charged the fixed rate. They

[WITNESS PANEL: Goulding|White]

1 will transition to a new monthly rate going
2 forward effective April 1st. So, it will be a
3 little bit different for them.

4 Q And has the Company communicated with those
5 customers about that change?

6 A (Goulding) Yes. So, the Company has created a
7 communication plan that they worked with Staff
8 on to review, and they're notifying all the
9 customers. Specifically, the large LG
10 customers, those are being notified
11 individually with face-to-face meetings, and
12 also the account executives as they go work
13 with the customers on different items that
14 they're bringing up, the fact that there have
15 been changes or how this is going to change for
16 them going forward.

17 CHAIRMAN HONIGBERG: Let's go off the
18 record for a minute.

19 *[Off the record due to a ringing*
20 *phone over the speakers.]*

21 CHAIRMAN HONIGBERG: All right.

22 We're back.

23 **CONTINUED BY THE WITNESS:**

24 A (Goulding) And I'll just finish up by adding

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[WITNESS PANEL: Goulding|White]

1 that that outreach began on February 1st. So,
2 it has begun.

3 BY MR. FOSSUM:

4 Q Thank you. One last rate question.

5 Mr. Goulding, is it the Company's position that
6 the rates that have been filed and for which
7 approval is being sought that they are just and
8 reasonable rates?

9 A (Goulding) Yes.

10 MR. FOSSUM: Now, I have a couple of
11 other items just to get on the record. So,
12 with that, it will take a few minutes.

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

15 BY MR. FOSSUM:

16 Q Mr. White, I have a document to show you here.
17 If you could please explain what that is?

18 A (White) This is a Master Power Supply Agreement
19 with one of the suppliers that bid into our
20 RFP.

21 Q And that is what the Company is currently
22 keeping -- is that a confidential document?

23 A (White) Yes. Primarily, in that it identifies
24 the supplier.

[WITNESS PANEL: Goulding|White]

1 *[Atty. Fossum distributing*
2 *documents.]*

3 BY MR. FOSSUM:

4 Q I would ask then that -- and I'll show you -- I
5 don't know if I'm showing you this. Has the
6 Company also prepared a redacted version of
7 that same agreement? I can show you.

8 A (White) Yes. Yes, we have.

9 Q Does this appear to be that Agreement?

10 A (White) Yes. Yes, it is.

11 MR. FOSSUM: In the interest of
12 keeping -- because we are still working through
13 and understanding what's confidential, I would
14 ask that the confidential version of the Master
15 Supply Agreement that Mr. White has just
16 identified be marked for identification as
17 "Exhibit 4"?

18 (The document, as described, was
19 herewith marked as **Exhibit 4** for
20 identification.)

21 WITNESS WHITE: Excuse me. Should
22 that be going to Mr. Patch?

23 MR. FOSSUM: I did give one to Mr.
24 Patch.

[WITNESS PANEL: Goulding|White]

1 MS. AMIDON: The redacted.

2 MR. FOSSUM: Oh. The redacted
3 version only to Mr. Patch.

4 WITNESS WHITE: Oh. Okay.

5 MR. FOSSUM: And I would ask that
6 this redacted version of the Master Supply
7 Agreement be marked for identification as
8 "Exhibit 5"?

9 (The document, as described, was
10 herewith marked as **Exhibit 5** for
11 identification.)

12 BY MR. FOSSUM:

13 Q Mr. White, I have another document to show you.
14 Could you please explain what this document is?

15 A (White) This is the confidential version of the
16 Transaction Confirmation Agreement with one of
17 the winning suppliers in our RFP.

18 *[Atty. Fossum distributing*
19 *documents.]*

20 BY MR. FOSSUM:

21 Q And could you just very, very briefly explain
22 what it is that this Transaction Confirmation
23 is?

24 A (White) Well, together with the Master Power

[WITNESS PANEL: Goulding|White]

1 Supply Agreement, they form a whole contract
2 for the transaction entered into for the April
3 through July period. The MPSA is essentially a
4 parent agreement in a more generic form. The
5 Transaction Confirmation provides the
6 specifics, term, price, for the specific
7 transaction entered into under the MPSA.

8 Q And just I'll show you this. If you could
9 confirm that this is a redacted version of that
10 same document?

11 A (White) Yes, it is.

12 *[Atty. Fossum distributing*
13 *documents.]*

14 MR. FOSSUM: So, I would ask then
15 that the confidential version of this
16 Transaction Confirmation be marked
17 identification as "Exhibit 6" and the redacted
18 version of that same document be marked for
19 identification as "Exhibit 7"?

20 (The documents, as described,
21 were herewith marked as
22 **Exhibit 6** and **Exhibit 7**,
23 respectively, for
24 identification.)

[WITNESS PANEL: Goulding|White]

1 MR. FOSSUM: Almost done.

2 BY MR. FOSSUM:

3 Q And, Mr. White, could I have you please
4 identify this document?

5 A (White) Confidential version of another Master
6 Power Supply Agreement with one of the bidders
7 into our RFP.

8 Q And, so, this document is essentially the same
9 as the other one, just with a different
10 supplier. Is that correct?

11 A (White) Essentially. There's no material
12 differences between the parent Master Supply
13 Agreement and the agreement signed by the
14 suppliers. Each counterparty did have specific
15 revisions, some of which were accepted, some of
16 which were not. But they do differ slightly
17 among suppliers.

18 Q But just I think I heard you say, in all
19 material respects, they're the same?

20 A (White) Correct. The primary reviewers of
21 these documents, both the original and the
22 updated versions, executed with suppliers are
23 our Electric Supply Group, our Legal
24 Department, and our Credit Department have all

[WITNESS PANEL: Goulding|White]

1 signed off, if you will, on these agreements in
2 their current form.

3 Q Could I just have you identify this document as
4 well?

5 A (White) This is the redacted version of the
6 Master Power Supply Agreement with that other
7 counterparty.

8 *[Atty. Fossum distributing*
9 *documents.]*

10 MR. FOSSUM: And I would ask that the
11 confidential version of this second Master
12 Power Supply Agreement be marked for
13 identification as "Exhibit 8" and the redacted
14 version of this second Supply Agreement be
15 marked as Exhibit -- or, for identification as
16 "Exhibit 9"?

17 CHAIRMAN HONIGBERG: Mr. Fossum,
18 Exhibit 8 does not appear to be actually
19 signed. Mr. White, is it your testimony that
20 there is actually a signed version of Exhibit
21 8?

22 MR. FOSSUM: I apologize. I don't
23 want to answer.

24 WITNESS WHITE: Yes. Yes. The

[WITNESS PANEL: Goulding|White]

1 signed signature pages may be on separate pages
2 and actually separate electronic documents.
3 But all of these are fully executed by both
4 Parties.

5 MR. FOSSUM: I have additional
6 documents that I can offer with copies of the
7 completed signatures, if you believe them
8 necessary to complete the record. I can offer
9 them, and I do have them with me.

10 CHAIRMAN HONIGBERG: If Staff wants
11 them, they will ask for them. But I think, for
12 our purposes, with the Agreements and the
13 testimony, we have what we need.

14 MR. FOSSUM: Okay.

15 CHAIRMAN HONIGBERG: But, again,
16 Staff or the OCA may want something more.

17 MR. FOSSUM: Certainly. So, if that
18 comes up, I have them and can offer them in.

19 (The documents, as described,
20 were herewith marked as
21 **Exhibit 8** and **Exhibit 9**,
22 respectively, for
23 identification.)

24 BY MR. FOSSUM:

[WITNESS PANEL: Goulding|White]

1 Q Down to the last one. Mr. White, could you
2 please identify this document?

3 A (White) This is the Transaction Confirmation
4 with the other supplier into the RFP for the
5 Small Customer Group, confidential version.

6 Q And that, excuse me, like the other
7 confirmation, it's essentially the same
8 document as the prior confirmation, is that
9 correct?

10 A (White) It's essentially the same. It's for a
11 different group of customers.

12 Q Thank you. Lastly, could you please describe
13 that?

14 A (White) This is the redacted version of the
15 Transaction Confirmation with the other
16 supplier.

17 *[Atty. Fossum distributing*
18 *documents.]*

19 MR. FOSSUM: And I would ask that the
20 confidential version of this second Master
21 Power Supply Agreement Transaction Confirmation
22 be marked for identification as "Exhibit 10"
23 and the redacted version of that same document
24 be marked for identification as "Exhibit 11".

[WITNESS PANEL: Goulding|White]

1 (The documents, as described,
2 were herewith marked as
3 **Exhibit 10** and **Exhibit 11**,
4 respectively, for
5 identification.)

6 MR. FOSSUM: And with that, and
7 subject to whatever else might be requested, I
8 am finished.

9 CHAIRMAN HONIGBERG: Thank you,
10 Mr. Fossum.

11 Mr. Patch, do you have questions for
12 Mr. Goulding or Mr. White?

13 MR. PATCH: I do not. Thank you.

14 CHAIRMAN HONIGBERG: Mr. Kreis.

15 MR. KREIS: I do have a few
16 questions. Let me just get myself a little
17 organized here, in light of the recent flurry
18 of papers that have just been entered into the
19 potential record.

20 **CROSS-EXAMINATION**

21 BY MR. KREIS:

22 Q I think I have a couple of questions to start
23 with for Mr. White. Looking at Bates Page 007
24 of the public version of the Company's filing,

[WITNESS PANEL: Goulding|White]

1 and I have to confess, I've forgotten whether
2 the public version is Exhibit 1 or if the
3 confidential version is Exhibit 2, if someone
4 can remind me?

5 CHAIRMAN HONIGBERG: The public
6 version is 2.

7 MR. KREIS: Okay. I think that all
8 my questions are going to relate to the public
9 version. So, I guess, for our purposes, we're
10 working off of Exhibit 2.

11 BY MR. KREIS:

12 Q At Bates Page 007, Mr. White, you answered the
13 question "Are there any concerns regarding the
14 solicitation process?", and you said "Yes.
15 Some suppliers raised concerns". How many
16 suppliers raised concerns?

17 A (White) Without complete recall, I'm going to
18 say four.

19 Q So, approximately four?

20 A (White) Correct.

21 Q Okay. And you said the suppliers -- these
22 suppliers, of approximately four, "raised
23 concerns about the timeframe between their
24 submittal of offers, and the Commission's final

[WITNESS PANEL: Goulding|White]

1 determination of the approval of the winning
2 suppliers' offers, and the resulting rates."
3 Do I correctly infer that "the timeframe" that
4 you're talking about there is the timeframe
5 that was applicable to the solicitation that
6 we're looking at here?

7 A (White) Yes. Specifically, it would be from
8 February 7th, last Wednesday, when they
9 submitted offers, until the time that the
10 Commissioners render a final decision,
11 presumably, hopefully approving the contracts
12 and the resulting rates. The concern raised
13 was that that is a lengthy period of time
14 during which their fixed price offers are
15 essentially hanging in limbo. And whether they
16 go hedge it all immediately, or if they wait to
17 hedge all of it until a final approval is
18 given, or whether they wait and hedge a portion
19 of it, they wait until final approval is given,
20 among all the confidential information we're
21 talking about and protecting identities and
22 prices, the primary concern, and the one that
23 would raise prices, in our view, the most to
24 customers is that, the length of that

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[WITNESS PANEL: Goulding|White]

1 timeframe.

2 Q That's a 15-day timeframe we're talking about,
3 correct?

4 A (White) My understanding is that there -- the
5 rules provide for five days for Commission
6 approval after the hearing. If that full five
7 days was utilized, it's quite a lengthy
8 timeframe, and longer than other jurisdictions
9 that I think what suppliers in New England are
10 used to dealing with.

11 Q Do you know whether it's consistent with the
12 way the Commission treats a Unitil and Liberty
13 default service procurement?

14 A (White) I believe it is. I would -- I'm fairly
15 certain that it is. I guess I would point out,
16 we're somewhat different, in that the volume of
17 energy involved in our RFP, and therefore the
18 volume of dollars, the dollar value of the
19 transactions involved here are larger than
20 either Unitil and Liberty. Greater dollars
21 represents greater risk to suppliers. Whether
22 that sensitizes their concerns, I don't know.
23 I just point that out.

24 Q So, that's a hypothetical concern that you just

[WITNESS PANEL: Goulding|White]

1 described, because you just said that you don't
2 know whether it's a legitimate concern in the
3 minds of the suppliers?

4 A (White) The majority of suppliers involved in
5 this RFP raised this very concern as their
6 primary concern.

7 Q I'm sorry, I didn't mean to interrupt or cut
8 off your answer.

9 A (White) No. That's fine.

10 Q You, at Bates Page 009, propose a schedule for
11 the procurement of Energy Service after
12 July 1st. It calls for an RFP to be issued on
13 May 15th; final offers due on June 12th, and a
14 requested PUC decision seven days later, on
15 Tuesday, June 19th.

16 Does that address the concerns that you
17 were describing previously?

18 A (White) Well, not entirely. In some other
19 jurisdictions, the contracts are finalized same
20 day or next day. That's ideal. I don't
21 believe the process, the rules in New Hampshire
22 allow for that. This, I believe, is about the
23 best we could do, given the requirement for
24 notice and hearing. And it's probably a

[WITNESS PANEL: Goulding|White]

1 stretch goal. But it's intended to open a
2 discussion on where we may be able to find --
3 squeeze some time, compared to the timeframe
4 that's been utilized in this current RFP.

5 Q You just said you hope to "open a discussion".
6 Is it your understanding that the Company is
7 asking for Commission approval of that timeline
8 in its decision in this docket?

9 A (White) No. We're not asking for Commission
10 approval of that timeframe in this docket.

11 Q Okay. On Bates Page 008 of Exhibit 2, you
12 answer the following question on Lines 3 and 4:
13 "Did Eversource have a market price expectation
14 as to the results of the procurement, and how
15 did results compare to expectations?"

16 And my read of your answer is that your
17 Attachment FBW-5, which appears later in the
18 same exhibit, describes or defines what
19 Eversource's market price expectation as to the
20 result of the procurement was. But I'm curious
21 to know what your answer is to the second half
22 of the question, because your written answer
23 doesn't seem to address that part of the
24 question. How did results compare to

[WITNESS PANEL: Goulding|White]

1 expectations?

2 A (White) In one instance, it fell within the
3 range we had identified. In the other
4 instance, it did not. Included in our
5 expectations was recognition that this was the
6 first time through for Eversource in New
7 Hampshire, and the timeframes involved that we
8 just talked about are unique compared to our
9 experience in other jurisdictions.

10 Our development of our expectation was
11 largely based on an approach utilized in
12 Connecticut and Massachusetts, based on our
13 experience there. And the way we develop this
14 proxy includes some ratios that are developed
15 through experience in those jurisdictions.
16 They have a different timeframe, which is, we
17 believe, a primary risk factor. And they're
18 not New Hampshire. So, as we gain experience
19 in New Hampshire, that development of that
20 process and that evaluation will evolve. But
21 we relied on it in this instance, recognizing
22 that it may not be really a perfect gauge.

23 I'd also point out that it is nothing more
24 than a gauge. It's not a target. We believe

[WITNESS PANEL: Goulding|White]

1 what's more important is the proper conduct of
2 the RFP, adequate participation is the best
3 thing to get, and we had those factors. We
4 believe we got a market-based, competitive rate
5 resulting from the RFP.

6 Q Can you say which of the two solicitations
7 produced results that varied from your
8 expectations?

9 I'm sure you can, you know the answer to
10 that question. And I haven't heard Mr. Fossum
11 object to your providing an answer. So, I
12 guess I would ask you to answer.

13 CHAIRMAN HONIGBERG: Mr. Fossum, do
14 you have any problem with Mr. White identifying
15 which of the two solicitations deviated? I
16 don't even think Mr. Kreis asked him in which
17 direction it deviated.

18 MR. KREIS: That was going to be my
19 next question.

20 CHAIRMAN HONIGBERG: Well, you didn't
21 ask that one yet. Let's just get -- let's deal
22 with the first one first.

23 MR. FOSSUM: Yes. My understanding
24 is that he was essentially looking for an

[WITNESS PANEL: Goulding|White]

1 answer that would have been "Large Customer
2 solicitation" or "Small Customer solicitation".

3 CHAIRMAN HONIGBERG: Yes. Pretty
4 clearly what he was looking for.

5 MR. FOSSUM: And nothing more than
6 that.

7 CHAIRMAN HONIGBERG: So far.

8 MR. FOSSUM: So, with that, that
9 seems within play here.

10 CHAIRMAN HONIGBERG: All right.

11 Mr. White.

12 **BY THE WITNESS:**

13 A (White) It was the Large Customer Group.

14 BY MR. KREIS:

15 Q And can you say whether the solicitation
16 results exceeded your expectations, meaning the
17 prices were higher than what you were
18 expecting, or were they lower than what you
19 were expecting?

20 A (White) They were above the range that we had
21 identified. And again, recognizing the issues
22 I've already brought up, and, in addition, I
23 believe it's common knowledge in the market
24 that a large customer group has a greater

[WITNESS PANEL: Goulding|White]

1 migration risk in and out. And, so, it wasn't
2 that surprising.

3 Q And when you were describing -- you were
4 describing earlier why your projections might
5 have been incorrect, and you -- I guess I would
6 like you to pin your answer down a little more.
7 You seem to suggest that maybe assumptions that
8 were applicable in Connecticut or Massachusetts
9 ultimately proved to be less applicable in New
10 Hampshire. Can you explain that a little more?

11 A (White) Part of the development of that range
12 is ratioing *[sic]* off forward market prices,
13 which are essentially public information. So,
14 with that as a starting point on the bid date,
15 and we believe that's a supplier's starting
16 point, with some other components that we have
17 a pretty good feel for, after that we use
18 ratios to get to a final answer. And those
19 ratios are based on the experience we've had in
20 conducting RFPs in other jurisdictions.

21 So, every RFP we will look at what we said
22 a price would be and how far off it may be from
23 the actual result. So, over a period of time,
24 we have these ratios. And we utilized those

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[WITNESS PANEL: Goulding|White]

1 ratios in this case. But those ratios were
2 developed in Connecticut and Massachusetts, and
3 there are just differences in the risk profile
4 in those jurisdictions and in New Hampshire.
5 So, it's understandable that they might be
6 different. We already have one data point now
7 in New Hampshire to adjust those ratios going
8 forward.

9 Does that make sense?

10 CHAIRMAN HONIGBERG: Off -- I'm
11 sorry. I didn't mean to interrupt. Let's go
12 off the record for just a sec.

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

15 CHAIRMAN HONIGBERG: Mr. Kreis.

16 BY MR. KREIS:

17 Q Okay. I think I'm done with that line of
18 questioning. And I think that my next
19 questions might be for Mr. Goulding. And
20 again, I'm working in the same Exhibit 2.

21 And I just wanted to make sure that I
22 understand Mr. Goulding's discussion of how the
23 Hydro Adjuster is going to work going forward.
24 On Bates Page 041, you answer the question "If

[WITNESS PANEL: Goulding|White]

1 the hydro sale is completed prior to April 1st,
2 will the Hydro Adjuster still be included in
3 the Energy Service rates?" And you said "Yes."

4 And I want to make sure I understand what
5 happens if the hydro sale is completed after
6 April 1st. Could you help me understand how
7 this is all going to work?

8 A (Goulding) Sure. So, if the hydro sale happens
9 before April 1st, the Energy Service rate will
10 include that Hydro adder. So, when we do the
11 reconciliation, I believe it's scheduled for
12 roughly 12 months from now, those revenues will
13 be reconciled as part of the Energy Service
14 reconciliation.

15 If there is no hydro sale prior to
16 April 1st, we have an estimate of what the
17 costs associated with the hydros will be, and
18 you have the revenues come in. So, you have
19 the revenues and costs being recovered via the
20 Hydro Adjuster.

21 Q Do you have a sense of how likely -- or, do you
22 have a sense of what the most likely timeframe
23 for the hydro sale is at this point?

24 A (Goulding) I don't. It fluctuates all the

[WITNESS PANEL: Goulding|White]

1 time. I believe there's the one item or one of
2 the items that's outstanding is FERC licensing.
3 So, I don't -- it's not up to us or in our
4 control when we're going to get that.

5 Q And, so, basically, since we don't know when
6 the hydro sale is going to take place, you're
7 putting in an adjustment mechanism that could
8 apply, I don't want to say "in perpetuity",
9 because I think the sale will take eventually,
10 but it could -- it could continue to apply even
11 after the next Energy Service procurement?

12 A (Goulding) Yes. And I think that was kind of
13 contemplated in the 17-113 Settlement. So,
14 what we would do is, next time we come out for
15 the RFP for rates effective August 1st, if we
16 still do own the hydros, we'll continue to have
17 the Hydro Adjuster as part of those rates.

18 MR. KREIS: Okay. I think those are
19 all my questions, Mr. Chairman. In fact, I'm
20 sure they are.

21 CHAIRMAN HONIGBERG: Ms. Amidon.

22 MS. AMIDON: Just a process thing. I
23 just wanted to know if our court stenographer
24 wanted to take a break?

[WITNESS PANEL: Goulding|White]

1 *[Brief off-the-record discussion*
2 *ensued.]*

3 CHAIRMAN HONIGBERG: That's a good
4 point. Let's take ten minutes.

5 MS. AMIDON: Okay.

6 *[Recess taken at 11:26 a.m. and*
7 *hearing resumed at 11:43 a.m.]*

8 CHAIRMAN HONIGBERG: Ms. Amidon.

9 MS. AMIDON: Thank you. Good -- it's
10 still "good morning", I guess.

11 BY MS. AMIDON:

12 Q Mr. Goulding, the first thing I wanted to start
13 with was Exhibit 3. And on the first page, you
14 have a rate -- I guess, a bill comparison for a
15 residential customer with a monthly consumption
16 of 600 kilowatt-hours a month. Is that 600
17 kilowatt-hours a month based on a calculation
18 of the average use of a residential customer?

19 A (Goulding) Yes. It was done based sometime, I
20 believe, last year. So, it's an estimate of
21 the average residential customer.

22 Q And do you plan to update that on a rolling
23 basis like every 12 months, so that, if that
24 changes, if the kilowatt-hour usage increases

[WITNESS PANEL: Goulding|White]

1 or decreases, that you'll update that?

2 A (Goulding) I believe we do look at it
3 periodically. And if it changes significantly,
4 we do make a change to it. I think, in the
5 past, it might have been either 650 kWh or 550,
6 I don't recall what number it was.

7 Q Okay. Now, the Small Customer class and the
8 Large Customer class are defined on, and this
9 is a question for you, Mr. Goulding, they're
10 defined on Page 16 and 17, Bates 016 and 017,
11 which are two pages from the Settlement
12 Agreement. I just want to make sure that
13 people know who are in these customer classes.

14 So, are you -- just confirm that, if you
15 would?

16 A (Goulding) Yes. They're defined there.

17 Q Okay. So, can you give me the range of
18 decrease for the customer classes in the Small
19 Customer Group and the customer classes in the
20 Large Customer Group, like from 2 percent to
21 16 percent decrease? Do you have that?

22 A (Goulding) Yes. It should be -- it's
23 reflected -- it's the numbers reflected on Page
24 2 of Exhibit 3. So, the Small Customer class,

[WITNESS PANEL: Goulding|White]

1 it's roughly a 17 percent reduction in the
2 overall bill. And then, for the primary, the
3 GV and Large Customers -- LG customers, the
4 Large Customers, it's roughly an 18 to 19
5 percent decrease in the overall bill.

6 Q Okay. So, what is happening on that page with
7 the Outdoor Lighting? Are all those Outdoor
8 Lighting groups in the Large Customer Group or
9 are some of them in the Small Customer Group?

10 A (Goulding) I believe on this schedule, those
11 would be reflected in the Small Customer class.
12 I think it's just because it's a
13 proportionate -- their proportionate -- or,
14 their Energy Service portion of their bill is
15 less or more.

16 Q Right.

17 A (Goulding) I'm not positive of the exact
18 numbers.

19 Q Okay. I just wanted to, you know, I was
20 looking at the definition of the Small Customer
21 Group and the Large Customer Group, and trying
22 to compare that, I mean, apply that to this
23 table.

24 Now, according to my understanding, you

[WITNESS PANEL: Goulding|White]

1 can correct me if I'm wrong, the Company plans
2 to file -- make an SCRC or Stranded Cost
3 Recovery Charge filing on Friday, is that
4 right?

5 A (Goulding) Yes. That's the plan.

6 Q Are you assisting in the preparation of that
7 filing?

8 A (Goulding) Yes.

9 Q Do you have an estimated rate for the SCRC at
10 this point, that we understand it will be an
11 estimate and not something that we would hold
12 you to?

13 A (Goulding) I don't. I mean, the only one I do
14 know is the RRB charge that we're going to use
15 as an estimate was a little over a penny. But
16 I'm not positive how all the other costs are
17 going to shake out.

18 Q Okay. And just for, really, for the
19 Commission's information, the plan is, and you
20 discussed this with Staff, to try to have a
21 process whereby we can approve the SCRC for
22 effect also on April 1, is that correct?

23 A (Goulding) Yes. Because, in an ideal world,
24 you'd have the Energy Service rate increase and

[WITNESS PANEL: Goulding|White]

1 the SCRC -- or, Energy Service rate decrease
2 and the SCRC rate increase, --

3 Q Right.

4 A (Goulding) -- instead of going down, then up a
5 month later.

6 Q And we all agreed to -- and we all agree that
7 we would try to work to that goal?

8 A (Goulding) Yes.

9 Q Okay. Oh, I think this is also for you,
10 Mr. Goulding. Now, Rate ADE collected an
11 additional amount, and I think it was for the
12 fixed costs associated with the Scrubber, is
13 that right?

14 A (Goulding) It was for going out into the
15 market, so, basically, it was designed as a
16 "market-based" rate, and then there was a
17 Scrubber adder component to it.

18 Q Right. And where is that -- I'm assuming that
19 that Scrubber adder resulted in a net positive,
20 is that right?

21 A (Goulding) I believe the overall reconciliation
22 or contribution to Energy Service in 2017 was a
23 net positive. There might have been certain
24 months where there was -- it was a drag on or a

[WITNESS PANEL: Goulding|White]

1 negative contribution.

2 Q Right. And that's an energy that -- well, when
3 Rate ADE existed, that would be applied to
4 offset Energy Service rates, is that right?

5 A (Goulding) Yes. It all rolls into the
6 over/under recovery associated with Energy
7 Service.

8 Q Is that included in this filing, that net
9 positive?

10 A (Goulding) No. There's nothing in this filing
11 for Rate ADE or over/under with Energy Service.
12 It was, I believe, in the DE 17-113, the
13 Scrubber portion or non-Scrubber portion of the
14 Energy Service rate -- or, excuse me,
15 non-Scrubber portion of the under or over
16 recovery, which would include the ADE
17 reconciliation, would be included in the
18 Stranded Cost Recovery Charge filing.

19 Q And that's what my colleague, Mr. Chagnon,
20 remembers as well.

21 A (Goulding) Okay.

22 Q Thank you. Some questions for you, Mr. White.
23 The names of the winning bidders, as I
24 understand it, is marked as confidential. So,

[WITNESS PANEL: Goulding|White]

1 it doesn't appear in your testimony, is that
2 right?

3 A (White) Correct.

4 Q And, so, if the Commission -- the Commission
5 probably knows where this is found, but, for
6 the record, in Exhibit one, that's on Page 35,
7 Bates Page 035, is that right?

8 A (White) Yes.

9 Q Thank you. One thing that I was a little
10 interested in was you mentioned that there were
11 changes to the Master Power Agreement that were
12 made in response to requests from these two
13 suppliers. And if you recall in Docket 17-113,
14 the Company, at the request of Staff, provided
15 Staff and the OCA with a copy of the form
16 Master Power Agreement. Do you agree with
17 that?

18 A (White) Yes.

19 Q Were there any substantive changes to that
20 contract for either winning bidder?

21 A (White) No. And the changes, again, were
22 reviewed by the Electric Supply Group, the
23 Legal Department, and the Credit Department.
24 And the determination was that they were not

[WITNESS PANEL: Goulding|White]

1 material changes, and therefore still represent
2 a uniform agreement among all suppliers.

3 Q So, you're willing to testify that there were
4 no substantive changes in the agreements for
5 either of the winning bidders, yes or no?

6 A (White) That's correct.

7 Q Okay. Are there any provisions in any of the
8 agreements that would pass any supplier risks
9 onto customers? In other words, the price that
10 you -- the wholesale price is a fixed price, is
11 that correct?

12 A (White) That's correct.

13 Q And if that price for some reason increased,
14 those cost increases would not be passed onto
15 customers, is that correct?

16 A (White) That's correct. And all suppliers are
17 creditworthy and have posted collateral or have
18 credit ratings that qualify them. So, we mark
19 to market throughout the life of the contract
20 for any exposure we may have. So, --

21 Q And for the record, none of the copies of the
22 letters of credit or other security are part of
23 this filing, is that right?

24 A (White) That's correct.

[WITNESS PANEL: Goulding|White]

1 Q So, we're taking you at your word. On Page 8,
2 beginning at Line 3, you say that the market
3 price expectation as to the result of the
4 procurement, you did have the results compared
5 to expectations. And if we look at FBW-5, in
6 Exhibit 1, on Bates 037, this purports to be
7 your development of proxy prices, is that
8 right?

9 A (White) Yes.

10 Q What are the sources of these various numbers
11 here? Are they NYMEX? Are they forward
12 electric prices? Or are they Massachusetts or
13 Connecticut?

14 A (White) These are NYMEX Massachusetts hub
15 closing prices on February 6th.

16 Q Okay. That's good information to know. As we
17 go down the left-hand column for the Large
18 Customer Group, there is a underlying heading
19 saying "Energy Price Bid Multiplier Low" and
20 "High". What is the function of these
21 multipliers?

22 A (White) Well, what's not explicitly included as
23 individual inputs are a supplier's risk
24 component, a supplier's cost component, ISO-New

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[WITNESS PANEL: Goulding|White]

1 England expenses and ancillaries, and an hourly
2 load-following component. So, that multiplier
3 includes all those things.

4 Q And what's the source of these ratios?

5 A (White) From our experience in Connecticut and
6 Massachusetts, our development of a proxy price
7 and the actual winning prices. Over time these
8 ratios have been developed, and we adjust them.
9 They're sort of running averages, if you will.

10 Q So, if the Commission wanted to see -- compare
11 these proxy prices to the actual prices, they
12 would have to turn back to Page 35, is that
13 right?

14 A (White) That's correct.

15 Q Okay. And while we're on Page 35, I have a few
16 questions. And I do not intend to talk about
17 any of the confidential information. My
18 questions will be general.

19 With respect to -- my questions really
20 relate to the Large Customer Group. Why was
21 there not more interest in the Large Customer
22 Group in your opinion, Mr. White?

23 A (White) We believe that that group is viewed by
24 suppliers as a higher risk group, due primarily

[WITNESS PANEL: Goulding|White]

1 to customers coming and going off this rate.
2 That's the primary reason. I would also state
3 that that's fairly typical in our experience,
4 that there is -- seems to be somewhat less
5 interest in large C&I customers compared to
6 other customer classes.

7 Q I know that during some discussions in
8 connection with 17-113, the Company said it was
9 not necessarily wedded to this process. Is
10 that right, this RFP process?

11 A (White) I believe we agreed to continue
12 discussing alternative methods for procurement.

13 Q Yes. Given this result, would it be desirable,
14 for example, to go to real-time pricing, the
15 model that Unutil uses for its Large Customer
16 Group, where it just solicits an adder, and
17 then the supplier adjusts the rate on a monthly
18 basis?

19 A (White) We don't believe so. We believe this
20 was a competitive result.

21 Q But you said the rates were higher than your
22 proxy group?

23 A (White) That's true. And the proxy is nothing
24 more than a gauge. It's not a target. It's

[WITNESS PANEL: Goulding|White]

1 not the right answer or the wrong answer. It's
2 a reference point. And at this point, it
3 doesn't have a lot of actual PSNH data to
4 include as inputs. So, --

5 Q If you keep getting the same level of interest,
6 would you be amenable to reconsidering how you
7 approach getting default service for the Large
8 Customer Group?

9 A (White) We would.

10 Q Okay. You had an exchange with the Consumer
11 Advocate in your testimony on Page 7. And it's
12 that question regarding the timing. And you
13 said that you had looked at the process that is
14 used by Unitil and Liberty, is that right?

15 A (White) Yes.

16 Q Did you know that under the Settlement
17 Agreement, for both Liberty and Unitil, that
18 the Commission issues an order within five days
19 of the filing, five business days of the
20 filing?

21 A (White) Of the filing or the hearing?

22 Q Of the filing?

23 A (White) No. I thought it was --

24 Q That is the process used in both those

[WITNESS PANEL: Goulding|White]

1 proceedings.

2 CHAIRMAN HONIGBERG: Is that a
3 question, Ms. Amidon?

4 MS. AMIDON: That wasn't, but the
5 next question is.

6 BY MS. AMIDON:

7 Q Is that what the type of relief you're looking
8 for, in terms of the timing?

9 A (White) So, February 7th --

10 Q Just pick a week, it would be five business
11 days. So, if you file on a Friday, the order
12 would issue the following Friday, just by way
13 of example. Would that satisfy some of the
14 concerns about the time?

15 A (White) Well, I think the shorter the better.
16 But I think that would be good. Would that
17 mean the decision is made today?

18 Q Oh, I wouldn't apply that to today, no. We
19 don't have complete information in this filing.

20 CHAIRMAN HONIGBERG: And, Ms. Amidon,
21 is there a question?

22 MS. AMIDON: I'm waiting to see what
23 they're going to say. I'm talking about the
24 future.

[WITNESS PANEL: Goulding|White]

1 *[Witnesses conferring.]*

2 **BY THE WITNESS:**

3 A (White) Okay. So, it would be this Friday. I
4 was -- it wasn't the 7th --

5 BY MS. AMIDON:

6 Q By example. By example only, it wouldn't be
7 for this filing. By way of example, for future
8 filings, would the Company approve of allowing
9 five business days from the filing to the order
10 that is used for Unitil and Liberty?

11 A (White) We would prefer to get to five business
12 days from the RFP due date.

13 Q Why?

14 A (White) Shorter time is better. It's --
15 listen, we're not trying to break any rules.
16 We're just trying to improve things, if we can.
17 We believe it's in customers' interests. It
18 would save money to shorten that timeframe.

19 Q Well, this is not an argument, Mr. White. I'm
20 just trying to figure it out. Because if you
21 want the process to go more quickly, though,
22 would you agree with me that it would be
23 helpful to have a more complete filing?

24 MR. FOSSUM: I'm going to object. I

[WITNESS PANEL: Goulding|White]

1 don't know --

2 CHAIRMAN HONIGBERG: Sustained.

3 Sustained.

4 MR. FOSSUM: Thank you.

5 CHAIRMAN HONIGBERG: There's another
6 conversation that everybody can have about what
7 should be included in order to get the fastest
8 product possible. And that's a conversation
9 that can take place.

10 But, as Ms. Amidon said, it's not an
11 argument. And neither the people sitting out
12 there, nor the people sitting in the witness
13 box, should consider it an argument right now.

14 BY MS. AMIDON:

15 Q Okay. Mr. Goulding, moving to Bates Page 036.
16 And this is basically for the Commission's
17 edification. Oh, I'm sorry. This is
18 Mr. White's schedule, isn't it? I apologize.
19 This is the -- I just want to ask what -- just
20 clarify what this is, Mr. White. This
21 represents, if I'm reading it correctly, the
22 calculation of the Company's proposed RPS adder
23 for this filing?

24 A (White) Correct.

[WITNESS PANEL: Goulding|White]

1 Q The box next to the bottom appears not to be
2 redacted, is that right? The one that says
3 "Current Market Prices - dollars per REC"?

4 A (White) That's correct.

5 Q Okay. So, could you tell us the source of that
6 information please?

7 A (White) Those are based on broker summary
8 market price sheets at the end of February 6th.

9 Q Okay. Thank you. Now, Mr. Goulding, there's
10 not a lot, but I just wanted to -- I have a few
11 questions. Just give me a second.

12 Okay. Would you please go to Page 47.

13 It's your Exhibit CJG-2, Page 3 of 3.

14 A (Goulding) Okay.

15 Q Okay. So, this is the forecast administrative
16 and general expenses, is that right, for this
17 four-month period?

18 A (Goulding) Yes.

19 Q How did the Company derive the internal Company
20 administrative cost? Was it a percentage? Or
21 was there some factor? Was there a calculation
22 done of the actual effort going into the, you
23 know, the manpower going into the filing? Just
24 generally, if you could tell us what that is?

[WITNESS PANEL: Goulding|White]

1 A (Goulding) It comes out of a budget process.
2 So, I get the end result. But my understanding
3 is the way it works is there's an estimate of
4 how much time is going to be charged to each
5 state for each project that gets worked on, and
6 that would get passed over to the Budgeting
7 Group to do the allocations, --

8 Q Okay.

9 A (Goulding) -- allocate all the costs.

10 Q All right. That makes sense. Thank you. The
11 next line says "Bad Debt Expense", and you
12 know, I'm not an accountant, obviously, don't
13 have any understanding of this. But is it odd
14 to have a bad debt expense at the beginning of
15 a process or where -- and if it's not, where
16 does this money come from? It's \$309,000 a
17 month, is that right?

18 A (Goulding) Right. So, as part of the old
19 Energy Service filing, there was -- the bad
20 debt expense was recovered through the Energy
21 Service tracker. So, with this new Energy
22 Service tracker, we just moved the bad debt
23 expense over. And that was prescribed in the
24 rate case settlement, DE 09-035.

[WITNESS PANEL: Goulding|White]

1 Q Right. Thank you. I had a question, and I
2 don't know if -- oh, one more question for you,
3 and you may not know the answer, Mr. Goulding,
4 but it's in your exhibit, Bates 051. And on --
5 let me know when you're there.

6 A (Goulding) Okay. I'm there.

7 Q Okay. On Line 1, it says "Hydro Operation &
8 Maintenance Cost". You see that, right?

9 A (Goulding) Yes.

10 Q Why -- do you have any idea why it fluctuates
11 so wildly, from 481,000 to a million?

12 A (Goulding) I don't. The numbers were kind
13 of -- are populated from budgets that we were
14 provided. And that's -- those budgets were
15 part of the hydro annual budgeting process.
16 So, it could be associated with some outage
17 work. I'm not positive.

18 Q Mr. White, do you have -- do you know if it
19 relates to outage work? I mean, I can
20 understand where, in July, they might be doing
21 some maintenance or something.

22 A (White) Yes. That would be my guess.
23 Typically, water flows are so much lower as you
24 head into summer. And the opportunity to

[WITNESS PANEL: Goulding|White]

1 perform maintenance, perhaps the water could go
2 through one unit, and another unit can be
3 maintained.

4 Q Okay. That's what I -- kind of what I thought,
5 but I didn't want to assume anything.

6 And I have a question related to the
7 Settlement Agreement. And I don't know if
8 either of you are able to tell me, but maybe
9 you could confirm the answer in a record
10 request. And this is not essential to the
11 approval of this filing, but it's something
12 that would be helpful to our Consumer Services
13 and External Affairs Division.

14 So, in the Settlement -- thank you for
15 bearing with me. On Page 17, Item G, it says
16 "The Settling Parties agree that Eversource
17 will provide all customer communications
18 materials regarding the change in ES
19 procurement to the Commission Staff for review
20 prior to issuance." Do either of you know if
21 that has been done?

22 A (Goulding) Yes, it has.

23 Q And I have just one more question on that. Did
24 you incorporate the proposed changes that

[WITNESS PANEL: Goulding|White]

1 was -- that were offered to those
2 communications by Director Amanda Noonan?

3 A (Goulding) Yes.

4 MS. AMIDON: Thank you. That's all I
5 have.

6 CHAIRMAN HONIGBERG: Commissioner
7 Bailey.

8 CMSR. BAILEY: I think most of my
9 questions have been asked, but let me just go
10 through.

11 *[Short pause.]*

12 BY CMSR. BAILEY:

13 Q Mr. White, you said that some jurisdictions
14 finalize or approve these competitive bids on
15 the day that the offer is accepted. Did you
16 say that?

17 A (White) Yes. That's the process in
18 Connecticut.

19 Q And how do they do that?

20 A (White) Connecticut has a procurement manager
21 who is employed by DEEP, effectively, the
22 public utility commission, who is actually in
23 the building on the day that the offers are
24 received. And the Company conducts its

[WITNESS PANEL: Goulding|White]

1 evaluation of the offers. And there's a couple
2 consultants also there who do an evaluation.
3 And the procurement manager is also there. And
4 generally speaking, they get together and reach
5 consensus on the winning bids. And it's
6 effectively approved at that point. There may
7 be a formal filing the next day. And it's not
8 a rate hearing. It's not a rate approval.
9 It's simply approval of the contracts.

10 Q So, they don't have a statutory requirement to
11 have a hearing on the rate?

12 A (White) That's my understanding, yes.

13 Q Okay. What about Massachusetts? Do they have
14 hearings?

15 A (White) My understanding is, Massachusetts,
16 maybe it's considered a "paper hearing". And
17 I'm not as familiar, but I believe the Company
18 makes a filing that is, without any Commission
19 action, is *de facto* approved, and that filing
20 is made the following day. And I want to -- I
21 believe the Commission has five days to act.
22 And if they do nothing, it's approved.

23 Q So, if the process here were the same as the
24 process that we use for Liberty and Unitil,

[WITNESS PANEL: Goulding|White]

1 filing the next day, February 9th. And did you
2 make the filing on February 9th?

3 A (White) Yes.

4 Q How come we didn't get it until yesterday?

5 A (White) I don't know.

6 MR. FOSSUM: If I may interject, I
7 can answer that. We made an error,
8 essentially. We submitted it on the 9th, as
9 had been anticipated. But were notified by the
10 Clerk's office that we had not done our
11 redactions in compliance with the rules. So,
12 we had to resubmit with the redactions, the
13 confidential information redacted in accordance
14 with the rules.

15 CMSR. BAILEY: Okay.

16 MR. FOSSUM: It was our error.

17 BY CMSR. BAILEY:

18 Q So, it's not the Commission who has held this
19 up. We've -- I just want to make sure that
20 we've lived up to our end of the bargain, as
21 long as we issue an order by the 22nd?

22 A (White) Yes. I believe we're on the schedule
23 that was agreed to in this filing.

24 Q Okay. All right.

[WITNESS PANEL: Goulding|White]

1 A (White) We were just offering some comments on
2 potential -- what we believe would be potential
3 improvements.

4 Q Okay. And I appreciate that. I think that's
5 good. Improvements are always good.

6 The Large Customer Group has a greater
7 migration risk, and you have experience with
8 that risk premium from Connecticut and
9 Massachusetts. And I assume that those states
10 also have a similar migration risk?

11 A (White) Yes.

12 Q And a larger load than us for commercial
13 customers?

14 A (White) I'm not sure that the large C&I, I
15 don't believe, in Massachusetts, it might
16 actually be smaller than PSNH's. And it's
17 probably true in Connecticut, that
18 Connecticut's is larger.

19 Q As a percentage or --

20 A (White) Oh, you mean the migration percentage
21 risk? I was talking about the size of the
22 overall energy load --

23 Q Yes.

24 A (White) -- on that rate. I don't know a

[WITNESS PANEL: Goulding|White]

1 percent difference. But I thought western
2 Mass. was smaller than PSNH's. I'm not sure
3 about NSTAR. And Connecticut's large C&I is
4 probably a larger volume than PSNH.

5 Q Okay.

6 A (White) Are we talking past each other?

7 Q I don't think so. I'm just trying to
8 understand why -- I don't know if this is a
9 confidential question or not, so I hesitate to
10 ask it.

11 A (White) Well, I think another perceived risk
12 that was brought up was, given that this is the
13 first time for Eversource through the process
14 in New Hampshire, and I think we're
15 witnessing -- we're experiencing some of that,
16 that could create, you know, bumps in the road.
17 And I think the concern there was that it
18 potentially could delay things.

19 Q That the people that were responding to the bid
20 actually thought we wouldn't achieve the
21 schedule that was laid out?

22 A (White) Well, I think the schedule had some
23 leeway in it. And it recognized that it could
24 go this long, but, you know, to some date, I

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[WITNESS PANEL: Goulding|White]

1 don't remember the date. But that typical
2 proceedings in New Hampshire a decision is
3 rendered in less time than that. But maybe
4 that wouldn't happen in this case. And then it
5 would take the full timeframe. So, I think
6 that was just a concern. Or, it would simply
7 be unacceptable and not approved at all. It
8 was -- I think there was some of that concern
9 among suppliers. That, on top of the greater
10 inherent risk with the large customers resulted
11 in -- you see the results we got.

12 Q Did suppliers tell you that or is that what you
13 think they were thinking?

14 A (White) They told us that.

15 Q That New Hampshire might not approve this?

16 A (White) They thought the timeframe was lengthy,
17 and that it was the first time through, --

18 Q Okay.

19 A (White) -- for them and us, that that adds
20 risk.

21 Q Okay. So, we should expect to see more
22 competitive rates next time around, if we
23 shorten the timeframe and they see that we find
24 that this is a market-based rate?

[WITNESS PANEL: Goulding|White]

1 A (White) Well, that would be the hope. I
2 wouldn't say that these results are
3 noncompetitive. Offers were reasonably
4 grouped.

5 Q Okay. Is there any opportunity to group the
6 load with the C&I load in Massachusetts and
7 Connecticut with your affiliates? Would that
8 make the price better?

9 A (White) I'm not sure I'm prepared to comment on
10 that. I don't know if crossing jurisdictions
11 in one RFP, I --

12 BY CMSR. GIAIMO:

13 Q It wouldn't need to be one RFP. It could be
14 done contemporaneously the same day, and they
15 would all go out at the same time.

16 A (White) I don't think that necessarily would
17 improve things. That, actually, I think on the
18 same day might create a -- what the suppliers
19 perceive as a greater burden to prepare two
20 offers on the same day, they may choose not to
21 participate in one.

22 And the inherent volume risk, that profile
23 wouldn't change by combining large C&I across
24 state lines.

[WITNESS PANEL: Goulding|White]

1 BY CMSR. BAILEY:

2 Q Okay. What about the idea of asking for bids
3 that would just have an adder and be based on
4 the LMP? Wouldn't that reduce the risk?

5 A (White) Yes. I believe so. I guess, without
6 completely fleshing out that idea, I think what
7 you're saying is that energy would be a
8 passthrough.

9 Q Yes. I mean, that's what another utility does,
10 I don't remember if it's Liberty or Unitil.

11 A (White) We could do that. I don't know that
12 you need a supplier to do that.

13 A (Goulding) Well, so, I was going to add in,
14 that then adds in the risk of a reconciliation,
15 too, because I believe Unitil and Liberty have
16 one or two customers that are on that large
17 rate, and they reconcile them on a monthly
18 basis. We have a much larger number of
19 customers in LG and GV, so it would be a much
20 more in-depth, longer -- or, in-depth process
21 to reconcile however many customers we have
22 between LG and GV. I know there's ten LG, but
23 I think there's hundreds, a couple hundred GV
24 customers. So, we'd have to do a manual

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[WITNESS PANEL: Goulding|White]

1 reconciliation every single month on those.

2 And then, if we didn't do that, we'd have
3 a reconciling item that we'd have to reconcile
4 next time, and who knows if those customers are
5 still taking Energy Service or are you
6 reconciling with the right customers. So, we
7 could run into some issues there.

8 Q Okay. All right. On the confidentiality
9 issue, the different rate components, I think,
10 Mr. Goulding, this is for you. If the
11 Commission found that the Energy Service rate
12 should be made public, is there any reason that
13 the other elements in the overall rate would
14 need to be confidential?

15 A (Goulding) When you say "Energy Service rate",
16 do you mean just the base kind of Energy
17 Service rate?

18 Q Yes. So, the RPS adder, the general and
19 administrative adder, the Hydro adder?

20 A (Goulding) No. Those were all made
21 confidential just because they have the same
22 denominator for kWh, and you can try to attempt
23 to back into allocating that kWh sales --

24 Q Okay.

[WITNESS PANEL: Goulding|White]

1 A (Goulding) -- between the two different rates
2 to come with a proxy rate. So, no, there would
3 be no need for those to be confidential
4 anymore.

5 Q Okay. Do you know if the RPS number was
6 confidential in the prior filings that you've
7 made?

8 A (Goulding) It was not.

9 CMSR. BAILEY: Okay. All right.
10 Thank you. That's all I have.

11 CHAIRMAN HONIGBERG: Commissioner
12 Giaimo.

13 CMSR. GIAIMO: Good afternoon.

14 BY CMSR. GIAIMO:

15 Q All right. So, my first question is with a
16 hypersensitivity for confidentiality. So, what
17 I heard was, when they asked how many suppliers
18 raised concerns with the process, the answer
19 was "four".

20 A (White) Approximately.

21 Q Approximately four. Did it -- of those, does
22 that include people that didn't bid in as a
23 result of --

24 A (White) Yes.

[WITNESS PANEL: Goulding|White]

1 Q Yes. Thank you. Thank you. Mr. White, you
2 said, and I'm going to paraphrase here, when
3 they asked "what do you think is a reasonable
4 turnaround time for the RFP bid receipt and the
5 final approval?", what I thought I heard, and I
6 just want to clarify this, "five business
7 days". It sounds like that's a reasonable
8 amount of time?

9 A (White) Given the necessary process in New
10 Hampshire, yes. Shorter is better, but yes. I
11 believe it was our hope that perhaps that's
12 achievable.

13 Q Okay. I'm looking at Bates 037, and on it I'm
14 looking at the "Energy Price Bid Multiplier".
15 And that sounded a lot like your migration risk
16 and other factors that you build in to
17 balance --

18 A (White) Yes. I don't know if I mentioned that.
19 But, yes, that would be -- well, I call it
20 "risk premium". So, there are a lot of
21 components of risk; volume risk, price risk.
22 But, yes, that would be in that multiplier.

23 Q And what I heard was that the migration risk
24 associated with C&I is greater than it is for

[WITNESS PANEL: Goulding|White]

1 residential?

2 A (White) Correct.

3 Q So, in future years, could we expect the C&I
4 Energy Price Bid Multiplier to be higher for
5 C&I than it is for residential? Because in the
6 analysis you used on Bates 037, it doesn't
7 point out that was the situation?

8 A (White) Well, on the upper end it is.

9 Q It's a larger range? Okay. But not on the
10 higher range. The higher range is the same for
11 both, the _____ and _____.

12 A (White) Well, --

13 CHAIRMAN HONIGBERG: Commissioner
14 Giaimo, if you want to have a conversation with
15 the witness about confidential information, we
16 can do that. We can just have Mr. Patch leave,
17 and we'll have a different part of the
18 transcript.

19 Would you like to have a conversation
20 with Mr. White about some of the confidential
21 information in the filing? There is nothing
22 preventing us from doing that.

23 CMSR. GIAIMO: No. No. I just want
24 to --

[WITNESS PANEL: Goulding|White]

1 BY CMSR. GIAIMO:

2 Q I guess my question is, in light of the recent
3 results, can we expect those numbers to change
4 in future -- in future solicitations?

5 A (White) The bid multipliers?

6 Q Yes.

7 A (White) Yes. We would incorporate the results
8 of this RFP process going forward.

9 Q Okay. Thank you for answering the question.
10 Mr. Goulding, you mentioned the ADE rate and
11 the LG rate. And you mentioned that the
12 Company reached out to the customers in early
13 February, I think?

14 A (Goulding) Yes, for customers on Rate ADE.

15 Q To let them know that that had changed and that
16 they would be put into a new rate
17 classification?

18 A (Goulding) Yes. Kind of the discussions on how
19 it was going to work when they were going to be
20 transferred over to Rate DE, go on the DE rate,
21 and then become a monthly rate that would be
22 set in this docket.

23 Q Okay. On the bingo sheet, 2 -- or, Page 2,
24 Exhibit 3, is there a line specific to where

[WITNESS PANEL: Goulding|White]

1 they would find themselves?

2 A (Goulding) No. We don't have -- we don't have
3 a Rate DE on here. It was just the standard DE
4 rate of 11.25 cents.

5 CMSR. GIAIMO: Okay. Thanks. That's
6 all I have.

7 CHAIRMAN HONIGBERG: Virtually all
8 the questions I had have been answered.

9 BY CHAIRMAN HONIGBERG:

10 Q I guess I'm still interested in how we're going
11 to get from where we are today to a better
12 process, and make that process more routine for
13 Eversource, as it is now for Liberty and
14 Unitil. And it gets adjusted over time for
15 them, too. I don't want anybody to
16 misunderstand that.

17 But I, speaking for myself, don't see any
18 reason why, if the Company and Staff and the
19 OCA got together and said "this is the
20 information that we need to have a quick
21 turnaround", and the Company could provide that
22 information and be ready to provide that
23 information the day after they make their
24 award, we'd have a five business day process,

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[WITNESS PANEL: Goulding|White]

1 just the way we have for Unitil and Liberty.

2 And if we could do that, Mr. White, does
3 that sound like the kind of resolution of this
4 problem that would work for you and be better
5 than we are today, understanding that you'd
6 love to have as little time as possible?

7 A (White) Yes.

8 CHAIRMAN HONIGBERG: Thank you for
9 that. And all the other questions I had have
10 been answered.

11 Mr. Fossum, do you have any follow-up
12 for your witnesses?

13 MR. FOSSUM: No. Thank you.

14 CHAIRMAN HONIGBERG: All right.
15 Then, we're going to do the wrap-up things.

16 Without objection, we'll strike ID on
17 Exhibits 1 through 11.

18 I'll note that it's possible that,
19 during the course of the questions and answers,
20 there may have been some confidential
21 information accidentally disclosed. We'll ask
22 counsel to work with Mr. Patnaude on anything
23 in the transcript that may need to be struck
24 and marked.

1 MR. FOSSUM: We'll do that.

2 CHAIRMAN HONIGBERG: Is there
3 anything else we need to do before we close?

4 *[No verbal response.]*

5 CHAIRMAN HONIGBERG: All right. Mr.
6 Patch, why don't you start us off.

7 MR. PATCH: I have no comments.
8 Thank you, Mr. Chairman.

9 CHAIRMAN HONIGBERG: Mr. Kreis.

10 MR. KREIS: Thank you, Mr. Chairman.
11 If I understood the Commission correctly, you
12 are hoping that we have a conversation with the
13 Company to resolve the confidentiality issue
14 that we spent a fair amount of time at the
15 beginning of the hearing on. So, I'm going to
16 skip over that question and address the merits
17 of what is before the Commission today.

18 And with respect to the merits, I
19 think the record demonstrates that there was a
20 suitably competitive solicitation process, and
21 that a winning bid -- the winning bid or bids
22 result in rates that are just and reasonable
23 and should be approved by the Commission.

24 CHAIRMAN HONIGBERG: Thank you, Mr.

1 Kreis. Ms. Amidon.

2 MS. AMIDON: Yes. Based on the
3 filing, it appears that the Company conducted
4 the solicitation in accordance with the
5 process approved by the Commission in Docket
6 DE 113 [17-113?]. And it also appears that the
7 recovery of the costs of those two
8 solicitations through rates are a result of a
9 competitive market bid consistent with RSA
10 374-F, and just and reasonable. And the
11 solicitation itself was well done and should be
12 approved.

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

15 MR. FOSSUM: Thank you. I'll begin
16 by, I guess, offering a bit of an apology. It
17 was never our intent to create a more difficult
18 or cumbersome process. And to the extent that
19 we have done so, you know, we must take
20 ownership of that.

21 We would ask that, you know, whatever
22 issues might may have arisen as a result of our
23 handling of the confidential material, or at
24 least what we purported to be confidential

1 materials thus far, not delay this docket,
2 because, as you've heard repeatedly today,
3 delay is -- it's a concern.

4 Ultimately, we want a good, workable,
5 and useful process for all of us. We recognize
6 that we have improvements to make, and we
7 certainly will do so. And I think that's
8 certainly in line with what was contemplated in
9 the Settlement Agreement in 17-113. There's
10 provisions in that Agreement identifying that,
11 in the future, Eversource, or others for that
12 matter, may propose new and different methods
13 for doing things. And we will certainly work
14 through those processes to the extent that they
15 come up with the hope of doing this all better,
16 to get the best result for customers, with the
17 least difficulty for the suppliers, for the
18 Company, for the Commission, for the Staff, the
19 OCA, and anybody else.

20 Turning to the merits, I appreciate
21 the comments of the Staff and the OCA. We
22 believe this was an open, fair, and competitive
23 solicitation. The results are fair and
24 market-based results. And the calculations

1 have led to just and reasonable rates. And we
2 would ask that they be approved.

3 And I'll just close by noting that we
4 certainly are intending to sit and work with
5 the Staff and the OCA to potentially enhance or
6 improve what's already been filed, as well as
7 what we will be doing going forward.

8 CHAIRMAN HONIGBERG: Thank you very
9 much, Mr. Fossum. I appreciate the comments
10 you made. And I appreciate all of the
11 contributions people made today. This was a
12 helpful event. We'll get the vehicle improved
13 for next time, tuned up, ready to go.

14 So, thank you all. We'll take the
15 matter under advisement and issue an order
16 quickly.

17 *(Whereupon the hearing was*
18 *adjourned at 12:30 p.m.)*