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**STATE OF NEW HAMPSHIRE**

**PUBLIC UTILITIES COMMISSION**

NHPUC 8OCT19PM2:48

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

REDACTED FOR PUBLIC USE

Concord, New Hampshire

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

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

Sandy Deno, Clerk

**APPEARANCES:**

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

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

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

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

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

I N D E X

WITNESS PANEL:    **FREDERICK B. WHITE**  
                                  **ERICA L. MENARD**

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EXHIBITS

1            Petition for Adjustment to the                                    Premarked  
                  Energy Service Rate for Effect  
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 2            Petition for Adjustment to the                                    Premarked  
                  Energy Service Rate for Effect  
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 3            Comparison of Rates Proposed for                                    Premarked  
                  for Effect 8/1/19 to Current Rates

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

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

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

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

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

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

1 Division.

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

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

13 (Discussion off the record among  
14 Commissioners.)

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

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

24 MR. FOSSUM: I just premarked with

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

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

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

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

17 [No verbal response]

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

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

24 **FREDERICK B. WHITE**

[WITNESS PANEL: WHITE | MENARD]

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

2                   CHAIRMAN HONIGBERG: Mr. Fossum.

3                   **DIRECT EXAMINATION**

4                   **BY MR. FOSSUM:**

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

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

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

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

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

[WITNESS PANEL: WHITE|MENARD]

1 responsibilities for the record.

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

12 Q. Thank you.

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

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

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

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

[WITNESS PANEL: WHITE | MENARD]

1 business administration.

2 Q. And your previous experience?

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

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

22 (Discussion off the record.)

23 CHAIRMAN HONIGBERG: Back on the  
24 record.



## [WITNESS PANEL: WHITE | MENARD]

1 BY MR. FOSSUM:

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

7 A. (Menard) Yes.

8 A. (White) Yes.

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

14 A. (Menard) Yes.

15 A. (White) Yes.

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

18 A. (Menard) No.

19 A. (White) No.

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

22 A. (Menard) Yes.

23 A. (White) Yes.

24 Q. Now, just a few other questions.

[WITNESS PANEL: WHITE | MENARD]

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

22 A. (White) Yes.

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

[WITNESS PANEL: WHITE|MENARD]

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

3 A. (White) Yes.

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

13 Q. Thank you very much.

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

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

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

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

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

[WITNESS PANEL: WHITE | MENARD]

1 A. Yes, I do.

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

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

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



[WITNESS PANEL: WHITE | MENARD]

1 decrease in a residential customer's bill.

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

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

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

3 A. (Menard) Yes. Correct.

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

8 A. (White) Yes.

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

13 A. (Menard) Yes.

14 A. (White) Yes.

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

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

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

21 CHAIRMAN HONIGBERG: Mr. Kreis.

22 MR. KREIS: I have a few.

23 **CROSS-EXAMINATION**

24 **BY MR. KREIS:**

[WITNESS PANEL: WHITE | MENARD]

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

3 A. (Menard) Good morning.

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

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

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

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

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

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

[WITNESS PANEL: WHITE | MENARD]

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

5 A. (Menard) Yes. Correct.

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

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

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

16 A. (Menard) Correct.

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

20 A. (Menard) Correct.

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

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

21 A. (Menard) Correct.

22 Q. Why is there an adjustment for ADIT?

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

[WITNESS PANEL: WHITE | MENARD]

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

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

8 Q. Okay. At Bates page --

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

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

18 CHAIRMAN HONIGBERG: Okay. You may  
19 proceed.

20 MR. KREIS: Thank you.

21 BY MR. KREIS:

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

[WITNESS PANEL: WHITE | MENARD]

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

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

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

23   A.   (Menard) I don't know.

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

[WITNESS PANEL: WHITE | MENARD]

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

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

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

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

22 Mr. Fossum.

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



[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

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

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

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

24 CHAIRMAN HONIGBERG: All right. So

[WITNESS PANEL: WHITE | MENARD]

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

5 MR. FOSSUM: Agreed.

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

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

[WITNESS PANEL: WHITE | MENARD]

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

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

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

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

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

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

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

22                  CHAIRMAN HONIGBERG: That is  
23                  correct.

24                  MR. McLAUGHLIN: Appreciate it.

[WITNESS PANEL: WHITE | MENARD]

1 Thank you.

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

4 MS. AMIDON: Thank you.

5 **CROSS-EXAMINATION**

6 **BY MS. AMIDON:**

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

11 A. (White) Okay.

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

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

[WITNESS PANEL: WHITE | MENARD]

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

5 A. No, there were not.

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

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

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[WITNESS PANEL: WHITE | MENARD]

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

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

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

11 Q. Okay.

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

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

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

21 Q. Okay. Very good.

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

24 CHAIRMAN HONIGBERG: Commissioner

[WITNESS PANEL: WHITE|MENARD]

1 Bailey.

2 **QUESTIONS BY COMMISSIONER BAILEY:**

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

9 Q. I see. Okay. Thank you.

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

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

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

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



[WITNESS PANEL: WHITE | MENARD]

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

3   Q.     In the stranded cost filing?

4   A.     (Menard) Yes.

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

9   A.     (Menard) They are.

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

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

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

[WITNESS PANEL: WHITE|MENARD]

1 WITNESS MENARD: Bates Page 22.

2 BY COMMISSIONER BAILEY:

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

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

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

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

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

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

23 Q. Okay.

24 CHAIRMAN HONIGBERG: So just to

[WITNESS PANEL: WHITE | MENARD]

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

5 WITNESS MENARD: Correct.

6 CHAIRMAN HONIGBERG: Okay. Thanks.

7 BY COMMISSIONER BAILEY:

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

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

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

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

17 CHAIRMAN HONIGBERG: Commissioner  
18 Giaimo.

19 **QUESTIONS BY COMMISSIONER GIAIMO:**

20 Q. Good morning. Welcome.

21 A. (Menard) Thank you.

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

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

[WITNESS PANEL: WHITE | MENARD]

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

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

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

8 BY COMMISSIONER GIAIMO:

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

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

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

24 A. That's correct.

[WITNESS PANEL: WHITE|MENARD]

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

4 A. I have 3 cents, but yes.

5 Q. Seven point zero three?

6 A. (White) Yes.

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

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

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

18 A. (White) Yes.

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

[WITNESS PANEL: WHITE | MENARD]

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

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

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

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

22 BY COMMISSIONER GIAIMO:

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

[WITNESS PANEL: WHITE | MENARD]

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

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



[WITNESS PANEL: WHITE | MENARD]

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

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

11 COMMISSIONER GIAIMO: Okay.

12 **QUESTIONS BY CHAIRMAN HONIGBERG:**

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

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

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

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

4 A. (White) Yes.

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

8 A. (White) Absolutely.

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

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

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

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

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

[WITNESS PANEL: WHITE | MENARD]

1 receipt of bids at 10 a.m.

2 Q. Okay. Thank you.

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

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

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

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

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

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

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

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

[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

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

11                    MR. FOSSUM: That's true.

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

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

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

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

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[WITNESS PANEL: WHITE|MENARD]

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

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

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

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

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

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

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1 some more details.

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

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

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

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

4 CHAIRMAN HONIGBERG: Mr.  
5 McLaughlin.

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

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

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

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[WITNESS PANEL: WHITE | MENARD]

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

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

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

[WITNESS PANEL: WHITE | MENARD]

1 are incorporated.

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

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

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

24 CHAIRMAN HONIGBERG: Hang on. I

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

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

7 MR. OLSON: House Bill 183.

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

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

[WITNESS PANEL: WHITE | MENARD]

1 CHAIRMAN HONIGBERG: Mr.  
2 McLaughlin.

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

6 (Court Reporter interrupts.)

7 MR. McLAUGHLIN: Is it working?

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

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

21 CHAIRMAN HONIGBERG: Mr. Fossum.

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

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

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

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

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

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

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

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

24 MR. McLAUGHLIN: Just that I think

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

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

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

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

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

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

18 (Court Reporter interrupts.)

19 CHAIRMAN HONIGBERG: Renewable base  
20 load energy credits.

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

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

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

8 MR. FOSSUM: Absolutely.

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

12 MR. FOSSUM: No.

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

16 CHAIRMAN HONIGBERG: Question for  
17 whom?

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

22 CHAIRMAN HONIGBERG: No, you missed  
23 nothing.

24 MR. McLAUGHLIN: Okay. Thank you.



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

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

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

11 MR. McLAUGHLIN: You are correct.

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

15 MR. McLAUGHLIN: You are correct.

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

18 **CLOSING STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

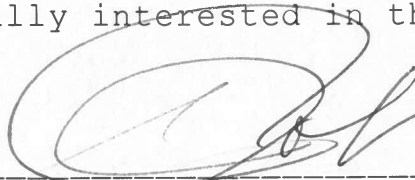
24 **(Hearing adjourned at 11:41 a.m.)**

[WITNESS PANEL: WHITE | MENARD]

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24**C E R T I F I C A T E**

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

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



---

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

C E R T I F I C A T E

I, [Name], [Title], [Company], do hereby  
certify that the [Name] [Title]  
of the [Company] has been [Action]  
employed by me as [Title]  
on the [Date] [Month] [Year].

Witness my hand and seal at the  
City of [City], [State], this [Day] [Month] [Year].

Signature  
Name  
Title  
Company