

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3
4 **December 21, 2020 - 9:00 a.m.**

DAY 4

5
6 *[Remote Hearing conducted via Webex]*

7 **RE: DE 20-092**

8 **ELECTRIC AND GAS UTILITIES:**

9 2021-2023 Triennial Energy
Efficiency Plan.

10
11 **PRESENT:** Chairwoman Dianne Martin, Presiding
 Cmsr. Kathryn M. Bailey

12 Jody Carmody, Clerk
13 Corrine Lemay, PUC Remote Hearing Host

14 **APPEARANCES:** **Reptg. Public Service Company of New**
 Hampshire d/b/a Eversource Energy:
15 Jessica A. Chiavara, Esq.

16 **Reptg. Unitil Energy Systems, Inc.**
 and Northern Utilities, Inc.:
17 Patrick Taylor, Esq.

18 **Reptg. Liberty Utilities (Granite**
 State Electric) and Liberty Utilities
19 **(EnergyNorth Natural Gas d/b/a**
 Liberty Utilities:
20 Michael J. Sheehan, Esq.

21 **Reptg. New Hampshire Electric**
 Cooperative, Inc.:
22 Mark W. Dean, Esq.

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

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

APPEARANCES: (C o n t i n u e d)

Reptg. Clean Energy New Hampshire:
Elijah D. Emerson, Esq. (*Primmer...*)
Madeleine Mineau, Executive Director

Reptg. Conservation Law Foundation:
Nick Krakoff, Esq.

Reptg. The Way Home:
Raymond Burke, Esq. (*N.H. Legal Asst.*)

Reptg. Acadia Center:
Stefan Koester

Reptg. Dept. of Environmental Services:
Christopher J. Skoglund

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Paul B. Dexter, Esq.
Brian D. Buckley, Esq.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

I N D E X

PAGE NO.

UTILITIES' RATES

WITNESS PANEL:

**ERICA L. MENARD
CHRISTOPHER J. GOULDING
HEATHER M. TEBBETTS
CAROL M. WOODS**

Direct examination by Mr. Sheehan	12
Cross-examination by Mr. Dexter	39
Interrogatories by Cmsr. Bailey	64
Redirect examination by Mr. Sheehan	86
Recross-examination by Mr. Dexter	90

PUBLIC COMMENT BY:

Mr. Nute	92
----------	----

QUESTION BY:

Cmsr. Bailey	93
--------------	----

PUC STAFF

WITNESS PANEL:

**ELIZABETH R. NIXON
JAY E. DUDLEY
STEPHEN R. ECKBERG**

Direct examination by Mr. Buckley	95
Cross-examination by Mr. Kreis	151
Cross-examination by Mr. Taylor	202
Cross-examination by Mr. Krakoff	233
Interrogatories by Cmsr. Bailey	241, 249, 259
Interrogatories by Chairwoman Martin	249, 255, 260
Redirect examination by Mr. Buckley	264

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
44	Revisions to Liberty's SBC calculations (Bates Pages R000470 through R000478), and intended to supersede Bates 470 through 478 of Exhibit 2	<i>premarked</i>
25B	RESERVED (Revised Table 4 to reflect changes provided during the hearing, updating Exhibit 25	106

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

P R O C E E D I N G

CHAIRWOMAN MARTIN: We're here this morning to continue the hearing in DE 20-092, regarding the 2021 to 2023 Statewide Energy Efficiency Plan. We have already made the necessary findings to hold this as a remote hearing.

I will remind everyone that, if they have a problem during the hearing, you can call (603)271-2431. And, in the event the public is unable to access the hearing, the hearing will be adjourned and rescheduled.

Okay. We have to take a roll call attendance of the Commission. My name is Dianne Martin. I am the Chairwoman of the Public Utilities Commission. And I am alone.

Commissioner Bailey.

CMSR. BAILEY: Good morning, everyone. Commissioner Kathryn Bailey. And I am alone.

CHAIRWOMAN MARTIN: Okay. Let's take appearances please, starting with Ms. Chiavara.

MS. CHIAVARA: Good morning. Jessica Chiavara, representing Public Service Company of New Hampshire, doing business as Eversource

1 Energy.

2 CHAIRWOMAN MARTIN: Okay. And
3 Mr. Sheehan.

4 MR. SHEEHAN: Good morning. Mike
5 Sheehan, for Liberty Utilities (EnergyNorth
6 Natural Gas) and Liberty Utilities (Granite State
7 Electric).

8 CHAIRWOMAN MARTIN: Good morning. And
9 Mr. Taylor.

10 MR. TAYLOR: Good morning,
11 Commissioners. Patrick Taylor, on behalf of
12 Unitil Energy Systems, Inc., and Northern
13 Utilities, Inc., both commonly known as "Unitil".

14 CHAIRWOMAN MARTIN: Thank you. And
15 Mr. Dean.

16 MR. DEAN: Good morning. Mark Dean, on
17 behalf of New Hampshire Electric Cooperative.

18 CHAIRWOMAN MARTIN: Thank you. And Mr.
19 Kreis.

20 MR. KREIS: Good morning, everybody. I
21 am D. Maurice Kreis, the Consumer Advocate, here,
22 as always, on behalf of residential utility
23 customers.

24 CHAIRWOMAN MARTIN: Thank you. And

1 anyone from DES appearing?

2 MR. SKOGLUND: Good morning,
3 Commissioners. This is Chris Skoglund, from the
4 New Hampshire Department of Environmental
5 Services. Rebecca Ohler isn't able to join today
6 due to previous commitments.

7 But we can also be demoted, should that
8 make it easier on the rest of the participants
9 today, as we have no plans to comment.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 I appreciate that. And Mr. Emerson.

12 MR. EMERSON: Good morning. Eli
13 Emerson, from Primmer, Piper, Eggleston & Cramer,
14 on behalf of Clean Energy New Hampshire.

15 Thank you.

16 CHAIRWOMAN MARTIN: Thank you. And Mr.
17 Krakoff.

18 MR. KRAKOFF: Good morning. Nick
19 Krakoff here for the Conservation Law Foundation.

20 CHAIRWOMAN MARTIN: Okay. Do we have
21 anyone from Acadia Center? Oh, Mr. Koester, I
22 see you there.

23 MR. KOESTER: Stefan Koester, with
24 Acadia Center.

1 CHAIRWOMAN MARTIN: Thank you. And
2 Mr. Burke.

3 MR. BURKE: Good morning. Raymond
4 Burke, from New Hampshire Legal Assistance, on
5 behalf of The Way Home.

6 Thank you.

7 CHAIRWOMAN MARTIN: Okay. Thank you.
8 And Mr. Clouthier.

9 MR. CLOUTHIER: Good morning. Ryan
10 Clouthier, with Southern New Hampshire Services.

11 CHAIRWOMAN MARTIN: Thank you. And for
12 the Staff, Mr. Dexter.

13 MR. DEXTER: Good morning, Chairwoman
14 and Commissioner. Paul Dexter and Brian Buckley,
15 appearing on behalf of the Commission Staff.

16 CHAIRWOMAN MARTIN: Thank you. And do
17 we have anyone else who needs to put in an
18 appearance today?

19 *[No indication given.]*

20 CHAIRWOMAN MARTIN: Okay. Hearing
21 none.

22 I understand that we have no one who
23 wishes to make public comment. Is that still
24 true, Ms. Carmody?

1 MS. CARMODY: I have had nobody contact
2 me since I asked.

3 CHAIRWOMAN MARTIN: Okay. Thank you.

4 All right. I have a couple of
5 preliminary matters that we need to address.

6 First, we have a pending Motion for
7 Confidential Treatment. And I will rule on that
8 motion.

9 We grant the Motion for Confidential
10 Treatment and Protective Order filed by
11 Eversource on December 9th. No objections have
12 been made to that motion. The information
13 claimed to be confidential in the specified
14 discovery responses includes personally
15 identifiable customer information required to be
16 kept confidential under RSA 363:38. It also
17 includes information considered to be non-public
18 commercial or financial information, such as RFP
19 responses and pricing and a vendor contract.
20 Eversource has a privacy interest in such
21 information that would be invaded by public
22 disclosure, and any public interest in the
23 disclosure of that information is outweighed by
24 that privacy interest. Confidential treatment is

1 therefore warranted under both RSA 91-A:5, IV,
2 and Supreme Court precedent.

3 Okay. Moving on to exhibits. We now
4 have Exhibits 1 through 43, which had been filed
5 and premarked for identification up through the
6 last hearing. We also received an Exhibit 44
7 filed by Liberty in the interim.

8 We also have two pending record
9 requests. And, so, we will need to identify
10 exhibit numbers for those before we close.

11 I am looking to get a status on those
12 two pending requests. Mr. Sheehan?

13 MR. SHEEHAN: I've been less involved,
14 but I do know they are close to being done.
15 Maybe Ms. Chiavara has the latest update.

16 MS. CHIAVARA: Yes. I think I just --
17 they are more or less ready. I think I should be
18 able to get them at the break, if there's a break
19 today.

20 CHAIRWOMAN MARTIN: Okay. Thank you.

21 All right. Anything else that we need
22 to do before we go to the -- well, the second
23 witness panel?

24 [No verbal response.]

1 CHAIRWOMAN MARTIN: All right. Then,
2 Mr. Patnaude, if you could swear in what I
3 understand is going to be the Staff witnesses
4 going next?

5 MR. SHEEHAN: I believe the next panel
6 is the Settling Parties Rates Panel.

7 CHAIRWOMAN MARTIN: Okay. Does
8 everyone agree to that?

9 MR. DEXTER: Yes. That is Staff's
10 understanding as well.

11 CHAIRWOMAN MARTIN: Okay. Excellent.
12 Then, let's swear in the Rates Panel,
13 Mr. Patnaude.

14 MR. SHEEHAN: And, for the record, I
15 think --

16 *[Court reporter interruption and a*
17 *brief off-the-record discussion ensued*
18 *regarding the fact that the witnesses*
19 *being called to the stand as a panel*
20 *were already sworn during Day 1 of the*
21 *hearing held on December 10, 2020, and*
22 *therefore remain under oath.]*

23 (Whereupon the Rates Panel was called
24 to the stand, having been previously

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 sworn, consisting of **Erica L. Menard,**
2 **Christopher J. Goulding, Heather M.**
3 **Tebbetts,** and **Carol M. Woods.**)

4 CHAIRWOMAN MARTIN: And I will remind
5 the members of the Rates Panel that they remain
6 under oath. And we can proceed.

7 MR. SHEEHAN: Thank you. I have been
8 nominated, I guess, or volunteered to ask
9 questions. And Ms. Menard has drawn the short
10 straw, and I'll be directing most of the
11 questions to her. Although the other members of
12 the panel, feel free to chime in as we go along.
13 And, of course, all four will be subject to
14 cross-examination and Commissioner questions.

15 **ERICA L. MENARD, PREVIOUSLY SWORN**

16 **CHRISTOPHER J. GOULDING, PREVIOUSLY SWORN**

17 **HEATHER M. TEBBETTS, PREVIOUSLY SWORN**

18 **CAROL M. WOODS, PREVIOUSLY SWORN**

19 **DIRECT EXAMINATION**

20 BY MR. SHEEHAN:

21 Q Ms. Menard, could you please, at a very high
22 level, describe what the Utilities are asking the
23 Commission to approve as part of this proceeding
24 as it pertains to rates?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Menard) Certainly. As consistent with the
2 Settlement Agreement that is identified as
3 Exhibit 14, we are asking that the Commission
4 approve a new construct of varying rates by
5 utility and by sector, based on the Program goals
6 and funding previously discussed by the panel --
7 the previous panel.

8 We're seeking for approval of annual
9 rates, three annual rates, one for each year,
10 2021 through 2023, as outlined in the Settlement
11 Agreement. Excuse me. Each utility has separate
12 exhibits listed in either the Settlement
13 Agreement or other attachments that have been
14 filed since, that outline the annual rates that
15 we are seeking approval for.

16 An approval of these specific rates
17 will allow for a more streamlined process across
18 the three years, better planning for the
19 Utilities and for the companies that support the
20 programs, and administrative efficiencies
21 throughout the term.

22 Q Thank you. At the end of this presentation, I'll
23 ask each of the particular utility witnesses to
24 point to where in the filing their requested

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 rates are, and we'll also ask each utility to
2 review their particular bill impacts, but we'll
3 do that a little later.

4 Would you say, Ms. Menard, that the
5 rates that the Utilities are seeking approval of
6 are appropriately and effectively designed, given
7 the savings goals for the 2021 through 2023 Plan?

8 A (Menard) Yes.

9 Q Can you explain why there was a decision to move
10 away from a uniform SBC rate, in favor of rates
11 differentiated by utility and customer sector?

12 A (Menard) Certainly. So, prior to this Plan,
13 there was a single System Benefits Charge rate
14 applied to all electric companies and customers
15 to fund energy efficiency. For the first
16 Triennial Plan, the SBC rate was set based on the
17 agreed upon savings targets, but there was still
18 one uniform rate across all companies and all
19 customer segments.

20 As the programs have evolved and energy
21 savings targets have increased, specifically in
22 this planning period, the single rate didn't
23 align with the energy savings potential for the
24 various sectors and companies. And the single

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 rate did not collect funds most efficiently. So,
2 this new mechanism sets rates specifically by
3 company and by customer sector, and the funding
4 design is more directly aligned with the savings
5 potential for the various programs within the
6 Three-Year Plan.

7 This Plan maximizes the efficiency of
8 the collected funds, so there's not one utility
9 with an over-collection of funds and another
10 utility with under-collection of funds. The
11 differentiated rates will also reduce the need to
12 look at these under-collections and
13 over-collections every year.

14 The natural gas utilities have been
15 using this approach for a number of years, and so
16 that we are proposing to expand this into the
17 electric sectors as well.

18 Q What would be the effects of rejecting the
19 differentiated SBC rates and to adopt a uniform
20 rate across customer sectors and among utilities?
21 Would such a decision impact the energy
22 efficiency at the state level?

23 A (Menard) Well, the programs and the budgets
24 themselves have been set, as identified by the

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 previous panel. If we had a single rate moving
2 forward, as we have had in the past, uniformly
3 applying that rate to all customers in all
4 sectors, there would -- certain customer
5 segments, in particular the Residential Sector,
6 would bear a disproportionate share of the
7 funding responsibility, and would essentially
8 amount to an over-collection of funds that
9 couldn't effectively be used and applied to
10 programs.

11 So, this approach aligns the savings
12 goals. There's more potential in the C&I Sector,
13 more potential in the Eversource companies. And,
14 so, this rate will allow for a balanced approach
15 and more appropriately aligning the rates and the
16 funding with the appropriate sector.

17 If this approach is not selected or
18 approved, as Ms. Peters outlined in the previous
19 panel, the funding mechanisms, the budgets would
20 need to be reviewed, and a different rate
21 construct would need to be developed.

22 The Settlement Agreement is what the
23 companies are proposing as part of this
24 proceeding.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q How did each company develop their particular
2 rates?

3 A (Menard) The previous panel I think went into a
4 lot of detail about the stakeholder process that
5 was involved in this proceeding. There were many
6 months of discussions about what the targets
7 should be. The resulting savings targets, the
8 implementation plans that were designed,
9 including the budgets that were needed, were all
10 developed as part of that stakeholder process.

11 Once those budgets were agreed upon and
12 set, then the Rates groups calculate the actual
13 rates by sector, using the forecasted sales, the
14 budgets by target, the budgets for each of the
15 sectors, and come up with an energy efficiency
16 component of the SBC rate. And then, on top of
17 that, the EAP statutory rate is also added. And
18 then, for certain utilities, Unitil and
19 Eversource in particular, a lost base revenue
20 component is also calculated. So, for some
21 companies, there are three components to the SBC
22 rate; for some companies, there are just two.

23 Q As a gross oversimplification, Ms. Menard, is it
24 fair to say that what you folks have done is

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 taken the budgets, done the math, and figured out
2 the appropriate rates that each company would
3 apply to each of its particular sectors to
4 collect those budgets?

5 A (Menard) Yes.

6 Q Does the variation in SBC rates across the
7 utilities and the sectors at all indicate that
8 these rates are inappropriately designed?

9 A (Menard) No. The rates are appropriately
10 designed to maximize the impact of every dollar
11 collected by tailoring the rates by utility and
12 by sector. And the variation in the rates across
13 the utilities and sectors allows the utilities to
14 more efficiently collect the funds, as I
15 discussed previously, and just collect only the
16 funds needed for that program. So, reducing the
17 inefficiencies created by over- or
18 under-collections that were resulting from a
19 single rate across all utilities.

20 So, this results in a more
21 proportionate financial responsibility for the
22 program among the customers, and allows for
23 collecting only those funds that are needed for
24 programming, and the funds that are collected, in

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 turn, have the most impact by being fully
2 utilized.

3 Q What is the relationship of the rates to the
4 Plan, that is, can the Plan be implemented if any
5 of the rates or budgets are selectively altered?

6 A (Menard) This Plan is aligned with the budgets
7 that have been developed with stakeholder
8 involvement. By altering the budgets, the Plan
9 does not make sense in its current form. So, the
10 Plan is the sum of all of its parts. It's the
11 budget, it's the implementation planning, and
12 then the resulting rates.

13 So, because of this comprehensive
14 design, making an isolated change to either the
15 rate or the budget would have a ripple effect
16 that would prevent implementation without
17 fundamentally changing the Plan, including the
18 savings targets.

19 Q How do you account for the changes to the budgets
20 and rates, as proposed in the Settlement
21 Agreement, to those in the Plan that was filed on
22 September 1?

23 A (Menard) So, the Plan initially filed, again, was
24 part of a stakeholder -- a comprehensive

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 stakeholder process. Because of the pandemic,
2 because of the current economic conditions, there
3 were some -- there was a need to take another
4 look at that Plan, and to see if there were any
5 refinements that could be made to reduce the
6 impact of the rates to customers.

7 There was discussions with all parties
8 that were part of the Settlement Agreement and
9 Staff. There was input that was taken into
10 consideration from the Staff's testimony. And,
11 so, as a result, the Settling Parties worked
12 together to come up with a revised budget,
13 revised savings targets. And this Plan, as
14 presented, is the Settling Parties' agreement to
15 further refine the rates and the budgets, to the
16 greatest extent possible, without significantly
17 impacting and sacrificing recommendations, policy
18 recommendations that the Plan represents.

19 So, all of the Settlement Parties made
20 concessions in order to keep this Plan intact, to
21 keep the Three-Year Plan intact, the savings
22 targets at a place that will keep New Hampshire
23 moving forward for energy efficiency, to give
24 customers the savings, the energy efficiency

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 savings that they need. And, so, this Settlement
2 Agreement really represents a real effort by all
3 the Settling Parties, to take into consideration
4 economic conditions, customer impacts, and has
5 been presented as a balanced plan. It's designed
6 as an ecosystem, where the elements are all
7 linked together. But, in order to achieve the
8 Plan's objectives, we can't alter one piece in
9 isolation. So, this Settlement Agreement really
10 represents a review of all the pieces of the Plan
11 and a final agreement amongst all parties.

12 There were a series of adjustments that
13 were made. And I'll just identify a couple of
14 the significant ones.

15 So, the Eversource C&I rate is the one
16 that gets the most scrutiny, because it is one of
17 the larger impacts. This is the sector that has
18 the most potential for energy efficiency savings,
19 and therefore is seeing a larger increase amongst
20 the utilities and amongst the sectors. But
21 this -- the Settlement Agreement Plan, as
22 compared to the September 1st Plan, in
23 particular, the Eversource C&I component of the
24 SBC rate was reduced by 4.3 percent in 2021,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 reduced by 12.2 percent in 2022, and 18 percent
2 in 2023, compared with that original September 1
3 Plan. And that's shown in the Settlement
4 Agreement, which is Exhibit 14, on Bates Page
5 032.

6 But there were numerous other changes
7 that were made, modifications on budgets and
8 rates, to try to get -- address concerns in
9 overall bill impacts, and to take into
10 consideration the impacts that it would have on
11 both C&I and residential customers.

12 So, while every effort has been made to
13 address the concerns over bill impacts, it's
14 crucial to adopt these rates and budgets as
15 proposed, if the Plan objectives are to be
16 achieved.

17 Q Thank you. I'll give you a break. And I'm going
18 to turn to the other utilities one-by-one, and
19 ask two questions.

20 One is, for where in the record the
21 Commission can find the precise rates that you're
22 seeking approval for, and a bill impact analysis,
23 where that is found in the record, and discuss
24 briefly.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 I'll start with Ms. Tebbetts. And, in
2 addition, for you, I'd like you to talk about
3 Exhibit 44, which we filed over the weekend. Can
4 you please explain what Exhibit 44 is and why we
5 made changes to it and filed it recently?

6 A (Tebbetts) Sure. Good morning. So, Exhibit 44
7 is our Attachment F3 from our original Plan. And
8 it provides updates to the calculations of the
9 rates. More specifically, after some technical
10 sessions with Staff, we found that some of the
11 calculations were miscalculated.

12 A couple of the issues were interest
13 rates, where they were not calculating the totals
14 correctly, so we fixed that in these pages.

15 A couple other items were the kW's
16 provided on Bates Page R473, those monthly
17 commercial kW savings were divided by twelve, and
18 they should not have been.

19 The other issue we updated with that is
20 to utilize the actual cumulative 2019 savings,
21 which were filed in our June 1st Energy
22 Efficiency Report for 2019. So, we made those
23 updates.

24 The other update that we made, other

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 than our formatting update, was also to Bates
2 Page R475. And the issue that was found there is
3 the System Benefits Charge was only comprised of
4 the energy efficiency portion for 2022 and 2023,
5 and did not include the low income portion on the
6 rates to provide a big picture of the overall
7 rate impact, a bill impact.

8 So. Those were the edits that were
9 made.

10 Q And, Ms. Tebbetts, the next question is where --
11 is this the document or where else would the
12 Commission look to find the precise rates that
13 Liberty is seeking approval for?

14 A (Tebbetts) Sure. So, on Bates Page R470, in
15 Exhibit 44, you can see, in Column N, those are
16 the rates that we've asked to have approved for
17 the next three years. You will see, in Column M,
18 that only 2021 includes lost base revenue. And
19 the reason for that is, as part of our Settlement
20 Agreement in Docket DE 19-064, we're allowed to
21 collect lost revenues from 2020 and 2019, because
22 our decoupling mechanism for Granite State
23 Electric starts in 2021, so that will be the last
24 year of decoupling [sic]. So, you can see, in

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Column M, it's not applicable in 2022 or 2023.
2 So, the rate comprises of energy efficiency
3 spending through the SBC, and also the low income
4 portion of the rate.

5 Q And, for EnergyNorth, it's my understanding that
6 that energy efficiency rate was approved in the
7 most recent cost of gas filing, is that correct?

8 A (Tebbetts) Yes. So, for EnergyNorth, the LDAC
9 rates -- excuse me -- were approved, which
10 includes the energy efficiency portion, were
11 approved in DG 20-141, in Order 26,419, that was
12 dated October 30th. And, for our Keene Division,
13 that was Docket DG 20-152, and those LDAC rates
14 for the energy efficiency spending were approved
15 in Order Number 26,428, on December 2nd.

16 Q Turning next, Heather, to the bill impacts.
17 Where can the Commission look to see what the
18 overall bill impacts are of the change in SBC
19 rates?

20 A (Tebbetts) Sure. So, on Bates R475, we provided
21 a calculation for three different rate groups.
22 You can see there that it's for Residential Rate
23 D. We also have a Rate G-2. And a rate -- well,
24 they all say "Rate G-2", and actually that should

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 say "Rate G-3". I think it's just written
2 incorrectly. My apologies that I didn't see
3 this. So, a Rate G-3, which is the small
4 commercial rate. And a Rate G-2, which is the
5 middle one, and that is a medium-size commercial
6 customer. And the last one should be Rate G, or
7 G-1, which is a large commercial/industrial
8 customer.

9 The rate impacts behind it are correct.
10 I just believe, for some reason, it
11 copy-and-pasted the -- I have the spreadsheet
12 version up, it just copy-and-pasted the other
13 line items. So, the rate impacts are correct,
14 though, when I looked at it.

15 For EnergyNorth -- oh, excuse me. Mr.
16 Sheehan, go ahead.

17 Q Yes. Go ahead for EnergyNorth.

18 A (Tebbetts) Sure. For EnergyNorth, the rate
19 impacts are provided -- they're actually not
20 provided within the LDAC filing. But, to give,
21 for 2021, the year over year impact for a
22 residential customer on our heating rate, Rate
23 R-3, for calendar year 2021, versus 2020, is 30
24 percent. This is just for the EE portion. For

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 2022, between 2021 and 2022 period, it's 5
2 percent. And, when you look at 2022 to 2023,
3 it's 6 percent.

4 For our commercial customer, that
5 increase for 2021 over 2020 is 4 percent; for
6 calendar year 2022 over 2020 [2021?] is 6
7 percent; and 2023 over 2022 is 11 percent.

8 Q And, again, those were the changes in the EE
9 component of the LDAC, not the overall bill
10 impact, is that correct?

11 A (Tebbetts) That's correct. I do have the overall
12 bill impact. I can go through that as well.

13 For Residential Rate R-3, which is our
14 heating rate, the increase over 2020 to 2021 is
15 1.42 percent; from 2021 to 2022, it's 0.31
16 percent; and from 2022 to 2023 is 0.31 percent.

17 For our commercial customers, from 2020
18 to 2021 is 0.12 percent; from 2021 to 2022 is
19 0.22 percent; and from 2022 to 2023 is 0.21
20 percent.

21 That is the overall annual bill impact
22 for those customers.

23 Q Thank you, Ms. Tebbetts. I'll turn to you, Mr.
24 Goulding, for the same series of questions.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 I'll start with where in the record the
2 Commission can find the rates that Unitil is
3 proposing for approval in this docket, the SBC
4 rates?

5 A (Goulding) Okay. So, looking at Exhibit 2,
6 Settlement Attachment H3, Bates Page 568, I'll
7 give everyone a second to get there. All right.
8 All the way over in Column M, you'll see that
9 this is the Residential Sector, is the first
10 section.

11 CMSR. BAILEY: Excuse me, Mr. Goulding.
12 Can you go over that Bates Page again? Exhibit
13 2?

14 WITNESS GOULDING: Exhibit 2, Bates
15 Page 568.

16 CMSR. BAILEY: Okay. Thank you.

17 **CONTINUED BY THE WITNESS:**

18 A (Goulding) So, looking over at Column M, we'll
19 start with the Residential Sector, we're asking
20 for approval of the 2021 SBC rate of 0.885 cents
21 per kilowatt-hour; 2022, 1.067 cents per
22 kilowatt-hour; for 2023, 1.165 cents per
23 kilowatt-hour. And that's the all-in rate, which
24 includes the energy efficiency portion of the SBC

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 rate, the EAP portion of the SBC rate, and the
2 LBR portion of the SBC rate.

3 Sliding down to the Commercial &
4 Industrial Sector, for 2021, 1.145 cents per
5 kilowatt-hour; 2022, 1.340 cents per
6 kilowatt-hour; and for 2023, 1.611 cents per
7 kilowatt-hour. Again, that's the all-in energy
8 efficiency rate.

9 BY MR. SHEEHAN:

10 Q And similar to EnergyNorth, did the Commission
11 already approve the energy efficiency portion of
12 Northern's, in Northern's case, in its cost of
13 gas this fall?

14 A (Goulding) Yes. The Energy Efficiency Charge and
15 the Lost Revenue Recovery Charge were approved
16 for effect November 1st, 2020, in Docket Number
17 DG 20-154.

18 Q And please review also the total bill impacts of
19 the SBC changes, if those proposed rate were put
20 into effect?

21 A (Goulding) Okay. So, same attachment, Exhibit 2,
22 Bates Page 586. You'll see the top line there,
23 for 2020, has the current SBC rate for Unitil
24 Energy Systems of 0.752 cents. So, for 2021,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 those are the rates on the front sheet from Bates
2 Page 568, and the same with 2022 and 2023.

3 So, sliding down to the next session --
4 next section, this will be the total bill that a
5 customer will be charged. They're currently
6 charged, a residential customer using 625
7 kilowatt-hours per month is charged \$109.78. So,
8 in 2021, they will be charged \$110.61; in 2022,
9 \$111.74; in 2023, \$112.35.

10 If we slide down to the change line, in
11 the next section for a residential customer, it's
12 an 83 cent increase per month in 2021; \$1.14
13 increase per month in 2022; and a 61 cent
14 increase per month in 2023. And then, you have
15 the residential rate increase per month of 0.8
16 percent in 2021; 1 percent in 2022; and 0.5
17 percent in 2023.

18 And then, looking at the General
19 Service Rate G, average small industrial customer
20 using 10,000 kilowatt-hours per month at 40 kW,
21 their 2021 bill would be \$1,518.70, which is an
22 increase of \$39.31 over their current bill, for
23 2021; and then, 2022, they will see an increase
24 of \$19.51 over their 2021 bill; and then, 2023,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 an increase of \$27.11 over their 2022 bill. So,
2 those increases would be, for 2021, a 2.7 percent
3 increase; 2003 [2022?], 1.3 percent increase; and
4 2023, a 1.8 percent increase.

5 Q And do you have similar information for Northern,
6 although the rates have been approved, you can
7 certainly describe the impacts?

8 A (Goulding) Yes, I do. Same exhibit. A couple of
9 items in here. On Bates Page 666, this is
10 Exhibit 2, these are the Energy Efficiency Charge
11 calculations that will be presented in the cost
12 of gas filings going forward, and also the
13 November 1st, 2021 -- or, 2020 EEC charge that
14 was included in DG 20-154.

15 And then, on Bates Page 676, this is
16 the estimated lost revenue rates. Again, these
17 will be in the cost of gas filings seeking
18 approval. And already the November 1st, 2021 --
19 or, 2020 rate was approved.

20 And then, getting to the bill impacts,
21 same exhibit, Bates Page 690, give everyone a
22 second to get there. All right. So, for 2020 to
23 2021 season, the residential rate is -- that was
24 approved is 9.94 cents. So, if we look down at

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 the Residential Heating customer Bill Period
2 section down a little bit, you'll see it's a
3 \$23.90 change in the Winter Period for a
4 Residential Heating customer, and a \$5.01
5 increase in the Summer Period. And that's a 2.47
6 percent increase over the current rate in the
7 Winter Period, and 1.97 percent increase in the
8 Summer Period.

9 And there's a list of the other rates
10 also, Residential Non-Heating, and G-40, G-41,
11 and G-51, that's doing the same items. So,
12 that's 2020 to '21.

13 2021 and '22 -- '21 to '22, there will
14 be a decrease in the Residential Heating total
15 energy efficiency rate of 44 cents during the
16 Winter Period, and 9 cents in the Summer Period.
17 And then, for the 2022 to '23 period, you'll see
18 a \$13.80 increase in the Winter Period, and a
19 \$2.89 increase in the Summer Period.

20 Q Thank you, Mr. Goulding. Ms. Woods, we'll turn
21 to you now. Again, the same question. Can you
22 point us in the record where are the SBC rates
23 that the Electric Co-op would like to have
24 approved in this docket?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Woods) So, New Hampshire Electric Cooperative's
2 SBC rates are reflected on Bates Page 521, in
3 Attachment 2 [Exhibit 2?]. And on Page -- and
4 then, on Bates Page -- well, it's the attachment,
5 that is Page 521 through 528.

6 So, should I just go through the rates
7 now? I'm sorry.

8 Q Sure. Just point to where the precise rates are
9 that you'd like to see in the future years.

10 A (Woods) Okay. So, they're in Attachment G3, on
11 Bates Page 521, in Attachment 2 [Exhibit 2?].
12 And --

13 Q Go ahead.

14 A (Woods) So, I'm going to go through the rates?

15 Q Sure.

16 A (Woods) Okay.

17 Q And you can just focus on your basic customer
18 classes, the rates that will be charged in the
19 three years for your primary customer classes.

20 A (Woods) Correct. So, for 2021, the Residential
21 all-in rate, which includes the System Benefits
22 Charge, the EE portion, and the EAP portion of
23 the System Benefits Charge, for a Residential
24 member, will be 0.911 cents, and, for a

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Commercial member, it would be -- all-in is 0.968
2 cents; for 2022, that same all-in rate for a
3 Residential member is 0.998 cents, and, for a
4 Commercial member, it is 1.2 cents; in 2023, the
5 all-in rate for a Residential member is 0.975
6 cents, and, for a Commercial member, it is 1.15
7 cents per kilowatt-hour.

8 Q And have you also performed the bill impacts of
9 these rates on your customers, your members?

10 A (Woods) Yes, I did. Yes, I did. And that is
11 reflected on Bates Page 528 Attachment G3, in
12 Attachment 2 [Exhibit 2?] to the Settlement
13 Agreement.

14 And, so, for a Residential member, in
15 2021, a basic Residential rate, using 625
16 kilowatt-hours a month, the monthly bill would be
17 \$130.25, which is an increase of \$1.46 for the
18 same member in 2020; in 2022, the Residential
19 basic rate member, at 625 kilowatt-hours, would
20 be \$130.79, which is an increase of 54 cents over
21 2021; and, in 2023, that bill would be \$130.64,
22 which would be a reduction of 15 cents over 2022.

23 For a Commercial B3, using 10,000
24 kilowatt-hours a month, for 2021, the monthly

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 bill is projected to be \$1,866.67, which is an
2 increase of \$29.03 over 2020; for 2022, that same
3 member class, a Commercial B3, using 10,000
4 dollars [kilowatt-hours?] a month, would be
5 \$1,889.87, which is an increase of \$23.20 over
6 2021; and, in 2023, for that same member class,
7 the Commercial B3, a monthly bill would be
8 \$1,876.06, which is a decrease of \$13.81 over
9 2022.

10 Q Thank you. Back to you, Ms. Menard. Where in
11 the record can we find the rates that Eversource
12 is seeking approval of here?

13 A (Menard) Yes. In the Exhibit 2, where we have
14 been reviewing the other companies' rates,
15 Exhibit 2, Bates Page 403, this is "Settlement-
16 Attachment E3" for Eversource. Bates Page 403
17 shows each of the years and each of the sectors'
18 rates. And go down Column N, the last column to
19 the right, this is the "Total SBC Rate". So, it
20 includes the EE portion, the EAP portion, and the
21 LBR portion.

22 For 2021, the Residential rate is 0.986
23 cents per kilowatt-hour; for a 2021 C&I customer,
24 the rate is 1.215 cents per kilowatt-hour. For

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 2022, the residential rate is 1.07 cents per
2 kilowatt-hour; and the C&I rate for 2022 is 1.587
3 cents a kilowatt-hour. And, finally, for 2023,
4 the Residential rate is 1.185 cents per
5 kilowatt-hour; and the C&I rate, for 2023, is
6 1.994 cents per kilowatt-hour.

7 Q And have you calculated bill impacts of those
8 rates over those years, and where can we find
9 them?

10 A (Menard) Yes. In that same Exhibit 2, if you go
11 to Bates Page 424, this page shows the bill
12 impacts resulting from those rates. The first
13 two lines are the rates that I had just
14 explained. The bill per month, for a Residential
15 Rate R customer, using 625 kilowatt-hours a
16 month, will see the 2021 bill would be \$117.28,
17 which is a \$1.52 increase per month over the 2020
18 rates. In 2022, the monthly bill would be
19 \$117.81, which is an increase of 53 cents over
20 the 2021 level. And, in 2023, the bill would be
21 \$118.52 per month, which is an increase of 72
22 cents over the 2022 level.

23 Doing that same for the Rate G
24 customer, using 10,000 kilowatt-hours a month,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 the 2021 monthly bill would be \$1,748.28, which
2 is an increase of \$47.17 over the 2020 rate
3 level. In 2022, the monthly bill would be
4 \$1,785.54, which is an increase of \$37.26 over
5 the 2022 [2021?] level; and, finally, in 2023,
6 their monthly bill would be \$1,826.24, which is
7 an increase of \$40.70 over the 2022 levels.

8 And then, the final two lines in this
9 exhibit show the increase on a percentage basis,
10 as opposed to a dollar basis. So, you can see,
11 for a Residential Rate R customer, the first year
12 is a 1.3 percent increase; the second year is a
13 0.5 percent increase; and the third year is a 0.6
14 percent increase. For a General Service Rate G
15 customer, the first year is 2.8 increase --
16 percent increase; second year is a 2.1 percent
17 increase; and the third year is a 2.3 percent
18 increase.

19 Q Thank you, Ms. Menard. Does any of the witnesses
20 here have anything left to say or to clarify
21 before I turn you over? And I see Ms. Tebbetts
22 raising her hand.

23 A (Tebbetts) Good morning. So, I realized, after
24 Mr. Goulding started speaking, that my

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 description of Bates R475 was incorrect. And,
2 so, I want to clarify that, when you look at
3 Bates 475 for a description of our rates, the
4 first section of the "Bills per month" is the
5 total bill for those correct Residential classes,
6 Rate D and our Rate G-2 customers. The second
7 section is the dollar increase per year for those
8 two same rate classes. And the third section is
9 percent increase for those exact rate classes.

10 I think I just confused myself earlier,
11 when I was looking at this as a spreadsheet,
12 rather than as the pdf. So, I just wanted to be
13 clear that this, the description is the total
14 bill, the dollar increase, and the percent
15 increase for the SBC on Bates R475.

16 Q Thank you. Anybody else?

17 [No verbal response.]

18 MR. SHEEHAN: With that, we'll make
19 this panel available for cross-examination.

20 CHAIRWOMAN MARTIN: Okay. Thank you.
21 Mr. Dexter, will you be doing the cross?

22 MR. DEXTER: Yes, Madam Chair. I have
23 questions for this panel.

24 **CROSS-EXAMINATION**

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 BY MR. DEXTER:

2 Q So, I'd like to start where Ms. Tebbetts just
3 left off, because I want to make sure I'm
4 understanding.

5 I'm looking at Bates R475, which is
6 Exhibit 44. And do I understand you, Ms.
7 Tebbetts, correctly to say that the "Rate G-2"
8 that's listed there is the correct rate class for
9 the C&I customer?

10 A (Tebbetts) Yes.

11 Q So, there's no further corrections that need to
12 be made on R475 that you're aware of, correct?

13 A (Tebbetts) That's correct.

14 Q Okay. I'd like to start with a question that was
15 deferred or referred from the Settlement Panel.
16 I had asked the Settlement Panel if it was
17 correct that any distribution cost savings
18 arising from the energy efficiency installations
19 proposed here are passed back to customers only
20 when distribution rates are set in a general rate
21 case. Is that statement correct?

22 A (Tebbetts) I can go forward and answer that. So,
23 what I can tell you, at least for Liberty, the
24 way that we reset our rates in our last rate case

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 was that, for our 2019 lost revenue filing, we
2 did not include any things associated in 2018.
3 Those schedules, in Exhibit 44, you will only see
4 savings for 2019 and 2020.

5 So, yes. When we went in for a rate
6 case, our test year essentially reset all
7 cumulative -- previous cumulative savings, so
8 that we started fresh with savings in 2019.

9 CHAIRWOMAN MARTIN: I just want to
10 interject, excuse me for a minute.

11 Mr. Burke, can you hear me?

12 MR. SHEEHAN: He just put something in
13 the chat saying he had to --

14 MR. BURKE: Yes.

15 MR. SHEEHAN: Okay.

16 MR. BURKE: Yes, sorry. I'm here. I
17 just needed to turn off my video off for a
18 moment. But I can hear and I'm not having
19 technical difficulties.

20 CHAIRWOMAN MARTIN: Okay. Just wanted
21 to make sure we hadn't lost you. Thank you.

22 MR. BURKE: My apologies. Thank you.

23 BY MR. DEXTER:

24 Q I'd like the other Utilities to confirm that the

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 savings that arise from the programs proposed in
2 this case, the distribution savings are returned
3 to customers through general rate cases?

4 A (Menard) And I can speak for Eversource. As part
5 of our most recent rate case, there was a reset
6 of the LBR, the savings that we recognized
7 through the 2018 test year.

8 Q Okay. I wasn't really talking about LBR. I was
9 talking about the fact that these energy
10 efficiency savings -- that these energy
11 efficiency programs are going to result in
12 distribution savings, is that correct?

13 A (Menard) So, could you -- you know, energy
14 efficiency results in lower kilowatt-hours, as
15 well as the potential deferral of capital
16 investments. So, in a distribution rate case,
17 when we set the revenue requirement, it would be
18 based on a certain kilowatt-hour level, which
19 would be resulting from the test year. So, to
20 the -- if there were impacts of energy efficiency
21 in the test year, then it would be passed on to
22 customers through the revenue requirement.

23 On certain deferred investments, you
24 know, that would be part of the capital plant

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 presented as part of the utility's rate case.

2 So, to the extent that investments were deferred,
3 or will be deferred in the future, those would
4 all be incorporated as part of the rate cases.

5 I hope that answers your question.

6 Q Yes. Thanks. Ms. Menard, you had mentioned that
7 the -- well, let me hold that question for now.

8 I'd like to go to Bates 403, which Ms.
9 Menard referenced. It's 403, in Exhibit 2.

10 A (Menard) Yes. I'm there.

11 Q Or, I meant to say "Bates 403". I'm not sure if
12 I said "403". I'm interested in the -- and this
13 is the schedule that you just indicated has the
14 proposed rates in it, correct?

15 A (Menard) Yes.

16 Q I'd like to look at Column G, where it says
17 "Carryforward with Interest". And there are
18 essentially zeroes in this category, with some
19 small, insignificant numbers there.

20 Could you explain why there is no
21 carryforward in either under- or over-recovery
22 included in the calculation of Eversource's
23 proposed rates?

24 A (Menard) For -- because this is a forecast, the

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 carryforward with interest, again, they're very
2 small. They're resulting from -- they just fall
3 out of a calculation. So, because they are
4 forecasted, and because they're so small, they're
5 not included as part of the total requirement.

6 Q How about the carryforward going into 2021, up at
7 the top line? Why was there no number?

8 A (Menard) Yes. Into 2021, there was no
9 carryforward. The proposal coming out of 2020,
10 if there were any -- if there was any
11 carryforward to be had, it would be transferred
12 to the SmartSTART Program. I believe that's what
13 the final outcome of this Settlement Agreement
14 was. So, there was nothing to carry forward.
15 That was the decision made, not to carry anything
16 forward, to start fresh in 2021.

17 Q What if there was an under-collection, how would
18 that be handled?

19 A (Menard) If there is an under-collection, you
20 know, annually, we would reconcile. So, 2020
21 would be reconciled in June of next year. And,
22 if there were an under-collection, I guess we
23 could manage that through that reconciliation
24 process, and make a proposal for adjustments as

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 needed.

2 Q So, if the 2020 period closes, and there's an
3 over-collection, that over-collection will be
4 allocated to Eversource's SmartSTART Program. Is
5 that my understanding?

6 A (Menard) Yes. I understand that's the proposal.

7 Q And, if there's an under-collection, that will be
8 handled in a reconciliation sometime in 2021, is
9 that right?

10 A (Menard) Yes.

11 Q Okay. Well, I wanted to ask a similar question
12 to Unitil. And I guess to do that I need to go
13 to Bates 568.

14 A (Goulding) Okay, Mr. Dexter. I'm there.

15 Q So, I'd like to ask you about the numbers that
16 appear in Column F, for the beginning of 2021.
17 For the Residential class, I see a number of
18 466,000 in parentheses, and, for the Commercial &
19 Industrial Sector, I see a number of 122,000 not
20 in parentheses. Can you explain what those
21 numbers represent?

22 A (Goulding) Sure. So, for 2021, for the
23 Residential Sector, the "negative \$465,753", that
24 is an over-recovery. So, that's -- so, that is

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 being credited back against the requirement --
2 the SBC requirements for this, for 2021. And
3 that's the forecasted over-recovery as of
4 December 31st, 2020.

5 Moving down to the C&I Sector, it's a
6 "\$122,445" under-recovery. And that amount is
7 the forecasted under-recovery amount as of
8 December 31st, 2020. And that's being included
9 as an SBC requirement in 2021.

10 Q And, for the New Hampshire Electric Co-op, I'd
11 like to go to Page 521 please, of Exhibit 2.

12 A (Woods) Okay. I'm there.

13 Q Can you explain the carryforward numbers in
14 Column G please?

15 A (Woods) Yes. So, in 2021, for the Residential
16 Sector, there is a carryforward balance of
17 "607,830". And that is a combination of
18 carryforward from 2019, plus an estimated -- an
19 estimated carryforward that will be in the
20 Residential Sector from 2020 programs. So,
21 both -- so, that carryforward is a combination of
22 2019 over-collected and 2020 estimated
23 over-collected.

24 In the Commercial Sector, for 2021,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 there the 428,000 is projected carryforward,
2 400,000 of that is a projected carryover from
3 2020, and the remainder is from carryforward from
4 2019 of the 28,160.

5 Q Why would there be a carryforward from 2019
6 factored into these numbers?

7 A (Woods) So, historically, the way New Hampshire
8 Electric Co-op has carried forward unspent
9 dollars from a program year is that we have a
10 one-year lag. So, we -- when we do our
11 performance incentive filing for the program
12 year. So, for instance, year one, the estimated
13 20 -- the 2019 carryforward is what was reflected
14 in the performance incentive calculation that was
15 submitted in August of 2020.

16 And I just want to clarify that, for
17 2021 Residential, that does not include any
18 unspent funds for the HEA Program that would be
19 required to be carried forward into that program.
20 So, we did not carry forward any HEA
21 underspending. That we were going to -- we are
22 going to wait until the end of the year, so that
23 we can have a most accurately reflected balance.

24 Q So, these numbers, which total 1,036,000, are

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 over-collections, correct?

2 A (Woods) So, they would be a combination of
3 underspending and a difference in sales, in
4 kilowatt-hour sales, than what we had used to
5 calculate the budget for the program year.

6 Q Right. Is the number an over-collection or an
7 under-collection, the 1,036,000?

8 A (Woods) It's an over-collection.

9 Q And I think you just testified that that number
10 may be understated, because it doesn't reflect
11 predicted under-collections in the HEA Program.
12 Do I have that right?

13 A (Woods) Correct. We did not include -- we only
14 carried forward an estimate into the Residential
15 programs, excluding the HEA Program. And that
16 would be calculated and carried forward
17 separately.

18 I think you're muted. So, I didn't
19 hear your question.

20 Q Yes. I wanted to go to ask a similar question of
21 Liberty. And I'm going to turn to Exhibit 44.
22 And I'm going to go to Bates R470.

23 CHAIRWOMAN MARTIN: Just a moment. I
24 apologize for interjecting.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 I have lost Mr. Krakoff on the screen.
2 Mr. Krakoff, can you hear me?

3 MR. KRAKOFF: Yes. I'm here. I'm just
4 having some bandwidth issues. But it's fine, you
5 can continue with -- you don't need to stop or
6 anything.

7 CHAIRWOMAN MARTIN: Okay. Thank you.
8 Go ahead, Mr. Dexter.

9 BY MR. DEXTER:

10 Q Ms. Tebbetts, on Bates R470, in Column G, I see a
11 figure of \$1,354,000. Is that an
12 under-collection or an over-collection?

13 A (Tebbetts) I'm sorry. Which column were you
14 referring to, Mr. Dexter?

15 Q Column G.

16 A (Tebbetts) That is a carryforward
17 over-collection, which is applied against the
18 amount that we need for the SBC requirement.

19 Q Thank you. While we're on Exhibit 44, I'd like
20 to go to Page R473 please. And I'd like to go to
21 Line 10, the last column, where I see a figure of
22 \$889,000. That is Liberty's updated LBR proposal
23 that's built into the proposed rates that you
24 just identified to Mr. Sheehan, is that correct?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Tebbetts) That is correct.

2 Q And that number is a fairly large increase from
3 what was presented on the two or three earlier
4 iterations of this schedule. If I'm not
5 mistaken, the original filing, the Exhibit 18,
6 and then the prior Exhibit 2, 473, I remember a
7 figure more down in the \$400,000 range. Is that
8 right?

9 A (Tebbetts) That's correct. The change occurred
10 due to what I mentioned earlier, which is the
11 monthly commercial kW was actually divided by 12,
12 in Line 4, Columns B and C. And, after a
13 technical session with Staff, it was found that
14 it should not have been divided by 12, it should
15 have been the full amount. And, so, I corrected
16 that with this version. And that is the increase
17 with regards to the lost revenue.

18 And also, this is -- it was also
19 updated for 2019 savings, which were different
20 numbers as well with the previous filing.

21 Q And the update for 2019 savings, that changed the
22 numbers in Column B, correct?

23 A (Tebbetts) Yes.

24 Q Now, I notice that along Line 1 there are no

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 revenue figures included in this sheet for 2021.
2 I'm on now -- I'm sorry. I'm on that same page,
3 Bates 473, where we're calculating lost base
4 revenues. Is it correct that there are no
5 revenue figures included and forecasted for 2021?

6 A (Tebbetts) That is correct. And that is due to
7 the fact that we're not collecting anything for
8 2021, as I noted earlier. In 2020, we did not
9 have a lost base revenue approved. And, so, we
10 worked through our Settlement Agreement in Docket
11 DE 19-064 to recover those lost revenues for 2019
12 and 2020 and 2021. But, due to our decoupling
13 mechanism going into effect in 2021, we will not
14 be recovering any lost revenues for 2021.

15 Q Yet, this schedule calculates interest on an
16 ongoing under-recovery situation shown on Line 6,
17 correct?

18 A (Tebbetts) That's correct.

19 Q And this schedule also computes a Lost Base
20 Revenue rate, on Lines 13 and 14, correct?

21 A (Tebbetts) That's correct.

22 Q And this Lost Base Revenue rate, if your proposal
23 is approved, will be collected in 2021, correct?

24 A (Tebbetts) Correct.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q So, by not reflecting those lost base revenues in
2 Line 1, doesn't that overstate the
3 under-collection on Line 6 to which interest is
4 applied?

5 A (Tebbetts) The way I was calculating this would
6 be that we were collecting on previous years of
7 lost base revenues. In the past, that revenue
8 recovery would have been a forecast of revenues
9 to be collected for the coming year. And, since
10 we don't have any, I don't have anything in Line
11 1 for that. So, it would have been a cumulative
12 of 2021, plus the previous cumulative savings for
13 2020 and 2019.

14 Q Well, if I look at the figure in Column E, Line
15 7, I see a figure of \$233,000, correct?

16 A (Tebbetts) That is correct.

17 Q And my understanding is that that's the sum of
18 the \$180,000 in Column D, plus the \$53,000 right
19 above it in Column E, correct?

20 A (Tebbetts) That's correct.

21 Q And, so that, at that point in time, is the
22 amount of your uncollected LBR on which you are
23 earning interest, correct?

24 A (Tebbetts) That's correct.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q Thank you.

2 A (Tebbetts) Mr. Dexter, I think you're on mute.

3 Q Thank you. And that collection continues -- that
4 calculation of the under-recovery continues over
5 the course of the 11 months there, until the end
6 of 2021, right?

7 A (Tebbetts) Correct.

8 Q And yet, you will be collecting LBR in 2021
9 that's based on the proposed rate, correct?

10 A (Tebbetts) That's correct.

11 Q So, it would seem to me that the projected or the
12 stated under-recovery is overstated, because
13 those revenues aren't reflected. Is that
14 correct?

15 A (Tebbetts) I guess I'm confused by your question.
16 I don't understand, I mean, we don't have any
17 lost base revenues in our rates today. There's
18 none. And, so, I'm not understanding your
19 question. I'm sorry.

20 Q Well, isn't it correct that the rate -- the rates
21 set forth on Line 13 and 14, in the very last
22 column, of "\$0.00098", under your proposal, would
23 begin to be collected on January 1st, 2021?

24 A (Tebbetts) Yes.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q I'm going to move on, because I think we have a
2 long day ahead of us.

3 I have one more question. It's on
4 Bates R472. And I'd like to direct your
5 attention to Column K, Line 7. And I see a
6 figure there of "one dollar", which, frankly,
7 doesn't make sense to me, given the other figures
8 that are set forth on those lines for the
9 different months. Can you explain why there's a
10 "one dollar" figure in that situation?

11 A (Tebbetts) Well, there are macros within this
12 spreadsheet, and I think it is making things
13 difficult for me here. It's not the correct
14 number. Most certainly, there shouldn't be a "1"
15 in there at all, not in Line 7, and in the
16 in-between line. So, I'll have to do a new
17 calculation in this and make sure the formula is
18 correct.

19 *[Court reporter interruption due to*
20 *audio issues.]*

21 MR. DEXTER: Madam Chairwoman, in the
22 interest of time, I'm going to withdraw the
23 question asking why that happened, and just ask a
24 different question. If that's all right with

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 you?

2 CHAIRWOMAN MARTIN: Okay. Go ahead.

3 BY MR. DEXTER:

4 Q Is it correct that the figure of "one dollar" for
5 "August-21", in Line 7, is not the correct
6 amount?

7 A (Tebbetts) Yes.

8 Q Thank you. Now, all of the witnesses, I guess,
9 in terms of time efficiency, I'll direct these
10 questions to Ms. Menard. And, if the other
11 Utilities want to add in anything to her answers,
12 please do.

13 But all of the Utilities went through
14 an exercise where they pointed out the effect of
15 the proposed SBC rate increases on total bills.
16 I believe it was referred to as the "Bill impact
17 pages", is that right?

18 A (Menard) Yes. That's correct.

19 Q And could you, Ms. Menard, tell me what other
20 rates are included in the total bill that was
21 referenced there, where we looked at the
22 percentage increases and the dollar increases
23 attributed to this case?

24 A (Menard) I can speak to Eversource, because I

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 know that more intimately, but it should be a
2 similar concept for all Utilities.

3 The total bill, I'll just refer to
4 Bates Page 424 for Eversource, but that total
5 bill per month would include the Customer Charge,
6 the Distribution rate, the Default Energy Service
7 charge, the SBC rate, for Eversource's case, it
8 would include the SCRC rate, the TCAM rate. It's
9 basically all -- the all-in component of a
10 customer's bill, including Energy Service.

11 Q Are any of those rates that you mentioned, other
12 than the SBC, at issue in this docket?

13 A (Menard) Not in this docket, no.

14 Q For the companies that have lost base revenue
15 recovery factored into the proposed rates here,
16 is it correct that those rates reflect lost base
17 revenues that were calculated and filed with the
18 Commission sometime in the Summer of 2020, and
19 reflects lost base revenue calculations for 2019?

20 A (Menard) Are you referring to the current rates
21 number?

22 Q I'm referring to the rates that are proposed in
23 this case. Is it correct that they include a
24 calculation of lost base revenues that was filed

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 with the Commission sometime in the Summer of
2 2020 to reflect lost base revenue on activities
3 in 2019?

4 A (Menard) Yes.

5 Q Is that true for Unitil and Liberty as well?

6 A (Goulding) It is true for Unitil, and it includes
7 prior year savings also.

8 A (Tebbetts) It's true for Liberty.

9 Q It's true for Liberty as well?

10 A (Tebbetts) Yes.

11 MR. DEXTER: And, Madam Chair, I don't
12 have a question here, but I just wanted to note
13 that Staff is reviewing those reports that I just
14 referenced, and has not completed its review of
15 those lost base revenues from prior years. And I
16 just wanted to note that for the record.

17 BY MR. DEXTER:

18 Q My next set of questions has to deal with the
19 "decoupling" paragraph in the Settlement. I
20 don't have a page reference. So, I'm going to
21 have to try to find that now and direct the
22 witnesses' attention to the Settlement Agreement
23 where "decoupling" is discussed.

24 A (Goulding) Bates Page 010, I believe.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Menard) Item number (4), in F, maybe.

2 Q Thank you. Again, I also have it as Bates Page
3 010, is Paragraph F, entitled "Lost Base
4 Revenue", Item (4) in the Settlement, calls for
5 "ceasing accruing lost base revenues in the first
6 month following the effective date of any
7 decoupling mechanism approved by the Commission."

8 I'd like to ask the Utilities to
9 indicate or discuss how that provision would
10 work, if a utility were to file a rate case in
11 April of 2021, and had temporary rates approved
12 in July of 2021?

13 A (Goulding) Okay. I can take that, Mr. Dexter.

14 CHAIRWOMAN MARTIN: Mr. Goulding, we
15 can't hear you.

16 WITNESS GOULDING: Okay. How about
17 now?

18 CHAIRWOMAN MARTIN: Okay.

19 WITNESS GOULDING: All right. Sorry.
20 I was getting some feedback, so I muted my phone,
21 but not the right one.

22 **BY THE WITNESS:**

23 A (Goulding) All right. So, assuming that there's
24 a filing that goes in in April of 2021, with

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 temp. rates effective June 1st, 2021. There's a
2 lot of -- there's going to be a lot of
3 assumptions in here on what actually happens, in
4 terms of timing and start of decoupling, but I'll
5 just lay out some assumptions.

6 There would be 2021 LBR, and that would
7 include five months of LBR related to the 2017
8 savings, 2018 savings, 2019 savings, and 2020
9 savings, plus 12 months of LBR related to the
10 2021 savings, and that assumes an effective rate
11 of new rates June 1st, 2021.

12 And then, assuming that decoupling
13 starts May 1st, 2022, you would have four months
14 of LBR related to the annualized savings of
15 potentially the 2020 savings, depending on how
16 those are handled in your permanent rates. You
17 have four months of LBR related to the 2021
18 savings, and four months of LBR related to the
19 2022 savings.

20 So, again, it all depends on how the
21 timing of decoupling and how the 2020 savings are
22 incorporated into the filed revenue requirement.
23 So, those are two kind of open items that kind of
24 change up what the response is.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 BY MR. DEXTER:

2 Q I'm sorry. What are the two open items that you
3 mentioned?

4 A (Goulding) How the 2020 savings are incorporated
5 into the filed revenue requirement, because a lot
6 of those savings go in towards the end of the
7 year. So, there's the annualized impact of those
8 savings, where there will be a *pro forma*
9 adjustment for your rate case. And also, when
10 the start of decoupling happens. If there's a
11 delay from when your permanent rates are ordered,
12 and when the decoupling mechanism actually
13 begins.

14 Q What would happen in the event there was a delay
15 in the date of the permanent rates and the
16 implementation of the decoupling proposal?

17 A (Goulding) You would continue to collect -- or,
18 accrue LBR.

19 Q Even though you had just reset an LBR for a rate
20 case, is that what you're saying?

21 A (Goulding) Well, the reset for -- the reset for
22 the rate case will remove the savings prior to
23 the test year.

24 Q I guess I'd like to go back to Ms. Menard. You

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 indicated, I believe, that the proposals before
2 the Commission today, which have -- which include
3 sector and utility-specific SBCs, as opposed to
4 the current method of a uniform SBC, was "more
5 efficient". Can you explain what you mean by
6 "more efficient"?

7 A (Menard) Certainly. The Utilities have
8 experienced, over the previous three-year
9 periods, certain under-collections or
10 over-collections within the Utilities. And that
11 does not seem to be an efficient way to fund
12 energy efficiency programs that benefit certain
13 classes of customers.

14 So, by developing these rates that are
15 more aligned with those that will benefit from
16 the savings, and can take advantage of the
17 programs, that is a more efficient way to collect
18 monies from those customers to fund the programs.

19 Q Do the proposed rates -- is one of the -- is one
20 of the goals of the sector-specific SBC to
21 prevent subsidies of one class versus the other?

22 A (Menard) Yes. That is a goal. We --

23 Q Does the sector-specific SBC rate -- do the
24 sector-specific SBC rates presented here

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 completely eliminate subsidies between C&I
2 customers and residential customers?

3 A (Menard) Not completely. As part of our
4 Settlement Agreement, there was a need to take
5 into consideration the impacts on certain C&I
6 customers. And, so, there was a reallocation of
7 the budgets amongst the -- amongst the Commercial
8 and Residential Sectors. And then, the Low
9 Income Program itself is funded by both sectors.

10 Q You had said, I believe, in your direct
11 testimony, that the targets that are proposed,
12 the savings targets that are proposed in the
13 Settlement are necessary to -- I believe the term
14 you used was "keep energy efficiency moving
15 forward". Do I have that right?

16 A (Menard) Yes.

17 Q And the current rate -- or, the current savings
18 targets under the existing Three-Year Plan call
19 for 3.2 percent or so percent of electric sales
20 as a target. Correct?

21 A (Menard) I'll take your word for that, yes.

22 Q And the proposed target is 4.5 percent of 2019
23 electric sales, correct?

24 A (Menard) Correct.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q Would a target of 4 percent or 4.1 percent or 3.9
2 percent or 4.2 percent, any of those targets,
3 would you classify those as "moving energy
4 efficiency forward"?

5 MR. KRAKOFF: Objection. Calls for
6 legal -- or, calls for speculation.

7 MR. DEXTER: This does not require
8 speculation. This is a simple question.

9 MR. KRAKOFF: You're asking her a
10 question about something that doesn't exist in a
11 hypothetical, of course it's speculation.

12 CHAIRWOMAN MARTIN: I'm going to let
13 the witness answer the question. Overrule the
14 objection.

15 **BY THE WITNESS:**

16 A (Menard) I'll answer it. The Plan we've
17 presented is a four and a half percent savings
18 target.

19 BY MR. DEXTER:

20 Q Right. And my question was, you classified that
21 or described that as "moving energy efficiency
22 forward". And my question to you is, would a
23 savings goal of 3.9 percent, 4.0 percent, 4.1
24 percent, 4.2 percent, any of them, would any of

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 those "keep energy efficiency moving forward"?

2 A (Menard) The Settling Parties agree that four and
3 a half percent was the Plan to move forward with,
4 and that's what we have agreement on.

5 MR. DEXTER: Madam Chair, I'd like you
6 to direct the witness to answer the question I
7 asked, rather than repeating the proposal.

8 CHAIRWOMAN MARTIN: Well, Ms. Menard,
9 are you able to answer that question?

10 A (Menard) I think --

11 CHAIRWOMAN MARTIN: It really gets to
12 what does "keep moving forward" mean? And does
13 that apply to any of the other savings goals he
14 just gave you? Can you answer that question?

15 **BY THE WITNESS:**

16 A (Menard) So, my statement of "moving energy
17 efficiency forward", to keep the programs in
18 alignment with surrounding states, was premised
19 on the Plan presented before us, which is the
20 four and a half percent plan.

21 I can't speak to what a 3.9 percent or
22 a 4.2 percent would look like, and how that would
23 compare with our neighboring states, and whether
24 that would improve New Hampshire's position of

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 energy efficiency in the region.

2 The Plan we've presented of four and a
3 half percent is what the Settling Parties agree
4 will help to achieve progress in energy
5 efficiency.

6 CHAIRWOMAN MARTIN: Thank you. Mr.
7 Dexter, I think the witness has answered the
8 question as best she can.

9 MR. DEXTER: Okay. I don't have any
10 further questions for this panel.

11 CHAIRWOMAN MARTIN: Okay. Thank you.
12 Commissioner Bailey, do you have questions?

13 CMSR. BAILEY: Yes, I do. I just -- I
14 didn't think it was going to be that quick.

15 BY CMSR. BAILEY:

16 Q Ms. Menard, can you elaborate on what you just
17 said about "keeping us in alignment with our
18 neighboring states"? Why is that a goal of this
19 Plan?

20 A (Menard) It's probably a better question for the
21 previous panel. And I think Ms. Peters gave some
22 good reasons for support of this Plan, and gave
23 some statistics with some rankings of New
24 Hampshire compared to other states, and

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 specifically to the states surrounding us.

2 And, so, the goal of the Committee that
3 developed these plans was to achieve the
4 improvement in energy efficiency rankings, and
5 that's not the only purpose of this Plan. But it
6 is to help customers lower their energy usage, to
7 help reduce carbon emissions to, you know, bring
8 cleaner air. There's lots of benefits to this
9 program, to this Plan, and to this Three-Year
10 Plan.

11 So, that was just one of many of the
12 benefits that this Three-Year Plan with a four
13 and a half percent savings target achieves.

14 Q Does anybody know, if the savings target was 3.5
15 percent, would that put New Hampshire's -- would
16 that increase New Hampshire's costs for things
17 that get allocated by load in the region? Or, is
18 this the wrong panel?

19 A (Menard) I can't speak directly to that. I
20 wasn't involved in developing the targets and how
21 it would move or improve the rankings. So, I
22 probably can't speak to that.

23 Don't know if any of my other panel
24 witnesses can.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Goulding) Well, Commissioner Bailey, I'll just
2 add in a little bit, but then it's definitely out
3 of my panel, too, or outside of my area.

4 But the savings targets are based on
5 kWh. And more of the allocated costs, if you're
6 thinking like transmission costs, those are more
7 based on demand. So, it would depend on what
8 demand savings are coming from the program,
9 versus kilowatt-hour savings.

10 Q Does anybody know if there's -- well, maybe this
11 is a question for the lawyers, but I'll ask it
12 anyway. And the lawyers can include it in their
13 closing arguments, if it's not appropriate for
14 the panel. But does anybody know, is there a
15 legislative mandate for us to base our energy
16 efficiency savings on neighboring states?

17 A (Menard) I don't know of any legislative
18 mandates. But certainly others could probably
19 address that better than me.

20 CMSR. BAILEY: Well, maybe the lawyers
21 can include it in their closing arguments.

22 BY CMSR. BAILEY:

23 Q All right. I do have some questions about the
24 bill impacts. Can we start, Ms. Menard, with

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Eversource, Exhibit 2, Bates Page 424?

2 A (Menard) Yes.

3 Q So, this shows that the change as -- the bill
4 impact, for a customer using 625 kilowatt-hours a
5 month, for the first year of the Plan, would be
6 \$1.52 per month, is that right?

7 A (Menard) Yes.

8 Q So, if I wanted to calculate the cost for a
9 residential customer of this Three-Year Plan,
10 would it be fair for me to say \$1.52 times 36
11 months, plus 53 cents times 24 months, plus 72
12 cents times 12 months? Is that how much a
13 residential customer would pay for this Plan over
14 the life of it, a residential customer using 625
15 kilowatt-hours a month?

16 A (Menard) I think you would calculate, for the
17 first year, the increase is going to be \$1.52, or
18 a little over \$18 for that year. The second year
19 is going to be an additional \$6 per year. And
20 then, the third year is going to be an additional
21 8, a little over \$8 a year.

22 Q Right. But you say "additional". So, they're
23 going to be \$1.52 --

24 A (Menard) Yes.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q -- extra for every month of the year. And then,
2 the next year they're going to pay -- I mean, for
3 every month of the Plan. And then, the next year
4 they're going to pay 53 cents more than that?

5 A (Menard) Yes.

6 Q So, if I took \$1.52 times 36 months, because
7 that's how many months they're going to pay it,
8 plus 53 cents times 24 months?

9 A (Menard) Yes.

10 Q Okay. So, would you accept, subject to check,
11 that I did that calculation, and it came out to
12 \$76.08? Or, you can do it yourself.

13 A (Menard) Okay. Yes. Subject to check, I will
14 accept that.

15 Q Thank you. All right. Now, I'd like to go
16 through that with each of the companies. So,
17 let's go with Ms. Woods. You're on Bates Page
18 528.

19 A (Woods) Yes. Sorry.

20 Q That's okay. And do you agree that I could
21 calculate the total cost of this Plan for a
22 residential customer by multiplying \$1.46 times
23 36, plus 54 cents times 24 months, minus 15 cents
24 times 12 months?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Woods) So, can you just repeat that one more
2 time.

3 Q Sure. Sure. So, in your change of -- "change
4 from previous rate level dollar per month", --

5 A (Woods) Correct.

6 Q -- you have \$1.46 for each month in 2021?

7 A (Woods) Right.

8 Q And that increase is going to be going to -- be
9 present for 36 months?

10 A (Woods) Right.

11 Q And then, the next year you're going to increase
12 that more by 54 cents. And, so, that's going to
13 be in effect for two years, 24 months?

14 A (Woods) Right. Yes.

15 Q And then, the next year, you have a 15 cent
16 decrease from the prior year, right?

17 A (Woods) Right.

18 Q So, I would multiply 15 cents times 12 months and
19 subtract that from the total cost to get --

20 A (Woods) Yes.

21 Q -- to get the cost of the Three-Year Plan. Okay.

22 A (Woods) Yes. Thank you for repeating that.

23 Q Sure. Sorry. And, so, when I did that, I came
24 out with, for a customer using 625 kilowatt-hours

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 a month, the total cost for a New Hampshire
2 Electric Co-op customer would be \$63.72. Does
3 that sound about right?

4 A (Woods) That sounds about right.

5 Q Okay. Thank you. Now, let's go to Unitil. And
6 you're on Bates Page 586.

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

8 Q I'm not yet. Okay. So, Mr. Goulding, for a
9 Unitil customer, the same calculation, would you
10 agree would be true, the first year the increase
11 is 83 cents. So, I would multiply that by 36
12 months. And then, the second year is \$1.14
13 additional. So, I would multiply that by 24
14 months. And the third year, 61 cents times 12
15 months. And the total for a customer, 625
16 kilowatt-hours, you probably already did this.
17 Want to see if we get the same math? What did
18 you calculate it as?

19 A (Goulding) \$64.56.

20 Q That's what I got. Excellent. All right.

21 A (Goulding) The only thing I'll -- sorry, just one
22 thing to add on it. That is the incremental cost
23 above what's currently in rates.

24 Q Right. That's right. Okay. But this Plan will

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 cost a residential customer, over three years,
2 \$64.56?

3 A (Goulding) Yes.

4 Q Okay. Great. Now, Ms. Tebbetts, let's go to
5 your Exhibit 44. And that is on --

6 A (Tebbetts) Bates 475.

7 *[Court reporter interruption due to*
8 *audio issues.]*

9 **BY THE WITNESS:**

10 A (Tebbetts) I just said "Revised Bates Page 475".

11 BY CMSR. BAILEY:

12 Q Okay. Now, the first thing I noticed about this,
13 Ms. Tebbetts, is that you use a customer of 650
14 kilowatt-hours per month. Why did you choose a
15 different number?

16 A (Tebbetts) So, the 650 kilowatt-hour usage amount
17 is the amount we use for all of our rate changes.
18 It is the amount that our average residential
19 customer has been using. That's the average
20 amount that customers use.

21 Q Okay. And did you calculate what the total
22 impact would be over the three-year life of the
23 Plan?

24 A (Tebbetts) I did.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q Go ahead.

2 A (Tebbetts) I came up with \$68.16 for a
3 residential customer.

4 Q That's what I came up with, too. All right. And
5 do you think that's apples-to-apples, since your
6 customers use more kilowatt-hours per month than
7 the other residential customers? Or, do you
8 think, if we were going to compare the total
9 costs, we should use 625 kilowatt-hours?

10 A (Tebbetts) We should use 625 kilowatt-hours, if
11 we were going to compare apples-to-apples for the
12 electric utilities.

13 Q Okay. Well, do you think that using 625
14 kilowatt-hours would be in the same ballpark as a
15 total of \$64 -- well, the Co-op's is 63.72, which
16 is about \$64, and the Unitil is 64.56. Would it
17 be in that ballpark? Would it be less than that,
18 do you think?

19 A (Tebbetts) It's about 900 kilowatt-hours over
20 three years. So, I'd say it's approximately, it
21 could be about that much, yes. In that ballpark,
22 I would agree.

23 Q Okay. Thanks. Now, Ms. Menard, how come yours
24 is so much higher than everybody else's? It's

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 \$76?

2 A (Menard) Yes. I just want to confirm, I did do
3 the math on my own, and I did get the same
4 number. Sorry I wasn't quicker.

5 So, the reason why Eversource's is
6 higher is due to the amount of the -- the rate
7 itself is higher than the other utilities. The
8 percent change is higher than the other
9 utilities. There's more savings in the
10 Eversource Plan, both for residential and for
11 C&I. So, therefore, the rate calculation and the
12 bill impacts are going to be higher.

13 Q But why is that? Why did the Plan choose to
14 generate more savings from Eversource customers?

15 A (Menard) So, I can speak in general, because
16 that's, you know, better for the previous panel.
17 But, in general, the budgets and the
18 opportunities for savings are larger for
19 Eversource. It's not equal amongst all the
20 Utilities. And, therefore, you know, the savings
21 targets, which creates the budgets, flows through
22 the rate calculations.

23 A (Woods) Can I just add something? This is Carol
24 Woods.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 Q Yes, please.

2 A (Woods) I guess just one other thing to think
3 about is that, like -- and speaking specifically
4 for the Co-op, when we looked at how the savings
5 were going to be sort of divvied up amongst the
6 Utilities, we looked at sort of the historical
7 savings that our plans have contributed over the
8 years.

9 But there's also some differences in
10 demographics. So, like, from the Co-op's
11 perspective, you know, we are a more -- we're
12 more rural. We have more -- more of our sales
13 comes from residential than commercial. And,
14 when you really look at the demographics of our
15 commercial members, approximately 90 percent of
16 them are very small businesses, like small
17 restaurants or small schools, municipalities,
18 using somewhere around 1,500 kilowatt-hours a
19 month.

20 So, we all have different
21 opportunities. And sort of the projects that,
22 you know, so that the savings on those types of
23 projects would be different. And, so, from the
24 Co-op's standpoint, then, you know, we have a

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 smaller percentage of the savings than maybe our
2 sales percentages on a statewide basis, just
3 because of that demographic opportunity.

4 And then, one other point, in looking
5 at sort of the compositions of the budgets across
6 the different Utilities, not all of the -- there
7 are some small differences in offerings amongst
8 the Utilities. For example, Liberty has the
9 pilot that they're doing with -- now I can't
10 think of what it's called, but anyway they have
11 their pilot.

12 New Hampshire Electric Co-op does not
13 have a demand offering in our Plan. So that, you
14 know, our budgets are really contributing mostly
15 to programs that have savings. But that, when
16 you look at the savings calculate -- when you
17 look at sort of the -- you know, the savings for
18 the Utilities that have demand programs, they
19 have funding that is being allocated to a more --
20 to a more diverse slate of programs, I guess I
21 would say. So that -- so that some of it isn't
22 necessarily by just looking at that metric,
23 you're not necessarily seeing the full picture of
24 the composition of the programs, as proposed.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 I'm not sure that makes -- that's
2 totally clear, but --

3 Q Yes.

4 A (Woods) -- I gave it a shot.

5 Q Can you estimate, I mean, does anybody know --
6 well, does anybody know how much customers are
7 going to save overall as a result of these
8 programs?

9 A (Woods) I mean, different -- you know, demand is
10 valued differently than, you know,
11 kilowatt-hours. So, I can't answer that question
12 without going back and really looking.

13 A (Tebbetts) And, Commissioner Bailey, I think it
14 also has to do with participation rates as well.
15 I think the last panel talked about that. You
16 know, the higher participation you have as a
17 customer, the savings are greater.

18 And, so, while maybe, I'll call myself
19 a customer, if I choose to, you know, institute
20 some higher energy efficiency changes in my home,
21 for example, then my savings will be greater, and
22 maybe will outweigh that \$68 I talked about for
23 Liberty customers. I think it just depends,
24 really.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 And, if I'm answering your question
2 right, I think that's what you're asking is, you
3 know, "as a customer, how does that affect me?",
4 not the total planned kilowatt-hours saved.

5 Q Thank you. That's helpful. I think what I was
6 trying to get at, though, was, if we didn't put
7 this energy efficiency plan into place, how much
8 higher would customers' rates, you know, how much
9 higher would you predict customer rates would be
10 over the three years?

11 A (Tebbetts) Well, I also think it depends, too,
12 on -- so, let's think of it, I guess I'll say it
13 this way, at least for Liberty customers. If we
14 can have a -- if our -- our demand is
15 approximately 200 megawatts now. If we can
16 institute savings for energy efficiency, then
17 hopefully, for the next three years, we will not
18 go past that 200 megawatts.

19 Now, you had asked earlier regarding,
20 and we talked about kilowatt-hours as well, I
21 understand, but we're looking at load at a peak
22 hour as well for transmission. So, if we can
23 keep that 200 megawatts level just from energy
24 efficiency, then we're paying less to ISO New

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 England and, for Liberty, National Grid. And,
2 so, that a savings. How much is that savings?
3 Well, it would depend on what that participation
4 amount was. So, maybe it would have been, you
5 know, 203 or 204 megawatts at that peak, so we
6 saved three or four megawatts. It's just an
7 example. But this is savings to customers at
8 least on the transmission side.

9 It could be a savings on the system
10 upgrade side. So, you know, there may be an area
11 where we're looking to specifically work on
12 demand response, which is one of our programs
13 that we're going to be offering. And, so,
14 through that, you know, there's maybe system
15 upgrade savings, right? And, so -- and we do
16 address those things in our least cost planning.

17 So, to give a specific amount for, you
18 know, a dollar amount, I think it's hard. But
19 the idea is that, when you institute energy
20 efficiency savings, there has to be either a
21 demand halt, we'll call it, where it doesn't go
22 up, or even a reduction, simply because customers
23 are just using less electricity, because they use
24 energy efficiency products in their homes and

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 businesses.

2 A (Woods) And I guess I would just add to that,
3 that I know that you're talking about savings,
4 electric savings, but the Plan does include, from
5 a customer/member perspective, that there is a
6 very significant amount of savings from reduction
7 in other fossil fuels with the programs that are,
8 you know, that are saving both electricity and
9 fossil fuels. And that is a very significant
10 benefit, you know, to the participants.

11 And, in addition to that, there is
12 the -- some of the other initiatives, including
13 the workforce development, and things that are,
14 you know, working to increase, you know, the
15 market's ability to provide these services, to
16 increase and to provide these services that will
17 result in the savings.

18 A (Menard) And, if I could just add? When you were
19 asking about savings, in the Settlement
20 Agreement, which is Attachment -- or, Exhibit 14,
21 on Bates Page 030, there's a nice summary table.
22 And I know there's more detail in Exhibit 2. But
23 this remains a nice summary of the savings, the
24 annual savings for the Utilities, both electric

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 and gas.

2 Q Ms. Menard?

3 A (Menard) Yes.

4 Q Exhibit 14, Bates Page 030, --

5 A (Menard) Yes.

6 Q -- I have a list of tables -- a table of
7 attachments. I'm not -- Oh, it's the next page.
8 Okay.

9 A (Menard) On or about Bates Page 030.

10 Q Okay. No. I found it. Thank you. And go
11 ahead.

12 A (Menard) So, to me, this is just a nice summary.
13 And it shows the savings that's projected as part
14 of this Plan over the three years. And, so, to
15 me, this is the amount of, you know,
16 kilowatt-hours or MMBtus that customers will not
17 be using. And, therefore, the -- you know, the
18 pool does not need to be producing, which, you
19 know, hopefully, in turn, reduces overall rates
20 for customers in general.

21 So, I just wanted to point this out, to
22 say, you know, this is the amount of savings that
23 the Plan is projecting. And, if we didn't have
24 this Plan, or if it was at a lower amount, then,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 you know, these numbers would be, obviously,
2 lower than what we have listed here.

3 Q Okay. Thanks. Did any of you guys calculate
4 what the Commercial & Industrial cost is over the
5 Three-Year Plan, as we did for Residential
6 customers?

7 CHAIRWOMAN MARTIN: Commissioner
8 Bailey, I'm sorry for interrupting. I think that
9 Mr. Taylor is off the screen. Mr. Taylor, can
10 you hear us?

11 MR. TAYLOR: I can, yes. I just had to
12 turn my phone off -- or, my camera off
13 momentarily.

14 CHAIRWOMAN MARTIN: Okay. So, we can
15 proceed. Go ahead, Commissioner Bailey.

16 BY CMSR. BAILEY:

17 Q Did anybody calculate the C&I costs?

18 A (Woods) So, for New Hampshire Electric Co-op,
19 it's \$1,436.16 over the three years.

20 Q Using the calculation that we used?

21 A (Woods) So, using the calculation from before,
22 except on the commercial, it's \$1,436.16.

23 Q What size customer is that, Ms. Woods?

24 A (Woods) So, that is a Commercial B3, three-phase,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 10,000 kilowatt-hours a month.

2 Q Anybody else do the calculation?

3 A (Menard) I did the quick math. So, hopefully, my
4 math skills aren't failing me. But, for
5 Eversource, I calculated about \$3,080.76 over the
6 three years.

7 Q And that's for a 10,000 -- a customer using
8 10,000 kilowatt-hours?

9 A (Menard) Correct.

10 Q Thank you. Mr. Goulding?

11 A (Goulding) For Unitil, \$2,208.72 would be the
12 incremental increase over the Three-Year Plan for
13 a C&I customer.

14 *[Court reporter interruption for the*
15 *number to be repeated by the Witness.]*

16 BY CMSR. BAILEY:

17 Q And what's the average monthly bill of a 10,000
18 kilowatt-hour customer, if you know that, just so
19 I can sort of get a reference? You're on mute.

20 A (Goulding) Okay. For 2020, the estimated average
21 monthly bill for the 10,000 kilowatt-hour C&I
22 customer was \$1,518.70.

23 Q Okay. Thanks. Ms. Tebbetts, did you do the
24 calculation for C&I?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Tebbetts) Yes. I came up with \$1,207.92.

2 Q And what's your average C&I customer's usage on
3 the bill?

4 A (Tebbetts) For a customer using 9,000
5 kilowatt-hours, and 25 kW a month, their total
6 bill is \$604.62. It did not include Energy
7 Service, though.

8 Q Okay.

9 A (Tebbetts) I would have to do the calculation for
10 Energy Service.

11 Q That's okay.

12 A (Tebbetts) Okay.

13 Q Did you use a 9,000 kilowatt-hour customer, while
14 everybody else used a 10,000 kilowatt-hour
15 customer?

16 A (Tebbetts) I did. Again, this is just what we
17 always use for all of our commercial bills, and
18 so to keep it consistent with Liberty's other
19 electric rate changes. Obviously, it's not
20 consistent with any other utilities for this
21 docket. But it's apples-to-apples for our
22 purposes.

23 Q Okay. Thanks. Sorry. I'm just looking through
24 my notes to see if I hit all my questions. I

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 know there's another one I want to ask, but I
2 can't find it.

3 A (Tebbetts) Commissioner Bailey, I just wanted to
4 add. I did just a quick calculation on Energy
5 Service over the summertime. And the total bill
6 was -- the rate changes every month. So, the
7 total bill is approximately \$1,130 for that
8 customer, the total bill.

9 Q The total bill for a 9,000 kilowatt-hour customer
10 is about \$1,100?

11 A (Tebbetts) Yes.

12 Q Thank you. Ms. Tebbetts, on Exhibit 44, the
13 first page, which is Revised 470, can you tell me
14 why the Residential rate in 2022 is higher than
15 the Commercial rate?

16 A (Tebbetts) I cannot. I'm sorry, I can't. My
17 understanding is the rates are -- this is not any
18 lost revenue rates. So, this just energy
19 efficiency portion. So that was the other panel
20 that, really, Mr. Stanley calculated the budget
21 with regards to the SBC rate.

22 Q But, if you -- if you look at the budget for
23 Residential, it's 2.7 million, and the budget for
24 Commercial is 5.8 million. And you testified

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 that uniform rates would collect a
2 disproportionate amount from residential
3 customers, and that's why you separated the
4 rates.

5 But I don't understand how the energy
6 efficiency portion of the rate can be higher for
7 residential customers than commercial customers
8 in 2022?

9 A (Tebbetts) Well, I'm looking at the forecasted
10 distribution and megawatt-hours. And, if I look
11 at the increase of megawatt-hours from
12 Residential in 2021 to 2022, it actually goes
13 down. And, when I look in 2021 to 2022
14 Commercial, it goes up. And, so, without doing
15 any math, I just have to look and say there --
16 you know, the approximate same -- call it the
17 same, not quite the same amount of dollars, but
18 there's more kilowatt-hours to be spread over
19 those dollars. And, so, the rate happens to be
20 lower.

21 And then that's -- just looking at it
22 quickly, that's kind of what I'm gathering.

23 Q And why do the megawatt-hours decline from 2021
24 to 2022?

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 A (Tebbetts) I don't know that answer. I think
2 that would be better for Mr. Stanley.

3 CMSR. BAILEY: Okay. Thank you.
4 That's all I have.

5 CHAIRWOMAN MARTIN: Okay. And thank
6 you. All of my questions have been answered.

7 So, Mr. Sheehan, do you have any
8 redirect?

9 MR. SHEEHAN: I have two questions on
10 redirect.

11 **REDIRECT EXAMINATION**

12 BY MR. SHEEHAN:

13 Q The first is for Ms. Menard. Mr. Dexter asked
14 you "what Eversource would do if it has an
15 over-collection for year 2020?" Is there
16 anything you would like to add to the response
17 that you gave earlier? You're on mute.

18 A (Menard) Sorry about that. The one thing, yes, I
19 would like to supplement, is that any
20 over-/under-collection, as I mentioned, would be
21 part of our reconciliation. And, so, we would
22 seek approval from the Commission for, if we were
23 to use any over-collection funds for the
24 SmartSTART Program or any other program. So,

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 there would be an opportunity to request approval
2 of the use of those dollars by the Commission.

3 Q Thank you. And, for Ms. Tebbetts, you had an
4 exchange with Mr. Dexter regarding revenue
5 recovery. And is there anything you'd like to
6 clarify about that exchange that you had?

7 A (Tebbetts) Yes. Thank you. So, if we could all
8 turn to Bates Page R473, in Exhibit 44, Line 1,
9 Mr. Dexter was asking --

10 WITNESS TEBBETTS: Oh, Commissioner
11 Bailey. Yes? You're on mute.

12 CMSR. BAILEY: Sorry. Thank you. I
13 didn't hear what Bates page you said in Exhibit
14 44?

15 WITNESS TEBBETTS: Yes. 473, in
16 Exhibit 44.

17 **BY THE WITNESS:**

18 A (Tebbetts) Mr. Dexter asked me earlier, and I
19 think I was confusing what he was asking with
20 what's proposed in the schedule. So, on Line 1,
21 we have "Revenue Recovery", and this is in
22 addition to what I added to this document for
23 this filing. And it's purposeful, because it was
24 our last year of lost revenues.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 If you turn, in Exhibit 2, to Bates
2 Page 412, I'll give everyone a minute to get
3 there. When you get there, this is the exact
4 same schedule. You'll notice that there, on Line
5 1, is the Residential customer savings, and
6 there's no revenue recovery listed here.

7 So, what I was trying to accomplish in
8 my revenue recovery was the fact that, in
9 previous years, the over-/under-collection rolled
10 right into the rates. But we didn't have a Lost
11 Revenue mechanism in place in 2020, and 2020 will
12 be the last year that we would have collected.
13 So, technically, obviously, it's going to be in
14 2021, based on our Settlement Agreement.

15 And, so, when we look at that Bates
16 Revised 473, I was just trying to be transparent
17 and provide that, in 2020, we had some
18 collections. And those collections were due to
19 the fact that our 2019 Lost Revenue mechanism
20 were applied to December bills, because the rate
21 ended on December 31st, but customers who have
22 bills into January, January usage, would have
23 paid into that Lost Revenue mechanism. And that
24 is the "\$5,223" [\$5,323?] that I just tried to

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 find the line for. I probably should have just
2 netted that to the "\$180,238". But, to be
3 transparent, I wanted to show that offset.

4 So, with regards to "Revenue Recovery",
5 it's just a new line, and it does not affect the
6 calculation of lost revenues. And that's why I
7 wanted to point to Bates Page 412, for
8 Eversource, as it's the same calculation, but,
9 again, this is our last calculation of lost --
10 our last recovery of lost revenues. And I just
11 wanted to get all pieces in the filing that I
12 could as of the date of the filing, September
13 1st. Thank you.

14 MR. SHEEHAN: That's all I had for
15 redirect. So, I think we are finished with this
16 panel.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 This panel is excused -- oh, Mr. Dexter?

19 MR. DEXTER: Well, Madam Chair, at the
20 end of the last panel, you offered me the
21 opportunity to do recross, and I wasn't quite
22 expecting that. So, this time I was expecting
23 it, but wasn't offered the opportunity to do
24 recross.

[WITNESS PANEL: Menard|Goulding|Tebbetts|Woods]

1 utilities?

2 A (Goulding) That's correct.

3 Q Is it also correct that Eversource will achieve
4 above the 4.5 percent of the goals projected,
5 projected to receive -- projected to produce more
6 than 4.5 percent of the goals?

7 A (Menard) Yes. That is correct.

8 A (Goulding) Yes.

9 Q Is it also correct that all the other utilities
10 will produce less -- are projected to produce
11 less than 4.5 percent of the goals?

12 A (Goulding) Yes. And that gets back to the
13 customer mix and where the savings are
14 attainable.

15 MR. DEXTER: Thank you. That's all I
16 have.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 Then, this panel is excused.

19 And we have someone who wanted to make
20 a public comment, and apparently they couldn't
21 wait. So, I'm going to take that person now,
22 Ms. Carmody, if they're still available.

23 MS. CARMODY: So, it is my
24 understanding that Mr. Nute wanted to make a

1 public comment. I know he filed it in paper.
2 But I will bring him up and ask that question, or
3 do you ask him? I'm sorry if I'm unfamiliar with
4 this.

5 CHAIRWOMAN MARTIN: If you can bring
6 him up, I can ask him.

7 MS. CARMODY: Okay. So, now he's here.

8 CHAIRWOMAN MARTIN: Mr. Nute, can you
9 hear me?

10 *[No verbal response.]*

11 CHAIRWOMAN MARTIN: You need to unmute,
12 if you can hear me.

13 MR. NUTE: Yes. I can hear you.

14 CHAIRWOMAN MARTIN: Okay. Mr. Nute, if
15 you'd like to make a public comment, we're happy
16 to hear it. We're limiting public comment to
17 five minutes, if you can keep it to that time
18 limit.

19 MR. NUTE: It will even be -- it will
20 be shorter than that.

21 Yes, Madam Chair and the Commission,
22 and all the Utilities and the intervenors. I
23 just -- I just wanted to make sure and I'd like
24 to highlight that this has a lot to do with jobs,

1 too, in New Hampshire, existing ones and future
2 ones.

3 And, like I said, I just wanted to
4 highlight that. That I think that kind of got
5 lost, I think, but I just wanted to bring it
6 forward.

7 Thank you.

8 CHAIRWOMAN MARTIN: Okay. Thank you,
9 Mr. Nute.

10 Commissioner Bailey, do you have any
11 questions?

12 CMSR. BAILEY: I do. Mr. Nute, I want
13 to make sure I'm understanding your point.

14 So, is your point that approving this
15 Plan will increase jobs in New Hampshire?

16 MR. NUTE: That is correct.

17 CMSR. BAILEY: Okay. Thank you.

18 CHAIRWOMAN MARTIN: Okay. Thank you,
19 Mr. Nute.

20 MR. NUTE: Thank you.

21 CHAIRWOMAN MARTIN: All right. And now
22 we need to move to the third panel, which I
23 understand is the Staff witnesses. Is that
24 correct, Mr. Dexter?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 MR. DEXTER: Yes. That is correct. I
2 wonder if we could request a ten-minute recess
3 before our panel takes the stand, just to stretch
4 and hydrate?

5 CHAIRWOMAN MARTIN: Okay. I will say
6 "yes" to that, but I want to check with Mr.
7 Patnaude. How are you doing? Can you continue
8 for a bit after a ten-minute break?

9 *(Brief comment by Mr. Patnaude*
10 *indicating that he could continue on*
11 *after the short recess.)*

12 CHAIRWOMAN MARTIN: Okay. Let's take a
13 ten-minute break, and we will return at 11:30.

14 *(Recess taken at 11:19 a.m. and the*
15 *hearing resumed at 11:33 a.m.)*

16 CHAIRWOMAN MARTIN: Okay. Let's go
17 back on the record.

18 And we need to swear in the Staff
19 Witness Panel please.

20 *(Whereupon **Elizabeth R. Nixon,***
21 ***Jay E. Dudley,** and **Stephen R. Eckberg***
22 *were duly sworn by the Court Reporter.)*

23 CHAIRWOMAN MARTIN: Okay. Thank you.
24 Mr. Dexter.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 MR. DEXTER: Thank you, Madam
2 Chairwoman. Attorney Buckley will be conducting
3 the direct examination of the Staff Panel.

4 CHAIRWOMAN MARTIN: All right. Thank
5 you. Mr. Buckley.

6 MR. BUCKLEY: Thank you, Madam Chair.
7 So, I'm going to start with preliminaries. And,
8 Mr. Eckberg, you'll be first.

9 **ELIZABETH R. NIXON, SWORN**

10 **JAY E. DUDLEY, SWORN**

11 **STEPHEN R. ECKBERG, SWORN**

12 **DIRECT EXAMINATION**

13 BY MR. BUCKLEY:

14 Q So, if you could please, Mr. Eckberg, state your
15 name and position with the Commission?

16 A (Eckberg) Good morning. My name is Stephen
17 Eckberg. And I'm a Utility -- excuse me -- a
18 Utility Analyst with the Electric Division of the
19 New Hampshire Public Utilities Commission.

20 Q And did you participate in this proceeding?

21 A (Eckberg) Yes, I did.

22 Q And did you file testimony in this proceeding,
23 currently marked as "Exhibit 7"?

24 A (Eckberg) Yes, I did file testimony so marked.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And do you have any corrections to make to this
2 testimony?

3 A (Eckberg) No. I have no corrections to make.

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

6 A (Eckberg) Yes, I do.

7 Q Now, Mr. Eckberg, you addressed the topic of the
8 Home Energy Assistance, HEA, Project cap in your
9 direct testimony, is that correct?

10 A (Eckberg) Yes, I did. That's one of several
11 issues I address.

12 Q And is it true that you still have the concerns
13 you relayed relating to the HEA Project cap,
14 which has not been changed by this Settlement?

15 A (Eckberg) Yes. That's correct. The EERS Plan
16 proposes an increase to the HEA Project spending
17 cap from \$8,000 to \$20,000. And I discuss this
18 issue beginning on Bates 010 of my testimony,
19 which is Exhibit 7, as you mentioned.

20 I propose an increase from the current
21 Project spending cap up to 12,000, rather than
22 the \$20,000 proposed, and based on a relevant
23 data response, which I excluded with my testimony
24 as well.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Thank you, Mr. Eckberg. Now, moving to Mr.
2 Dudley. Mr. Dudley, would you please state your
3 name and position with the Commission?

4 A (Dudley) Yes. Jay Dudley. And I am a Utilities
5 Analyst with the New Hampshire Public Utilities
6 Commission.

7 Q And did you participate in this proceeding?

8 A (Dudley) Yes, I did.

9 Q And did you file testimony in this proceeding,
10 now premarked as "Exhibit 6"?

11 A (Dudley) Yes, I did.

12 Q And do you have any corrections to make to this
13 testimony?

14 A (Dudley) Yes. At Bates 012, Bates Page 012, the
15 PI component, number 6, in the table on that
16 page, which is "Actual/Planned Net Benefits", the
17 PI weighting should be "75 percent", and not "65
18 percent".

19 Q Thank you, Mr. Dudley. And, after accounting for
20 those corrections, do you adopt that testimony as
21 your sworn testimony in this proceeding?

22 A (Dudley) Yes.

23 Q Now, Mr. Dudley, you addressed the performance
24 incentive thresholds and the SmartSTART Program

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 in your direct testimony, is that correct?

2 A (Dudley) Yes.

3 Q And would it be safe to say that you still have
4 those same concerns relating to the performance
5 incentive thresholds and the SmartSTART Programs,
6 neither of which have been changed by the
7 Settlement?

8 A (Dudley) Yes. That's correct.

9 First, in terms of the reduction of the
10 performance incentive thresholds, from 75 percent
11 to 65 percent, what the Utilities are proposing
12 would essentially roll back the clock on much of
13 the progress that the PI Working Group has made
14 on this issue back in 2018-2019. The PI Working
15 Group devoted a significant amount of time and
16 effort studying and discussing this issue before
17 finally reaching consensus to increase the
18 thresholds to 75 percent.

19 To the best of Staff's reconciliation,
20 all of the consultants advising the Working Group
21 were all of the opinion the 65 percent was too
22 low and too easy to achieve. That it did not
23 correlate with what other states and
24 jurisdictions were doing, and that it did not

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 sufficiently encourage exemplary performance.

2 Now, Staff had originally proposed 75
3 percent across all of the -- all five of the
4 performance components included in the new PI
5 framework. But ended up agreeing to a compromise
6 with the Utilities that left the Winter and
7 Summer Peak components at 65 percent, and the
8 Lifetime/Annual and Benefits components at 75
9 percent.

10 Now, the 75 percent threshold, as it
11 exists today, actually represents a compromise
12 position from Staff's earlier position. But,
13 although PI methods vary from state to state, all
14 of the other New England states have minimum
15 thresholds set at 75 percent.

16 In addition, according to the annual
17 filing, the Utilities have consistently exceeded
18 75 percent historically in achieving their energy
19 efficiency goals.

20 Secondly, Mr. Buckley, the Utilities
21 have not provided support for their proposal to
22 revert back to the 65 percent thresholds, in
23 terms of statistical data, scenario analysis, or
24 updates from other jurisdictions to support their

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 position. That is projections over which
2 programs they expect to underperform that would
3 impede or prevent them from achieving their
4 goals, not only in 2021, but for the entire
5 Three-Year Plan. Staff has not seen that
6 analysis, if, in fact, it exists.

7 Q Now, Mr. Dudley, I am going to ask you a couple
8 questions about that which has been said
9 regarding the topics you discuss in your
10 testimony thus far at hearing.

11 And I'll start with, were you present
12 or at least listening to the hearing Monday?

13 A (Dudley) Yes.

14 Q And did you have anything to say in response to
15 Monday's discussion regarding the SmartSTART
16 Program?

17 A (Dudley) Yes. Having heard the discussion of the
18 topic on cross-examination, I'm even more
19 confident -- concerned, rather, that the
20 SmartSTART Program was providing an opportunity
21 for the program administrator, in this case
22 Eversource, to double-dip on a performance
23 incentive, earning a percent of the loan
24 repayments, while also including the savings from

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the measures installed through the loans, in with
2 the overall savings goals that are used to factor
3 into the overall performance incentive itself.

4 Q Thank you, Mr. Dudley. And now, I have a
5 question or two following up on how the
6 performance incentive is calculated.

7 Mr. Dudley, I think it was David Hill
8 that, in response to a question from both
9 Commissioner Bailey and the Chair, said that "the
10 performance incentive was not based on spending."

11 Do you have a correction or
12 clarification to make based on that assertion?

13 A (Dudley) Yes. The target PI is equal to 5.5
14 percent of the utility program spending, and is
15 capped at a maximum PI equal to 6.785 percent of
16 actual spending. So, the overall performance
17 incentive budget is based on a cap, which is a
18 direct function of program spend.

19 Q Thank you, Mr. Dudley. Now, it would seem maybe
20 that this puts the program administrators'
21 incentives in the wrong place, rewarding higher
22 spending. But this was an issue discussed and
23 decided upon in favor of by the Performance
24 Incentive Working Group so many years ago, is

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 that correct?

2 A (Dudley) Yes. That is correct. The performance
3 incentive pool has to be based on something in
4 terms of budgeting. The incentive pool or cap is
5 generally a percent of budget or spending. In
6 our case, it is spending. Currently, the cap or
7 maximum for PI is set at 125 percent of actual
8 spending. The reason for this is because the
9 Utilities oftentimes have large carryovers, where
10 basing the PI pool on spending would be
11 problematic, and could result in double-counting
12 the carryovers for the purpose of determining the
13 PI cap.

14 Q And, Mr. Dudley, there was some discussion on
15 Wednesday, I believe, about the work of the
16 Performance Incentive Working Group in
17 formulating this new performance incentive
18 framework that is effect today.

19 My question for you, based on that, is,
20 first, what was your role in that Working Group?
21 And, second, do you have anything further that
22 you would like to add to that discussion?

23 A (Dudley) Yes. I served as Staff lead of the
24 Working Group beginning in January of 2018, and

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 concluding around August of 2019, with the
2 finalization of the PI Working Group report.

3 The one thing that I would add to the
4 discussion about the Working Group is to
5 recommend that the Commission revisit the PI
6 Working Group's Report filed in Docket DE 17-136.
7 That was filed as Attachment M to the 2020 Plan
8 Update in September of 2019.

9 I think everyone here who participated
10 in the Working Group's meetings would agree that
11 it is a very comprehensive and descriptive
12 document, in terms of where PI was prior to the
13 Working Group, and where we are now with the
14 present framework, and where we arrived, how we
15 arrived at the conclusions that were made at that
16 time.

17 Q Thank you, Mr. Dudley. I'll turn to Ms. Nixon.
18 Ms. Nixon, if you could please state your name
19 and position with the Commission?

20 A (Nixon) Yes. My name is Elizabeth Nixon. And
21 I'm a Utility Analyst in the Electric Division at
22 the New Hampshire Public Utilities Commission.

23 Q And did you participate in this proceeding?

24 A (Nixon) Yes, I did.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And did you file testimony in this proceeding,
2 now premarked as "Exhibit 8"?

3 A (Nixon) Yes.

4 Q And do you have any corrections to make to this
5 testimony?

6 A (Nixon) I do. On Page 8, there's a revision and
7 corrections to Table 3, which is the "Spending
8 per Customer by Utility and Sector". Each of the
9 totals should change due to a couple calculation
10 errors.

11 So, the total for Eversource should be
12 "\$505" per customer; the Co-op should be "\$183"
13 per customer; Liberty Electric should be "497";
14 Unitil Electric should be "413"; Liberty Gas
15 should be "258"; and Unitil Gas should be "365".

16 There's a couple other errors. I
17 referred to the "EAP" as the "Employee Assistance
18 Program", it should be "Electric Assistance
19 Program".

20 And then, there are a couple footnotes
21 that the links are wrong, so you can just delete
22 those. But the cites are correct.

23 I apologize for the errors.

24 Q Thank you, Ms. Nixon. And, given those

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 corrections, do you now adopt that testimony as
2 your sworn testimony in this proceeding?

3 A (Nixon) Yes, I do.

4 Q And, Ms. Nixon, are you familiar with Exhibit 25?

5 A (Nixon) What is Exhibit 25?

6 Q Which would happen to be Table 4 from the Nixon
7 testimony, an updated version of the table?

8 A (Nixon) Oh. With the bill impacts? Or is that
9 the SBC rate impacts?

10 Q It is the rate impacts.

11 A (Nixon) Yes.

12 Q And is that exhibit today incorrect, after what
13 we have heard thus far, and the additional
14 exhibits that have been filed thus far within
15 this proceeding?

16 A (Nixon) No. There are some corrections that
17 would need to be made to that.

18 MR. BUCKLEY: Madam Chair, Staff would
19 like the opportunity to provide a revised version
20 of Exhibit 25 after the hearings close, and would
21 propose that it either be labeled "25B" or maybe
22 "Exhibit 40" -- I think we're at "Exhibit 46",
23 whichever is the Commission's pleasure.

24 MS. CHIAVARA: I have Exhibit 45 and 46

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 for the two pending record requests from the
2 Utilities.

3 MR. BUCKLEY: Possibly Exhibit 47 then.

4 CHAIRWOMAN MARTIN: Let's label it
5 "Exhibit 25B", just to keep it aligned with
6 Exhibit 25.

7 **(Exhibit 25B reserved)**

8 CHAIRWOMAN MARTIN: And I'm
9 understanding that the changes will reflect
10 changes that have been made by the other parties
11 during the proceeding, is that right?

12 MR. BUCKLEY: That is correct.

13 CHAIRWOMAN MARTIN: And, yes, we will
14 direct you to do that.

15 MR. BUCKLEY: Thank you, Madam Chair.

16 Now, I think, generally, I'm going to
17 follow the trend of addressing my questions to
18 the panel. But whoever feels most comfortable or
19 best suited to answer, please do so. Otherwise,
20 I may direct to individuals on the panel.

21 BY MR. BUCKLEY:

22 Q So, to the panel, can you tell me what, within
23 the Settlement, you agree with, in a brief
24 summary?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 MR. KREIS: Madam Chair, this is
2 Consumer Advocate Kreis.

3 I regretfully have to object to the
4 Staff conducting live rebuttal on the stand in
5 this fashion.

6 The Settling Parties filed written
7 rebuttal testimony, on schedule, and Staff opted
8 not to do that, even though, as I'm sure Staff
9 will confirm, they had the text of the Settlement
10 Agreement as soon as it was ready. And, so, just
11 like we discussed the effects of the Settlement
12 Agreement in our written testimony, written
13 rebuttal testimony, and thereby complied with the
14 procedural schedule. Staff had every opportunity
15 to do that, and, for whatever reason, opted not
16 to do that.

17 Letting the Staff now offer up
18 extensive or even not so extensive testimony
19 about how they like or dislike the terms of the
20 Settlement Agreement raises significant due
21 process issues. And, therefore, I object.

22 CHAIRWOMAN MARTIN: Mr. Buckley.

23 MR. BUCKLEY: So, the Consumer Advocate
24 submits that "Staff had a copy of the Settlement

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 as soon as it was ready", I think were his words.
2 But, in actuality, the Settlement was not filed
3 until December 3rd, which would have been the
4 same day for rebuttal testimony. Staff has not
5 had a chance to respond to what is in the
6 Settlement up until these hearings.

7 And we would respectfully submit that
8 it is not a violation of due process, as the
9 Consumer Advocate would argue, for us to provide
10 our perspective on the Settlement Agreement.
11 And, in fact, it would just be us continuing to
12 build the record in this proceeding, as we have
13 been doing.

14 MR. KREIS: Well, Madam Chairperson, I
15 guess that, if the Staff is telling you that they
16 did not have the text of the Settlement Agreement
17 until we filed it with the Commission, I -- all I
18 can say about that is that that is not my
19 understanding of the factual situation.

20 CHAIRWOMAN MARTIN: Mr. Buckley.

21 MR. BUCKLEY: And my response to that
22 would be, even in a scenario where the Staff was
23 provided a short time in advance before the
24 filing of a Settlement Agreement, a draft version

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 of the Settlement Agreement, I think it would be
2 entirely reasonable for Staff at that point to,
3 rather than spend the short amount of time
4 available rushing through some degree of rebuttal
5 testimony based on a draft Settlement Agreement
6 that is not guaranteed to remain in the form in
7 which it was transmitted to Staff, to instead try
8 and reach some sort of agreement with the Parties
9 in hopes of settling. And, if that is what Staff
10 had done, it would be entirely reasonable and the
11 best allocation of resources.

12 Now, maybe that didn't work out, maybe
13 this was submitted to Staff in settlement
14 negotiations. But that's really not something
15 that Staff can base any sort of prefiled rebuttal
16 testimony on, given that, in this hypothetical,
17 that would simply be a draft document.

18 CHAIRWOMAN MARTIN: Mr. Buckley, when
19 did Staff receive the signed Settlement
20 Agreement?

21 MR. BUCKLEY: It was either one or two
22 days prior to the deadline for filing a
23 settlement.

24 CHAIRWOMAN MARTIN: Okay. Thank you.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 I'm going to take a five-minute recess to talk
2 with Commissioner Bailey.

3 *(Recess taken at 11:52 a.m. and the*
4 *hearing resumed at 12:05 p.m.)*

5 CHAIRWOMAN MARTIN: Okay. Let's go
6 back on the record please.

7 The Commission would like to hear its
8 Staff's advice to this process, particularly in
9 light of the pending Motion to Designate. The
10 deadline for filing rebuttal testimony was
11 December 3rd, but it was rebuttal to Staff and
12 intervenor testimony. The deadline for filing
13 settlement agreements was on the same day.

14 And, so, we will permit Staff to
15 proceed. However, to the extent necessary, we'll
16 also permit other parties to bring back a
17 witness, if necessary, and, obviously, to
18 cross-examine our Staff.

19 Okay. Let's proceed please.

20 MR. BUCKLEY: Thank you, Madam Chair.

21 BY MR. BUCKLEY:

22 Q Now, once again to the panel, can you tell me
23 what you agree with within the Settlement?

24 A (Nixon) I can take that. We, in the Settlement,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 we do agree with their section on the non-energy
2 impacts; on the industry standard practice
3 baselines; the reporting for annual and quarterly
4 and term reporting --

5 CHAIRWOMAN MARTIN: Ms. Nixon?

6 WITNESS NIXON: Yes.

7 CHAIRWOMAN MARTIN: Ms. Nixon, I
8 apologize for interrupting. Could you just slow
9 down for me?

10 WITNESS NIXON: Yes.

11 CHAIRWOMAN MARTIN: And maybe just
12 start over, so I can get all of that.

13 WITNESS NIXON: Okay.

14 **BY THE WITNESS:**

15 A (Nixon) We agree with the non-energy impact
16 section, which is part of the benefits; the
17 industry standard practice baseline issue; the
18 reporting collaboration for annual, term, and
19 quarterly reporting; the requirement for approval
20 of the SBC and LDAC rate changes; the movement to
21 sector-specific SBC rates; the shift in funding
22 from the RFP Rewards Program to the C&I programs
23 for Eversource; the targeting of electric
24 resistance for heat pump replacement; how to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 handle the Energy Optimization Pilot, basically,
2 to come together and have an additional filing;
3 and then the continued support for the C&I load
4 curtailment transitioning to a full program from
5 a pilot; and last, the evaluation of the
6 behavioral programs, the HER and the AIM Program.

7 BY MR. BUCKLEY:

8 Q And, Ms. Nixon, --

9 CHAIRWOMAN MARTIN: Just a minute, Mr.
10 Buckley. The one right after "sector-specific
11 SBC rates", what was that one?

12 WITNESS NIXON: The shift in funding
13 from the RFP Rewards Program, which I believe is
14 an Eversource specific program to the C&I
15 programs. They shifted funding.

16 CHAIRWOMAN MARTIN: Okay. Thank you.

17 BY MR. BUCKLEY:

18 Q And, Ms. Nixon, having heard about all of those
19 things that Staff agrees with that are embodied
20 in the Settlement, can you tell me why Staff did
21 not sign the Settlement Agreement?

22 A (Nixon) The main reason was that we couldn't
23 support the proposed rate and resulting bill
24 impact, especially for Eversource's C&I SBC

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 rates. In its simplest terms, we didn't believe
2 that the Settlement properly balanced the
3 short-term bill impacts with the long-term
4 savings. This is particularly true after
5 considering the number of C&I customers who
6 participate on an annual basis.

7 Q Ms. Nixon, do you recall the exchange about C&I
8 customer participation rates from the
9 cross-examination of the panel the other day?

10 A (Nixon) Yes.

11 Q And can you provide any further perspective on
12 that exchange?

13 A (Nixon) Yes. We actually have projected C&I
14 customer participation rates for New Hampshire in
15 this filing. So, what I'm going to do is walk
16 you through a calculation for that for
17 Eversource. If you'd like to turn to the exhibit
18 and the Bates, I'll reference those, but it's not
19 necessary.

20 In Exhibit 2, Bates Pages 426 and 427,
21 it lists the customers by rate class. And
22 that's --

23 CMSR. BAILEY: Can you just wait till
24 we get to the exhibit?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 WITNESS NIXON: Yes.

2 CMSR. BAILEY: Can you tell me the
3 pages?

4 WITNESS NIXON: Yes. It's Bates Pages
5 426 and 427.

6 CMSR. BAILEY: Thank you.

7 **CONTINUED BY THE WITNESS:**

8 A (Nixon) So, if you'll see, for each of the
9 different rate classes, there's a line that says
10 "Customer/Meter". Those are the customers for
11 the 12-month period shown there. So, if you sum
12 all -- so, if you divide those by 12, you can get
13 the customers by rate class. So, if you sum all
14 of those numbers for each of the C&I rate
15 classes, the LG, GV, and G, there's about 80,000
16 C&I customers for Eversource.

17 Now, if you turn to the Bates Page 370,
18 in that same exhibit. And, if you look at the
19 "Large Business Energy Solution" and "Small
20 Business Energy Solution" Programs, if you add
21 those two together, it shows that there's about
22 18,000 participants over the three years of the
23 program. So, if you -- since there's three years
24 of the program, you could say, on average,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 there's about 6,000 participants in the C&I per
2 year. But that assumes that there's no overlap,
3 which that is a big assumption. But, just for
4 the sake of this calculation, you can say that
5 there's about 6,000 customers, C&I customers
6 participating per year.

7 So, if you use those two figures, you
8 can say that there's approximately 7.5 percent of
9 the C&I customers will participate on an annual
10 basis.

11 BY MR. BUCKLEY:

12 Q I'm sorry. Can you actually repeat that one more
13 time for me? That was how many percent of C&I
14 customers?

15 A (Nixon) 7.5 percent.

16 Q Okay. Thank you, Ms. Nixon. Would extending the
17 current Triennial Plan for one more year at a
18 flat SBC rate more properly balance such
19 competing imperatives that you discussed earlier,
20 regarding balancing bill impacts and long-term
21 savings?

22 MR. KREIS: Madam Chair, this is
23 Consumer Advocate Kreis again. And before Ms.
24 Nixon answers that question, I just want to make

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 sure that the full extent of my objection is on
2 the record here, given the possibility of
3 appellate proceedings. The answer that Ms. Nixon
4 is about to give will represent the very first
5 time that Staff has done the Settlement
6 signatories the courtesy of telling us what it
7 thinks a more reasonable resolution to its
8 concerns would be, as opposed to the numbers that
9 are actually in the Settlement Agreement. This
10 is so profoundly unfair to the Settlement
11 signatories.

12 They had -- first of all, they agreed
13 to the procedural schedule in this docket that
14 called for rebuttal testimony and settlement
15 filing on exactly the same day. I personally saw
16 to it that they had a complete text of the
17 Settlement Agreement two days before that date,
18 I'm talking about December 1st. And Staff well
19 knows that what they were given was the final
20 edition of the Settlement Agreement.

21 I suppose it's possible that Staff
22 could have just signed on. I really didn't know
23 if they were going to do that. But the purpose
24 of giving them that 48 hours was so that they

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 would have an opportunity to review the
2 Settlement terms. And then say, "well," -- in
3 written rebuttal testimony, "well, it turns out
4 that we really would prefer if the existing
5 System Benefits Charge numbers stayed in place
6 for another year."

7 It's so unfair for them to offer
8 testimony about that now, and I vehemently
9 object.

10 CHAIRWOMAN MARTIN: Noted. Mr.
11 Buckley, do you have a response to that.

12 MR. BUCKLEY: The Consumer Advocate,
13 along with all of the other Settling Parties,
14 will have an opportunity to cross-examine the
15 Staff witnesses, after this fairly brief
16 discussion with Ms. Nixon.

17 I would just also note that, you know,
18 it is very possible that what Ms. Nixon is going
19 to say is not exactly what the Consumer Advocate
20 assumes she is about to say. So, --

21 MR. KREIS: Well, that's the point. I
22 don't know what she's about to say. And I have
23 not had an opportunity and my fellow Settlement
24 signatories have not had an opportunity to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 prepare for that. They have had an opportunity
2 since December 3rd to prepare for what was -- and
3 respond to what was in our rebuttal testimony,
4 and they have had since December 1st to respond
5 to what's in the Settlement Agreement.

6 I just would remind the Commission,
7 respectfully, that the Settlement signatories,
8 including the entire class of residential
9 ratepayers, represented by my Office, has due
10 process rights. The Staff of the Commission,
11 those folks are your employees. They do not have
12 rights to due process before the Commission, but
13 we do. And I'm really concerned that those due
14 process rights and fundamental fairness rights
15 are being trotted upon here, in a way that will
16 set a horrible precedent for future proceedings.

17 CHAIRWOMAN MARTIN: I see that Mr.
18 Dexter also had his hand up. And I would like to
19 say that I appreciate Mr. Kreis's --

20 *[Court reporter interruption due to*
21 *audio issues.]*

22 CHAIRWOMAN MARTIN: Okay. I think I
23 said something along the lines that I notice that
24 Mr. Dexter also would like to respond, but I do

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 appreciate Mr. Kreis's concern that he is not
2 aware of what Ms. Nixon is about to say.

3 Mr. Dexter, you have something to add?

4 MR. DEXTER: Yes. I just wanted to
5 point out what may be obvious, but that had Staff
6 rebutted the Settlement that it was provided two
7 days before December 3rd in written testimony,
8 and had that Settlement not, in fact, been filed,
9 for whatever reason, on December 3rd, Staff would
10 have had pages and pages of written testimony,
11 assuming we were able to produce it, that would
12 reveal Settlement positions and confidences that
13 would break the rule of confidentiality of
14 settlement agreements.

15 So, it is literally impossible to have
16 expected that Staff would have included a
17 rebuttal to the Settlement in testimony on the
18 same day that the Settlement was filed.

19 CHAIRWOMAN MARTIN: Mr. Kreis.

20 MR. KREIS: With respect, Madam
21 Chairwoman, I am really becoming exasperated.
22 Staff knew full well that what we sent them on
23 December 1st is what we were going to file on
24 December 3rd. And, you know, their refusal to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 acknowledge that is very troubling to me.

2 I mean, you know, all I can say is --
3 I'm not even going to say that. It's just very
4 troubling.

5 CHAIRWOMAN MARTIN: Mr. Kreis, is there
6 anything at this point in time, such as a recess
7 to get more information about Staff's testimony,
8 that would be helpful?

9 MR. KREIS: Well, I -- no, because I
10 literally don't know what they are about to say.
11 And I need to find out.

12 CHAIRWOMAN MARTIN: And I'm offering
13 you a recess to do that.

14 MR. KREIS: You mean a recess where I
15 can consult informally, and where Ms. Nixon could
16 tell me, or perhaps her attorneys could tell me
17 what she intends to testify. And, so, then we
18 come back from that break, and then she tells me
19 what she was going to -- she just testifies as
20 she tells me she's going to testify?

21 Like, I don't understand what advantage
22 or what use that confers on either me or the
23 other Settlement signatories?

24 CHAIRWOMAN MARTIN: Well, your

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 objection is that you are not aware of what she
2 is about to testify to. I'm giving you an
3 opportunity to become aware, through some process
4 that you can establish with counsel. Otherwise,
5 we're going to proceed.

6 MR. KREIS: Well, today is December
7 21st. And the Staff of the Commission has been
8 on notice as to what I and the other Settling
9 Parties intended to articulate as our position in
10 rebuttal. And, so, my law school math tells me
11 that they have had, what, 18 days, I think I'm
12 getting the math right. And what you're
13 suggesting to me is that I can have, I don't
14 know, 15 minutes. That doesn't seem fair to me.

15 CHAIRWOMAN MARTIN: Mr. Kreis, would
16 you like to take that opportunity or not?

17 MR. KREIS: I don't think that that is
18 going to address my concerns.

19 CHAIRWOMAN MARTIN: Okay. Thank you.
20 Then, we're going to proceed.

21 MR. BUCKLEY: Thank you, Madam Chair.

22 BY MR. BUCKLEY:

23 Q Ms. Nixon, do you remember what question I just
24 asked you or would it be helpful to repeat that

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 question?

2 A (Nixon) Could you please repeat it.

3 Q So, would extending the current Triennial Plan
4 for one more year at a flat SBC rate more
5 properly balance competing imperatives of
6 short-term bill impacts with long-term energy
7 savings?

8 A (Nixon) No. While I think that's one possibility
9 for the SBC rate, to extend it for one year, this
10 Plan and Settlement takes into account a lot of
11 changes to the savings assumptions that will
12 provide for more accurate accounting of the
13 savings attributable to the Program.

14 It also significantly shifts away more
15 from the Residential lighting, due to the fact
16 that this market has largely transformed, which
17 is a major advancement over the Plan for 2018 and
18 2020, which was heavily reliant on the
19 Residential lighting savings.

20 Other proposed changes that will
21 enhance the Program include the use of the
22 Granite State Test for the benefit-cost analysis,
23 incorporation of other measures beyond lighting,
24 the proposed sell sheets for the C&I Program, and

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the planning process, just to name a few. But
2 there are probably other great enhancements of
3 that Program, but those are the few that I wanted
4 to mention.

5 Q And, so, to be 100 percent clear, Staff does not
6 support an extension of the current Three-Year
7 Plan through one more year?

8 A (Nixon) No. We don't think that -- we think that
9 this has been a major advancement in the Program,
10 and has a lot of improvements in the process -
11 the Settlement and the Plan have major
12 improvements.

13 Q Thank you, Ms. Nixon. Now, Ms. Nixon, are you
14 aware of any jurisdictions in New England which
15 are at a place in their triennial planning cycle
16 that is comparable, if not exactly the same, as
17 New Hampshire's?

18 A (Nixon) Yes. I believe Rhode Island and Vermont
19 are both looking at the next three-year programs
20 now.

21 Q And do you know how those states have
22 incorporated the impacts of COVID-19 as they plan
23 their energy efficiency budgets?

24 A (Nixon) Yes, I believe so. The Settlement Panel

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 last week, or this week sometime, the first panel
2 discussed the Rhode Island plan, which was
3 included as part of Exhibit 28. So, if you'd
4 like to go to Exhibit 28, on Bates Pages 022 to
5 029, and let me pull that up as well. There are
6 comments filed in this docket, Docket Number
7 5076, in support of National Grid's plan, which
8 show that the support from the Rhode Island
9 Energy Office and their Consumer Advocate's
10 Office are holding the SBC flat between 2020 and
11 2021. Again, these are proposed rates.

12 Similarly, I believe Vermont is in a
13 similar situation, where they agreed to hold the
14 budgets flat. And I believe that is in Exhibit
15 29 where it states that, and that is highlighted
16 in Exhibit 29.

17 Q Now, Ms. Nixon, do you consider the rates
18 proposed within the Settlement to be just and
19 reasonable?

20 MR. KRAKOFF: Objection. That calls
21 for a legal conclusion.

22 *[Court reporter interruption.]*

23 MR. KRAKOFF: I'm sorry. This is Nick
24 Krakoff, from Conservation Law Foundation. Sorry

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 for not identifying myself.

2 I think it is improper for a lay
3 witness or expert witness to testify as to a
4 legal conclusion. Whether rates are just and
5 reasonable is for the Commission to decide, and
6 is not for a lay witness or expert witness to
7 testify to.

8 Respectfully, Ms. Nixon is not a
9 lawyer. So, it is beyond her purview to testify
10 to a legal conclusion.

11 This is supported by a prior decision
12 by this tribunal, in DE 11-250, Public Service
13 Company of New Hampshire, Order Number 25,714.
14 Further, the New Hampshire Supreme Court has said
15 that "a witness may not ordinarily give an
16 opinion regarding a matter of law", which is
17 completely what Mr. Buckley is asking Ms. Nixon
18 to testify to. And that is *Cyr v. J.I. Case*
19 *Company*, 652 A.2d 685, New Hampshire (1994).

20 CHAIRWOMAN MARTIN: Mr. Buckley.

21 MR. BUCKLEY: So, Staff would submit
22 that the question about "justness and
23 reasonableness of rates" isn't necessarily
24 entirely a legal question, in that is based on

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 facts that an analyst may be able to deduce and
2 offer a judgment on.

3 I, personally, have been witness to
4 several settlement panels where this question was
5 asked of the settlement panel. I don't have
6 citations to provide to you right now.

7 That all having been said, if it is the
8 Chair's preference, that is something that we
9 could conceivably roll into our closing
10 statements.

11 MR. KRAKOFF: And if I could just
12 respond? You know, I think it's perfectly fine
13 to ask Ms. Nixon, you know, why she might think
14 that the rates are too high or are not properly
15 balanced with the savings targets that are
16 proposed in the Settlement Plan.

17 But, again, you know, whether rates are
18 just and reasonable, you know, it's a matter of
19 law, and it's up to the Commission to decide.
20 And Staff can make an argument that they are or
21 not just and reasonable in their closing
22 arguments. But I don't think it's proper to ask
23 this ultimate matter of law to a witness.

24 CHAIRWOMAN MARTIN: Okay. Thank you,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Mr. Krakoff.

2 I'm going to overrule that objection
3 and allow the witness to answer the question.
4 This question is routinely asked at the
5 Commission, and I believe was also stipulated to
6 by the Settling Parties.

7 Go ahead.

8 WITNESS NIXON: Should I go ahead or --
9 (*Atty. Buckley indicating in the*
10 *affirmative.*)

11 **BY THE WITNESS:**

12 A (Nixon) I do believe the rates are just, and that
13 they generally are designed to cover prudently
14 incurred energy efficiency costs for
15 cost-effective energy efficiency programs.

16 But the rates are not reasonable, in
17 that they consist of increases that do not
18 significantly embrace rate gradualism, a
19 fundamental rate design goal, and also a goal of
20 the Settlement Agreement for EERS in DE 15-137
21 that all the Parties agreed to in that docket,
22 and which the Commission approved.

23 They strike the wrong balance between
24 short-term rate impacts versus long-term energy

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 savings, especially for non-participants.

2 BY MR. BUCKLEY:

3 Q Now, moving on to a different subject matter,
4 that being net-to-gross considerations.

5 CHAIRWOMAN MARTIN: Mr. Buckley?

6 MR. BUCKLEY: Yes.

7 CHAIRWOMAN MARTIN: Before you go
8 further, it's about 12:30. I'm thinking this
9 might be a good time to take a lunch break, so
10 Mr. Patnaude can have a break.

11 MR. BUCKLEY: I'd say that makes sense
12 on our end.

13 CHAIRWOMAN MARTIN: Okay. Why don't we
14 take a half-an-hour lunch break and return at one
15 o'clock. Thank you.

16 *(Lunch recess taken at 12:28 p.m. and*
17 *the hearing resumed at 1:11 p.m.)*

18 CHAIRWOMAN MARTIN: Okay. Let's go
19 back on the record. And I believe we were with
20 Mr. Buckley.

21 MR. BUCKLEY: Yes. Thank you, Madam
22 Chair.

23 BY MR. BUCKLEY:

24 Q So, the next topic we'll be moving to is

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 net-to-gross.

2 Ms. Nixon, do you agree with the
3 Settlement treatment of net savings assumptions,
4 as described at Page 7 of the Settlement
5 Agreement?

6 A (Nixon) I agree with it for now. But the
7 downstream C&I lighting exception, they're
8 acceptable for now. And that, again, downstream
9 is when the customer gets like a rebate or an
10 incentive mailed or given to them directly.

11 But those may change over time,
12 especially since the lighting market is
13 transforming so quickly. So, we may need -- I
14 believe that those should be able to be looked at
15 over the course of the Plan.

16 Q And is that, I believe, strictly limited to those
17 downstream lighting assumptions or would it be
18 fair to say that it stands true for any
19 assumptions where, at some point during the
20 Three-Year Plan, evidence might come forth that
21 describes a market as transforming more quickly
22 than had been planned previously?

23 A (Nixon) I believe that would apply to all of
24 those markets. I mean, if the market is

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 transforming, then we should just be looking at
2 the savings that are attributed to this program.

3 Q And do you have any recommendations related to
4 the various places, either in the Plan or the
5 Settlement, where the program administrators have
6 been suggested they would provide an
7 informational filing?

8 A (Nixon) Yes. I think that the "informational
9 filing" is a little misleading in the use of
10 those terms. In reality, I believe it's more
11 like a notification of an actual change that will
12 occur. So that it seems like "notification"
13 would be a better suited term for that.

14 And, in that case, it seems like the
15 notification should be given prior to the
16 implementation of any such change, so that the
17 Commission can have the opportunity to review it
18 and determine if any process is desired at that
19 time.

20 And the net-to-gross savings, like we
21 were just discussing, is an example of such one
22 of those informational or what I would call
23 "notification" filings might be useful.

24 Q And would you agree, Ms. Nixon, with what we had

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 heard on cross-examination the other day that,
2 although, of those Parties who have signed the
3 Settlement Agreement, the only ones who may be
4 permitted to propose a mid-term modification are
5 the Utilities, but that nothing limits the
6 Commission's ability to react to the so-called
7 "informational" or "notification" filings?

8 A (Nixon) Yes. I mean, I think that the Settlement
9 did allude that it -- did seem that it was just
10 the Utilities that could make such filings. But,
11 during the panel last week, it did seem to agree
12 that it could be -- the Commission could open it
13 on their own accord.

14 Q Now, moving on to the subject of mid-term
15 modifications, which we've already fleshed that
16 out a bit. Ms. Nixon, do you have a position on
17 the mid-term modification approach detailed in
18 the Three-Year Plan, as modified by the
19 Settlement?

20 A (Nixon) Yes. As I just mentioned, I think it's
21 more that the Utilities shouldn't be the only
22 ones that are allowed to make such a filing.
23 That the Commission may react to that on their
24 own accord.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And can you provide a brief example of why, in
2 your opinion, the ability for an entity other
3 than the program administrators to request a
4 mid-term modification is so important?

5 A (Nixon) I think that there might be some
6 instances when it might be in the monetary
7 interest of the Utilities to request a mid-term
8 modification. But it might not be the right
9 thing -- and that might be the right thing for
10 the ratepayers. But there might be times when it
11 isn't in the right interest for the Utilities,
12 but it would be in the right interest for the
13 ratepayers.

14 There might be a few instances, like
15 with the lighting net-to-gross figures, where the
16 Commission would just set it and forget it for
17 the three-year term. But, because that market is
18 transforming so quickly, that might not be the
19 best for ratepayers.

20 Again, like I've been saying, we want
21 the savings that are attributed to this Program,
22 and if the markets change form, then we would
23 need to adjust that as time goes on.

24 Q And, so, you had mentioned -- there was a mention

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 of the annual filings, described at Page 36 of
2 your testimony. The Utilities have suggested a
3 similar annual filing to update the TRM
4 assumptions, which would occur annually on
5 December 1st. Do you agree with that date?

6 A (Nixon) Well, as my testimony stated, I had
7 suggested September 1st for an annual update of
8 the benefit-cost model, which would also include
9 like changes to the TRM and other such changes.

10 But I'm concerned with the December 1
11 filing. I mean, October 1 may be more
12 reasonable, which would allow stakeholders and
13 Staff and others to review those assumptions.
14 But, if all parties can review those and agree to
15 any such changes ahead of time, then maybe a
16 later day is okay.

17 Q And do you recall a question last Monday about
18 the difference between a "pilot" and a "program"?
19 And, if so, do you have an opinion on that
20 matter?

21 A (Nixon) Yes. I believe I remember what they
22 said, and I agree with it, in that pilots differ
23 from full programs, and that a pilot is where we
24 can learn about the program. And we learn about

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 it through an evaluation to verify the
2 assumptions, about the energy savings especially,
3 and that's typically done through an "impact
4 evaluation". But we also learn more about the
5 framework and how the programs and pilots are
6 delivered, and that's typically evaluated during
7 a "process evaluation".

8 So, I think both of those are key. And
9 that's the important part of a pilot, is to
10 learn, learn from it, and learn if we need to
11 make any modifications before it becomes a full
12 program.

13 Q And do you think that Commission approval should
14 be required before a pilot transitions to a
15 full-scale program?

16 A (Nixon) Yes. As my testimony states, that's the
17 case. But I also think that both, as I mentioned
18 earlier, both an impact and a process evaluation
19 of the Plan programs are critical. Such as for
20 the Energy Optimization Pilot, I think that it
21 would be critical to have those evaluations, and
22 then to seek approval before switching to a full
23 program. So, those would be filed with the
24 Commission, and everyone would have the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 opportunity to review those.

2 I also believe that's applicable to the
3 Active Demand Reduction Programs, because they --
4 the C&I Load Curtailment Program, there was an
5 evaluation conducted. But the rest of those
6 Active Demand Reduction Programs, New Hampshire
7 specifically did not evaluate those programs.

8 I realize that the Utilities, in their
9 Plan, referenced many evaluations that were done
10 in other states. But no indication of how those
11 evaluations are specifically applicable to New
12 Hampshire's pilots, or how those results can be
13 transferred to New Hampshire were mentioned.

14 So, before those programs switch to a
15 full program, I believe that they should either
16 be evaluated, or the Utilities should file more
17 details on what those evaluations show for the
18 New Hampshire programs.

19 Q Now, moving on to the topic of the Avoided Energy
20 Supply Component Study Update. Ms. Nixon, have
21 you participated in the Avoided Energy Supply
22 Component Study Group over the past several
23 months? And, if so, do you have some idea of
24 what the currently projected impacts on avoided

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 costs might be?

2 A (Nixon) Yes. I've participated and listened in
3 on many of those discussions. But I do want to
4 stress, at this point, the results are
5 preliminary, and final won't be out until
6 February/March of next year.

7 But, at this point, overall, the
8 avoided costs are projected to go down
9 significantly, especially the avoided capacity
10 costs.

11 Q And is it possible or even likely that this
12 change in avoided costs would make currently
13 projected cost-effective programs no longer
14 cost-effective?

15 A (Nixon) Yes. I'm concerned. Again, until the
16 models are actually run, we don't know the actual
17 results, and, I mean, we need the final AEC
18 numbers before we can do that.

19 But I am concerned with those Active
20 Demand Reduction Programs, because some of those,
21 at least initially, and overall, were very close
22 to being cost-effective, with one exception, the
23 C&I Load Curtailment, it was cost-effective. But
24 the other Active Demand Response offerings

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 concern me.

2 Q And I'm curious if, Mr. Eckberg, you might have
3 anything to add about programs that have the
4 potential -- programs currently that are
5 marginally projected to be cost-effective that
6 have the potential to no longer be after the AESC
7 Update?

8 A (Eckberg) Yes. Though, I haven't been as
9 actively engaged with the AES Study Group as my
10 colleague, Ms. Nixon, I would certainly have some
11 concern about the behavioral programs and their
12 cost-effectiveness, if the -- if the new results
13 from the next AESC study were to show that the
14 cost savings -- or, the avoided costs, excuse me,
15 I think we should refer to them as the "avoided
16 costs", decrease, that some of the behavioral
17 programs, particularly the HER Program and the
18 AIM Program that's to be offered by Liberty Gas,
19 might no longer be cost-effective. So, I think
20 that's something that we'll have to keep a very
21 close eye on going forward.

22 And, in terms of ensuring that the
23 programs that are offered are cost-effective, and
24 I'm sure the Utilities will be keeping a very

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 close eye on this as well.

2 Q And, Mr. Eckberg, could you conceive of a reason
3 why the Utilities might still offer, for example,
4 the AIM Program, even though it may be predicted
5 to not be cost-effective as a stand-alone
6 program?

7 A (Eckberg) Yes. As I discussed in my testimony,
8 in relation to the AIM Program, or the Aerial
9 Infrared Mapping Program, it's very possible
10 that, if the program costs were included within
11 the HPwES, or the Home Performance with ENERGY
12 STAR Program, that the program may still be
13 cost-effective if it's wrapped up within the
14 HPwES Program, even though the programs may not
15 be cost-effective on their own. Because the
16 programs, the behavioral programs, to some
17 extent, could be considered as sort of marketing
18 programs, which provide additional information to
19 customers, and encourage them in a way to
20 participate in engaging in more significant
21 energy efficiency and weatherization of their
22 homes.

23 Q Thank you, Mr. Eckberg. Now, turning to the
24 topic of the -- or, returning to the topic of the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Active Demand Reduction Programs. Ms. Nixon,
2 following up on our discussion a moment ago, do
3 you support the provisions within the Settlement
4 relating to Active Demand Reduction?

5 A (Nixon) Yes. I mean, I mentioned some concerns
6 earlier, but one of the -- I do support that
7 they're looking at the monthly peaks throughout
8 the calendar year. I also support the
9 exploration of the managed electric vehicle
10 charging. But I do want to qualify that this,
11 you know, I do have concerns with this,
12 especially as it relates to an informational
13 filing. This should be filed for as a
14 notification and an opportunity for Commission
15 approval.

16 And also, there are other EV-related
17 dockets going on. So, those have to be taken
18 into consideration.

19 So, I think -- I think that's about it
20 on the -- related to that.

21 Q Now, Ms. Nixon, the Plan, at Page I believe it's
22 157 through 159, although those Bates numbers may
23 not be exact, describes the various ADR programs
24 the Utilities plan to offer. Do you have further

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 concerns about any of these programs in
2 particular?

3 A (Nixon) Yes. As I mentioned a little bit ago, I
4 support the C&I Load Curtailment expansion. I
5 mean, we -- peak load reduction is of importance.
6 But I'm concerned especially with the drastic
7 decrease in the avoided capacity cost that some
8 of these other offerings may not be
9 cost-effective.

10 So, in addition to that, the ISO has
11 had discussions on how load is reconstituted for
12 the purposes of transmission planning and cost
13 allocation. And this may be of concern for these
14 active demand programs.

15 In addition, the Commission just
16 recently opened an investigation into
17 compensation for energy storage projects for
18 avoided transmission and distribution costs.

19 So, in light of these issues, the
20 ISO -- the load reconstitution at ISO, the
21 updates to AESC, and the energy storage
22 investigation, I'd recommend that the Commission
23 reject the expansion of the storage offering to
24 full program, as well as the Residential Load

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Curtailement Programs. And direct the Utilities
2 to file an updated benefit-cost model for the
3 active demand programs, for the C&I Load
4 Curtailement Programs by March 15th.

5 They could also provide, like I
6 mentioned earlier, evaluation results, if
7 available, for the other pilot, or explain in
8 more detail how those other programs are
9 applicable.

10 But I believe that the Commission
11 should have the opportunity to review these
12 programs before, and approve them, before they
13 actually are transitioned to full programs.

14 Q Thank you, Ms. Nixon. Now, turning to Mr. Dudley
15 on a similar, if not the same topic. At Page 10
16 through 11 of your prefiled testimony, you give
17 some concerns relating to the Active Demand
18 Reduction Performance Incentive, is that correct?

19 A (Dudley) Yes. I had suggested that, rather than
20 shift the PI weightings from the winter and
21 summer passive demand metrics to establish the
22 active demand component, the PI weighting should
23 be shifted from the Value/Net Benefits component.

24 Q And do you continue to take this position?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Dudley) I continue to believe that the shifting
2 of PI weighting from passive demand to active
3 demand is inappropriate, because passive demand
4 savings should remain a priority for the
5 Commission, and should not be diminished.

6 However, upon further examination of
7 the issue, I have an expanded understanding of
8 the ADR performance incentives relative to ADR
9 Program costs. At a high level, the ADR Program
10 budgets and programs are separate and distinct
11 from the EE budgets and programs, and the
12 performance incentive associated with ADR
13 programs should be based on the budgets of those
14 programs; however, they are not. This disconnect
15 means that the performance incentive associated
16 with the ADR Programs is disproportionately high,
17 compared to the cost of those programs.

18 For example, if you look at Bates Page
19 384 of Exhibit 2, which shows the performance
20 incentive for Eversource's combined ADR Programs,
21 you will see, at Line 5, that the combined ADR
22 Programs -- the incentive for the combined ADR
23 Programs is at \$685,000, if the utility achieves
24 100 percent of the planned goal.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 If you turn to Bates 382 of Exhibit 2,
2 that exhibit shows the combined cost of those
3 residential and commercial programs to be 3.4
4 million. So, doing the math, that's a
5 performance incentive equal to approximately at
6 about 20 percent of the cost of the program, in
7 performing at 100 percent of planned goal.

8 This differential is even more
9 pronounced at the 125 percent cap of the planned
10 goal. And that's an increase of about 200,000 to
11 856,000.

12 Now, this is due to the fact that the
13 PI weighting assigned by the Utilities for this
14 program is proposed at 5 percent. That's too
15 high for a new program that has not yet been
16 fully evaluated. In the event that the
17 Commission does approve the ADR Program in its
18 entirety as proposed, we would urge the
19 Commission to lower the percentage weighting to a
20 more reasonable level.

21 And, again, for context, the program
22 incentives at a portfolio level are capped at
23 about 5.5 percent of a portfolio cost, when
24 performance across all metrics is 100 percent.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 The proposed ADR Program PI, as a percent of
2 program, is slightly lower for Unitil. And, as
3 Mr. Stanley said on cross-examination, as I
4 recall, much lower for Granite State Electric.

5 Q And, so, just to make sure that I have this
6 right, the overall energy efficiency portfolio's
7 incentive level is somewhere around 5.5 percent
8 of the cost of the programs, is that correct?

9 A (Dudley) Yes.

10 Q And that, for the Active Demand Reduction
11 Programs, if the Commission were to adopt what is
12 proposed in the Plan, as modified by the
13 Settlement, if it's modified by the Settlement at
14 all, the Utilities, the program administrators
15 would be able to earn approximately 20 percent of
16 the ADR spend as a performance incentive?

17 A (Dudley) According to the simple math, my simple
18 math, in examining Exhibit 2, yes.

19 Q And, so, having examined all this, do you have
20 any recommended actions based on this?

21 A (Dudley) Yes. I would like to recommend a
22 preferred alternative for the Active Demand
23 Reduction Performance Incentive. And that is,
24 the Commission should consider rejecting the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 proposed ADR Performance Incentive component
2 entirely at this time, and instead direct the
3 Utilities to propose a different incentive, that
4 would be based on a percent of shared, verified,
5 ex-post ratepayer savings, for example, savings
6 associated with reduced RNS and LNS costs.

7 The program administrators should
8 include this proposal as part of the ADR filing
9 that they will make on March 25th.

10 As a corollary to this recommendation,
11 the costs and savings of the ADR Programs should
12 be removed from and not included with the overall
13 portfolio costs for the purpose of determining
14 the non-ADR Performance Incentive.

15 Q Thank you, Mr. Dudley. Now, I move to the topic
16 of the Stakeholder Advisory Council. Ms. Nixon,
17 at Page 15 through 17 of the Settlement, it
18 describes a "Stakeholder Council" that will
19 exercise a consensus-based decision-making
20 process, rather than a voting structure.

21 Can you think of any other loosely
22 analogous bodies?

23 A (Nixon) Yes. In the last three-year plan, the
24 2018 to 2020, there were several working groups

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 that were formed to resolve issues that remained
2 at the time that the order was issued. And these
3 were done through a collaborative process. I
4 believe that some of these were discussed in a
5 lot more detail last week.

6 Many of these issues were delegated to
7 these working groups and were, in fact, resolved
8 and consensus was reached. But, when a consensus
9 wasn't reached, for example, in the Lost Base
10 Revenue Working Group, it was elevated to the
11 Commission for a decision.

12 These working groups were hosted by the
13 Commission, but attempted -- the Commission, that
14 attempted to resolve the disputes through the
15 consensus-based approach that is proposed in the
16 Settlement, rather than a voting-type structure
17 that was used for this Plan.

18 Q And would Staff be opposed to chairing a working
19 group that has the purposes described in the
20 Settlement for the Advisory Council?

21 A (Nixon) No. In fact, it seems that makes sense,
22 to have this council or working group to be part
23 of this docket, and overseen by the Commission,
24 similar to those other working groups.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And I'll note for you that the Settlement does
2 provide for an outside consultant who would
3 facilitate stakeholder discussions, while also
4 serving as a technical expert.

5 Do you think such a consultant is
6 warranted?

7 A (Nixon) Yes. I think it's a good idea. I think
8 a consultant is helpful, and, in fact, necessary.

9 During this, the planning process for
10 this Plan, the stakeholder group employed a
11 consultant. And I think it helped not only with
12 facilitation, but also for better understanding
13 of the programs, and helped with some technical
14 aspects.

15 So, I agree that it may be helpful to
16 have the use of a consultant, not just for plan
17 development, but for the -- during the review of
18 the interim program performance and
19 implementation. This is in light of the fact
20 that, I mean, I think, if we stood back, we would
21 all realize that our budgets are increasing
22 greatly, and we're getting into a lot more
23 sophistication and details than we ever have.
24 So, it would be helpful to have an expert to help

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 with that process. And I believe that there's
2 other states that have such a similar model.

3 Q Thank you, Ms. Nixon. And now, moving to
4 Attachment M of the Plan, which I believe is in
5 Exhibit 2, at the end of it. That's the rate and
6 bill impact analysis, is that correct, Ms. Nixon?

7 A (Nixon) Yes.

8 Q Now, Ms. Nixon, you were part of the group that
9 oversaw the development of the bill impact model
10 and you developed the chart in Attachment M, is
11 that correct?

12 A (Nixon) Yes.

13 Q And you think it's a helpful model. It lets us
14 understand the benefits, rather than just the
15 costs associated with the programs, is that
16 correct?

17 A (Nixon) Yes.

18 Q Does this model, in its present form, have any
19 major shortcomings you can think of that might
20 skew its numbers to some degree?

21 A (Nixon) Yes. And, as I mentioned in my
22 testimony, it assumes that there's a rate case
23 every year, which means that the -- and it also
24 assumes that the distribution savings flow

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 through to the customers annually. But this
2 actually wouldn't happen, unless there was an
3 actual rate case. And this wouldn't occur even
4 if there was decoupling, because what this does
5 is, it assumes the revenue requirements decrease,
6 where revenue requirements would not actually
7 decrease until there is actual -- a rate case.

8 So, this model assumes that all the
9 benefits from the energy efficiency programs are
10 returned to the customer during this annual rate
11 case that is being occurred in that model.

12 Q And just so I understand it correctly. This
13 model incorporates the avoided transmission and
14 distribution savings, or, more importantly, for
15 our purposes, related to the revenue requirement,
16 the distribution savings that are projected to
17 occur within the programs or as a result of the
18 program, is that correct?

19 A (Nixon) Yes.

20 Q And what you're saying is that it assumes that
21 those distribution savings, be it related to
22 avoided capacity cost increases or what have you,
23 would flow back to ratepayers in the year that
24 they occur or thereafter, is that correct?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) Yes. That's how I understand that the
2 model works.

3 Q And you're saying that, in actuality, that does
4 not occur, because you would need a rate case
5 that actually incorporates those savings every
6 year for those to flow back to ratepayers, is
7 that correct?

8 A (Nixon) That's correct.

9 MR. BUCKLEY: That's it for Staff on
10 direct.

11 CHAIRWOMAN MARTIN: Okay. And,
12 Mr. Sheehan, are you handling cross to start?

13 MR. SHEEHAN: The Settling Parties have
14 agreed that Mr. Kreis will go first, and I
15 believe Mr. Taylor will have some follow-up. And
16 I'm not sure if there are any others.

17 CHAIRWOMAN MARTIN: Okay. Thank you,
18 Mr. Kreis.

19 MR. KREIS: Thank you, Chairwoman
20 Martin. In the interest of time, I'm just going
21 to leap right in. Excuse me.

22 I think all of my questions are for Ms.
23 Nixon.

24 **CROSS-EXAMINATION**

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 BY MR. KREIS:

2 Q Ms. Nixon, during the colloquy you just had with
3 Mr. Buckley, you and he talked about Exhibits 28
4 and 29, which have to do with developments in
5 Rhode Island and Vermont. And I want to make
6 sure that I understand what you were testifying
7 to as to those two exhibits.

8 Did I understand you to have said that
9 my counterparts, meaning the ratepayer advocates
10 in Rhode Island and Vermont, favored or endorsed
11 the idea of keeping those states' energy
12 efficiency charges constant in light of the
13 pandemic?

14 A (Nixon) That is my understanding from those
15 exhibits.

16 Q Can you show me exactly where in each of those
17 exhibits it says that my counterpart, meaning the
18 ratepayer advocate in Rhode Island and Vermont,
19 took that position?

20 A (Nixon) Well, actually, let me correct myself. I
21 believe it's just the Rhode Island one shows
22 that, but let me find it.

23 Can you remind me again which exhibit
24 that was?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q It is -- we're talking about Exhibits 28 and 29.
2 And I believe 28 is the Rhode Island one.

3 A (Nixon) Sorry, my computer is moving very slowly.
4 I believe there was a letter from your
5 counterpart, and I'm drawing a blank on what
6 they're actually called in Rhode Island, I think
7 it's "Public Utilities" -- I want to get to it.
8 Okay. So, starting on Bates Page 021, there's a
9 letter from the Division of Public Utilities &
10 Carriers, which my understanding is your
11 counterpart in Rhode Island. And attached to
12 that is a memo from them that, let's see, on
13 Bates Page 024, says that "this Division", which
14 is what my understanding is they're sometimes
15 referred to as, "has consistently advocated for a
16 level Energy Efficiency Charge."

17 It's in that first full paragraph, and
18 highlighted.

19 Q Okay. So, I guess my question, and I apologize,
20 this might come across as argumentative, and I
21 don't really -- I don't really mean it that way,
22 your testimony is that the Division, which is
23 part of the Rhode Island Public Utilities
24 Commission, is the ratepayer advocate in Rhode

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Island, comparable to the Office of the Consumer
2 Advocate here in New Hampshire?

3 A (Nixon) That's my understanding. The Division of
4 Public Utilities & Carriers, referred to as the
5 "Division", is your counterpart. That was my
6 understanding.

7 Q Okay. Are you aware, subject to check, that in
8 the ACEEE 2020 scorecard that just got released
9 last week, and that we heard a little bit about,
10 Rhode Island was ranked number 3 overall, and
11 also number 3 in the subcategory of "Utility and
12 Public Benefits Programs"?

13 A (Nixon) I honestly have not looked at that
14 report. So, I can take your word for it, if
15 that's necessary to proceed with your question.

16 Q Okay. And subject to check, would you agree with
17 me that in the ACEEE 2020 scorecard, Vermont was
18 ranked overall state number 4, and the number 2
19 state with respect to Utility and Public Benefits
20 Programs?

21 A (Nixon) I honestly don't feel comfortable
22 answering questions about that report, because I
23 haven't looked at it.

24 Q Okay. I understand. You are aware, though, that

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 New Hampshire is ranked number 18 in that report,
2 because I think there's already been some
3 testimony to that effect?

4 A (Nixon) Again, I heard that the other day. I
5 have not looked at that report. So, I can't
6 speak to anything that I've seen on my own.

7 Q Well, again, subject to check, you're welcome to
8 look up the report and confirm that this is, in
9 fact, the case.

10 And would you also agree with me
11 subject to check, and, again, in light of the
12 testimony that's already happened about this,
13 that New Hampshire was state number 13 with
14 respect to the Utilities and Public Benefits
15 Programs in that scorecard?

16 A (Nixon) Again, I can't speak to that report. I
17 mean, the only thing that I anecdotally heard was
18 that they did not have our actual data. But I
19 have not confirmed any of that or looked at that
20 report myself.

21 So, I cannot speak to any of the data
22 from that report at this point.

23 Q But you heard anecdotally that they don't have
24 New Hampshire's data? Where did you hear that?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) The actual data. I thought -- I think I
2 heard someone say that, just in passing, not on
3 testimony, but that there was a footnote saying
4 that they didn't have New Hampshire's actual data
5 for whatever year it was they were doing. Was it
6 2019? So, they had to make an estimate. So, --

7 Q Do you know who typically provides that data to
8 the ACEEE?

9 A (Nixon) It is the PUC and the Energy Office.

10 Q So, the reason I raise this whole subject is, I
11 guess my question is, why isn't it reasonable to
12 expect that New Hampshire, given that it is
13 ranked well below Rhode Island and Vermont, might
14 want to ramp up its goals and its Energy
15 Efficiency Charges to catch up with Rhode Island
16 and Vermont, even as Rhode Island and Vermont are
17 operating in a steady state?

18 A (Nixon) I believe that what is of concern in
19 those states, the reason why they were keeping
20 their rates level, was because of COVID, and
21 COVID is affecting all of us. So, I don't think
22 that our programs are based on where they are
23 just to be compared with others. We need to do
24 what's reasonable for New Hampshire.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q So, in your view, it is reasonable for New
2 Hampshire to remain the last state in all of New
3 England, with respect to ratepayer-funded energy
4 efficiency, again, according to the ACEEE
5 rankings?

6 A (Nixon) I did not say that. I said that we need
7 to do what's reasonable for our stakeholders,
8 being the Utilities, the ratepayers, and the
9 workforce, and all those involved in the state.
10 So, we just need to look at New Hampshire to know
11 what's best for New Hampshire at this point in
12 time, given that we're in the world pandemic and
13 where we are.

14 Q So, in light of the pandemic, again, I just want
15 to understand your testimony, in light of the
16 pandemic, it is not appropriate, in your opinion,
17 for the PUC to consider where New Hampshire
18 stands in relation to its neighboring states,
19 with respect to energy efficiency?

20 A (Nixon) I mean, New Hampshire can consider that.
21 But, I mean, they have to take the -- New
22 Hampshire needs to take all things into
23 consideration when developing a plan and rates
24 and things like that. It can't be just in

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 isolation of any one element.

2 Q Thank you. During your testimony earlier today,
3 you testified that you agreed with certain
4 aspects of the Settlement Agreement, but also you
5 disagreed with others.

6 You are aware, are you not, that the
7 Settlement Agreement is a series of
8 interdependent compromises that the PUC can't
9 really consider piecemeal? Are you aware of
10 that?

11 A (Nixon) I believe that I saw that. Yes, that the
12 Settlement does say that.

13 Q But aren't you, in effect, asking the Commission
14 to do that by, I assume, suggesting that the PUC
15 approve certain aspects of the Settlement
16 Agreement, but reject others?

17 A (Nixon) What our testimony is doing, basically,
18 is just shedding light on all the issues in the
19 Settlement and the Plan, so that the Commission
20 has a full record to make -- to look at when
21 they're making their decision.

22 Q So, in other words, you aren't making a
23 recommendation to the Commission on the ultimate
24 issue of whether to approve or to reject the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Settlement Agreement?

2 A (Nixon) That is up to the Commission to make that
3 decision.

4 Q Understood. Your testimony, which is Exhibit 8,
5 talks about the fact that "sector savings are not
6 aligned with sector sales". I'm looking at Page
7 6, and I think it's at Line 14.

8 And, as evidence of that, you -- or, at
9 least the key aspect of that, as I understand
10 your testimony, is that Commercial & Industrial
11 accounts for 58 percent of sales, at least in the
12 Eversource territory, but is supposed to achieve
13 85 percent of the savings, again, you know,
14 referring to the September 1 version of the Plan.

15 Do you find, again, just focusing on
16 what was in the September 1 edition of the Plan,
17 is there something wrong with that misalignment,
18 in your view? Is it inappropriate?

19 A (Nixon) The misalignment of what?

20 Q The misalignment between sector savings and
21 sector sales.

22 A (Nixon) Can you refer to me in my testimony to
23 that you're -- point me to my testimony where
24 you're referring?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Sure. Let me just get the right thing up on my
2 screen here.

3 So, I was looking at -- just want to
4 make sure I get you to the right place. Okay.
5 Bates Page 006, there's a question that begins at
6 Line 11: "Do the percentage savings by sector
7 and utility align with corresponding percentages
8 of sales?"

9 And then, your testimony, in Lines 13
10 through 17, basically you say "No, they don't
11 align." And you state that as a fact, in
12 relation to the September 1 edition of the Plan.

13 And my question for you is, having laid
14 that out, is that in and of itself problematic?

15 A (Nixon) It seems on its surface, but, again, as
16 you mentioned earlier, all these parts are
17 interrelated. But, again, I was just stating
18 different facts and showing the different data
19 elements. But it seems like the savings would be
20 more aligned with the consumption.

21 Q But wouldn't you expect that a plan that is
22 striving for all cost-effective energy
23 efficiency, or at least to get as close to that
24 as possible, would, given where we are now,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 relying more heavily on the C&I Sector, given
2 that so much of the savings potential has already
3 been exhausted in the Residential Sector?

4 A (Nixon) I'm not sure that I would agree that the
5 savings in the Residential Sector has been
6 exhausted. But I think that it seemed that it
7 was disproportionate.

8 Q Does the Settlement Agreement address that issue
9 that you just described as "disproportionateness"
10 at all?

11 A (Nixon) I believe that it moves some of the
12 savings more to the Residential in the Electric
13 Heat Resistance Program promoting heat pumps for
14 there -- for that. But I don't recall what the
15 savings levels were.

16 Q Have you looked at the savings levels in the
17 Settlement Agreement?

18 A (Nixon) I have. I just don't have it in front of
19 me at this very moment.

20 Q So, you aren't willing to agree that the
21 Settlement Agreement addresses this
22 disproportionality concern having to do with the
23 disconnect between sector sales and sector
24 savings?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) I would say that it begins to address it.
2 There was a shift from some of the C&I, I'm
3 speaking specifically for Eversource, because it
4 was a very disproportionate amount of budget and
5 savings on the C&I Sector of Eversource. So, I
6 know that that began to shift, the Settlement
7 begins to shift that. But there's still a heavy
8 weight on Eversource's C&I customers, because the
9 budgets are higher, the savings level are
10 expected to be higher, and the associated rate
11 and bill impacts are still higher for
12 Eversource's C&I than all the other Utilities.

13 Q Is there anyplace in your testimony, meaning your
14 written testimony, or that of any of your
15 colleagues, in which you propose a different way
16 to address that disproportionality between sector
17 savings and sector sales?

18 A (Nixon) I don't believe that I give a specific
19 example. I said that it's of substantial concern
20 to me. It's not my job to design the program.
21 So, I was just pointed that out, in hopes that
22 there could be more discussion on how that could
23 be done.

24 Q More discussion when?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) During technical sessions and settlement.

2 Q Okay. But -- I understand. So, your testimony,
3 which was filed back in October, I think it was,
4 you were hoping for more discussion of that
5 during the Settlement?

6 A (Nixon) Well, to be honest, we brought this up
7 almost a year ago, at least back to February.
8 So, we were hoping to have more of those
9 discussions throughout the whole planning
10 process.

11 Q Was that issue discussed during the planning
12 process?

13 A (Nixon) It was somewhat, but we continued to
14 voice our concern.

15 Q Did you at any time during that process, not
16 asking you to talk about anything that might get
17 said during settlement negotiations, referring
18 strictly to whatever process you participated in
19 that was public and open, was there at any point
20 a suggestion from the Staff about how to address
21 that disproportionality problem, particularly in
22 the Eversource category, with respect to sector
23 savings and sector sales?

24 A (Nixon) Yes. During the planning process, we

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 gave some suggestions. And then, in a data
2 request, we actually gave some suggestions as
3 well.

4 Q And, so, your concern here is that those
5 suggestions just didn't prevail?

6 A (Nixon) We somewhat were listened to, but I
7 don't -- we didn't feel it went far enough.

8 Q How far should it have gone?

9 A (Nixon) It just -- a 168 percent increase in the
10 SBC rate seemed just not reasonable.

11 Q And really, that transitions nicely to my next
12 question, which is, you would agree with me that
13 this Settlement Agreement, again shifting the
14 focus slightly from this disconnect between sales
15 percentages and savings percentages, you would
16 agree with me that the Settlement Agreement
17 brings the savings goals between the two sectors
18 closer to each other than what was in the
19 September 1 Plan?

20 A (Nixon) Could you repeat your question.

21 Q Well, I'm just trying to get you to talk a little
22 bit about whether you think the Settlement
23 Agreement at all addresses the problem you just
24 identified, which is essentially the -- what you

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 characterized as inappropriately large increases
2 on the C&I System Benefits Charge that would be
3 applicable at Eversource, relative to other SBCs
4 assessed against residential customers in the
5 Eversource territory, and all other customers of
6 the other utilities?

7 A (Nixon) Well, as I stated earlier to a similar
8 question I believe that you asked, some of the
9 savings that were shifted from, like the --
10 shifted to Residential, like the Electric
11 Resistance Program for heat pumps, I think that
12 is helpful in having the residential bear some of
13 the burden.

14 But I don't, for -- like, as I say,
15 Eversource particularly, it's a much more
16 significant rate increase as compared to all the
17 other utilities.

18 Q Sure. You would agree with me, would you not,
19 that there really isn't a one-to-one
20 correspondence such that a tenth of a cent
21 decrease to the C&I System Benefits Charge could
22 be offset on a one-to-one basis by a tenth of a
23 cent increase to the Residential System Benefits
24 Charge?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) I'm -- on its face, I would agree with
2 that. But I'm not sure what you mean by that
3 specifically.

4 Q You mentioned "168 percent increase to the
5 Eversource C&I System Benefits Charge". And I
6 believe I heard you testify that that's
7 unacceptably high from the standpoint of Staff.
8 Has the Staff at any point recommended on the
9 record an alternative to that 227 percent
10 increase?

11 A (Nixon) Again, like I mentioned earlier, in our
12 data request, I believe we said that the
13 increases in the last Plan seemed more
14 reasonable. And I believe that that was about 20
15 to 30 percent max over the course of the Plan.
16 And that that's what seemed reasonable to us.
17 And that a doubling of the SBC seemed to be the
18 max that would be acceptable over the Plan. And
19 those were in data requests.

20 Q So, I just want to understand what it is that
21 you're suggesting here. It seems like what
22 you're suggesting is that the principle is that
23 the Commission can only accept as just and
24 reasonable a rate increase path, again, referring

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 to the System Benefits Charge, that is consistent
2 with the rate increase path that applied during
3 the preceding triennium?

4 A (Nixon) Well, I believe that, as I referred to in
5 my earlier testimony, that all parties in that
6 agreed that it should be -- you got to weigh all
7 the budgets and savings and whatnot when you're
8 looking at this, and that it needs to be -- that
9 those have to be taken into consideration.

10 Q Looking at Page 12 of your testimony, I just want
11 to make sure I'm giving you the right page
12 number, I'm pretty sure I am. Page 12 of your
13 testimony, at Line 3, you testify that the
14 greatest bill impact is on the C&I sector of over
15 10 percent for some customers. Do you consider
16 there to be a typical or average C&I customer?

17 A (Nixon) For purposes of bill impacts, the
18 Utilities have been looking at an average
19 customer before I got involved in these
20 situations. So, it's a given that the bill
21 impacts are to be for an average customer for
22 C&I.

23 Q But my question was, in your opinion, is there a
24 typical or average C&I customer?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) For the purposes of these bill impacts,
2 it's been agreed to that there is an average
3 customer.

4 Q But that isn't my question. My question is, do
5 you think there is a typical or average C&I
6 customer?

7 A (Nixon) For these purposes, I would agree -- I
8 would agree with that assumption. I mean, again,
9 with any customer, residential, C&I, usage varies
10 drastically. But, for the purposes of these bill
11 impacts, we had to -- there had to be an
12 assumption made.

13 Q Did you analyze how many C&I customers would be
14 subject to an increase of 10 percent?

15 A (Nixon) Well, I did not look at the -- how many
16 customers. But, as I testified earlier,
17 there's -- for Eversource specifically, there's
18 about 80,000 C&I customers, and only about 7.5
19 percent of those would participate. So, I mean,
20 presumably, and I don't have it in front of me, I
21 think it's the -- I forget which rate class it is
22 for Eversource, but, presumably, for that rate
23 class, that would be -- that's the average
24 increase for the C&I customer.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q But you don't actually know?

2 A (Nixon) Yes. That's the average. That would be
3 the average increase. That's what that number
4 states. And average says that, for an average
5 customer, there may be some that are lower and
6 some that are higher. But an average customer
7 would be the one that would be in the middle.

8 Q But, now, I'm really confused. Because your
9 testimony says "the overall bill impact for the
10 three years ranges from 2.9 percent to over 10
11 percent." But then, you just referred to some
12 "average" customer. And I'm just trying to get a
13 sense of how extensive rate increases of over 10
14 percent really will be?

15 A (Nixon) That 10 percent figure is referring to
16 the Eversource customers, which I just indicated
17 there are 80,000 C&I customers for Eversource.
18 The 2.9 percent is one of the other utilities,
19 the one with the lowest rate impact. So, it will
20 vary from utility to utility.

21 But, for Eversource, in the original
22 September 1 Plan, as they filed it, it was over
23 10 percent shown in their bill impacts for C&I
24 customers.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Okay. I understand. That's helpful. But you
2 have been testifying that there are about 80,000
3 C&I customers that Eversource serves here in New
4 Hampshire. And you're testifying that some of
5 them will experience overall rate increases of
6 over 10 percent. But it doesn't sound like you
7 know how many of those 80,000 actually will
8 experience that rate impact. Is that a fair
9 statement?

10 A (Nixon) Well, I think that, like I say, in
11 typical Commission filings, this is the standard
12 to look at bill impacts. So that it's considered
13 that, on average, the C&I customer class will
14 experience this. As I stated, some will
15 experience a lower and some will experience a
16 higher.

17 Q But you don't have any data to offer the
18 Commission about how many of those 80,000
19 customers will, in fact, experience a rate
20 increase of over 10 percent?

21 A (Nixon) If you give me a minute, I can give you
22 an idea of how many customers are in the bill
23 impact -- in that class for which they did that.

24 Q Well, you've already testified that there are

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 80,000 C&I customers. And I assume that's true.

2 Anyway, I'm going to move on, if that's
3 all right. You, at I think it's -- yes. Farther
4 down on Page 12 of your testimony, you talk about
5 Attachment M, which is the bill impact study that
6 you were just testifying about. And your
7 criticism of the rate impact study is that it
8 assumes that each utility has a rate case every
9 year to allow the utility to capture all of the
10 savings associated with energy efficiency. Is
11 that a fair paraphrase of your criticism?

12 A (Nixon) Can you repeat what you're
13 paraphrasing -- you paraphrased?

14 Q Well, I just want to make sure I'm understanding
15 your critique of Attachment M. And I thought I
16 heard you testify that it has to do with the
17 assumption that there would be a distribution
18 rate case every year that would allow the full
19 capture of energy efficiency related savings in
20 rates?

21 A (Nixon) Yes. I'm concerned, because, I mean, the
22 rate impact is, again, a good example of showing
23 rate impacts -- rate and bill impacts over time,
24 that there were simplifying assumptions. One of

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 which is what you just summarized, is the
2 assumption is that there would be rate cases
3 every year, and that customers would realize the
4 distribution savings, which, in fact, won't be
5 realized. Those will actually flow to the
6 utility, until a rate case -- presumably, until a
7 rate case would occur.

8 Q You mentioned in your colloquy with Mr. Buckley
9 "avoided capacity costs". When there are avoided
10 capacity costs as the result of energy
11 efficiency, where do those savings turn up in
12 rates?

13 A (Nixon) Well, it typically would be related to
14 the -- anywhere where the demand and the peak
15 load, and -- so, potentially, transmission,
16 distribution, possibly even energy.

17 I do want to make one clarification to
18 your last question, though. You had referred to
19 "Attachment M", and related it to the bill impact
20 discussion that we had just had previously.
21 Those are two different bill impacts. So, I just
22 want to a make sure that the Commission doesn't
23 get confused.

24 There's two different bill impact

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 analyses going on. One is a real-time, right
2 today, what 2021, '22, and '23 will look like,
3 where this Attachment M looks out I believe it's
4 like 25 years or so of what the impact of this
5 Plan will have on rates and bills.

6 Q Understood. Thank you. You would agree with me,
7 though, that, at least theoretically, some energy
8 efficiency related savings might flow through to
9 customers outside of distribution rates, and come
10 up in places like lower energy charges or lower
11 transmission charges?

12 A (Nixon) Yes. I just stated that to be the case.

13 Q Sure. And have you done any estimating of what
14 percentage of the energy efficiency related
15 savings do, in fact, flow through, if at all,
16 through the distribution charges?

17 A (Nixon) No, I have not.

18 Q Are you aware of any upcoming electric rate
19 classes here in New Hampshire?

20 A (Nixon) I mean, we just completed Eversource and
21 Liberty. And it's my understanding that Unitil
22 will be coming in soon as well.

23 Q What about step increases? Is it possible that
24 energy efficiency related savings could be

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 reflected in reductions to the amount of rate
2 increases that utilities seek through step
3 increases that have theoretically been approved
4 as part of rate cases?

5 A (Nixon) It doesn't appear that they would be,
6 because those step increases are approved -- or
7 proposed initially, and then come in for approval
8 later. But those are for prudently incurred or
9 presumably -- hopefully, for prudently incurred
10 costs to the distribution system.

11 So, there's a possibility that some
12 energy efficiency could go into play, if not as
13 many -- not as much capital had to be expended.
14 But I don't -- I wouldn't know if it -- it's hard
15 to tell where that comes into play, even with a
16 step increase.

17 Q I understand. Does Attachment M take into
18 account savings related to unregulated fuels?

19 A (Nixon) Attachment M is just electric bills and
20 rates. And also -- yes, but I take that back.
21 It's also to the gas utilities as well. So,
22 yes -- and, so, no, it's not unregulated. It's
23 just regulated gas and electric.

24 Q Do you think that the Commission should take into

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 account, again, when it thinks about whether the
2 SBC rates are just and reasonable, should it take
3 into account the fact that some of the bill
4 savings that flow through to customers flow
5 through the bills that they pay for unregulated
6 fuels?

7 A (Nixon) Well, I think that this has been an
8 ongoing area of discussion for the Commission
9 over the years. And, typically, that, in years
10 past, it was only electric, and then gas that
11 were considered, and slowly some unregulated
12 fuels were considered.

13 So, while I know the -- I believe the
14 concern has been that of having electric
15 ratepayers pay for those other savings in those
16 other fuel departments. So, it can be
17 considered, because there are benefits. But it's
18 hard to show what effect that would have on any
19 of the electric rates.

20 Q Let me ask you a hypothetical. If the Commission
21 became concerned that energy efficiency related
22 savings were not adequately reflected in
23 currently effective distribution rates, would the
24 Commission be able to take any affirmative

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 action, as opposed to just waiting around for the
2 Company to file its next rate case?

3 A (Nixon) I mean, the Commission can seek
4 information or what have you, I mean, under their
5 authority. But I guess I'm not sure to that.
6 That seems more like a legal question.

7 Q Fair enough. I want to ask you a question about
8 Mr. Mosenthal's testimony. And I have to look up
9 and make sure I'm giving you the right exhibit
10 number for his testimony. So, I'm just going to
11 have to make sure, pretty sure it's Exhibit 9,
12 but I can't quite remember. Ah, no. It's
13 Exhibit 10.

14 So, with reference to Exhibit 10, which
15 is Mr. Mosenthal's direct testimony, at Page 12
16 of Exhibit 10, at Lines 20 -- or, 12 through
17 13 -- oh, I'm sorry. I'm talking about his
18 rebuttal testimony. That's the next exhibit
19 number, 11. At Page 12 of that exhibit, Lines 12
20 through 13, Mr. Mosenthal testifies that a
21 non-participating residential customer of
22 Eversource could wipe out her short-term bill
23 increases next year by installing three LED
24 lightbulbs, and that it would take just twelve

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 LED lightbulbs to offset the entire System
2 Benefits Charge that that customer would pay in
3 2021.

4 Do you disagree with Mr. Mosenthal's
5 contention to that effect?

6 A (Nixon) I have not done a similar calculation to
7 that. But I would assume that under oath he
8 testified to that. So, there may be some
9 residential customers that could be the case.
10 But I'm not sure that all residential customers
11 that would be the case.

12 Q Fair enough. At Page 21 of Mr. Mosenthal's
13 rebuttal testimony, again, Exhibit 11, Mr.
14 Mosenthal takes exception to the analysis driving
15 the figures in Table 5 of your testimony. He
16 contends that your analysis of bill impacts
17 represent -- "represents the bill impacts only
18 for non-participants."

19 And my question for you is, is he
20 wrong?

21 A (Nixon) No. As I've stated earlier, when the
22 Utilities provide bill impact station -- bill
23 impact schedules, those are assumed to be an
24 average customer. So, the average customer, some

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 will be participants, some will be
2 non-participants. But, on average, that will be
3 the bill impact to that class.

4 Q Turning back to your testimony, Ms. Nixon, at
5 Page 13, on Lines 19 and 20, and then continuing
6 onto the next page, Page 14, you say that SBC
7 rates should be somewhat similar across service
8 territories.

9 Does the Electric Division of the
10 Commission apply that somewhat similar standard
11 in any other context?

12 A (Nixon) What page are you referring to?

13 Q Page 13 of your testimony, I believe Lines 19 and
14 20.

15 A (Nixon) So, this case is a unique case, in that
16 we're looking at a statewide program, where the
17 programs are, for the most part, similar from
18 utility to utility. So, that's why that makes
19 more sense under this Program. Under the
20 other -- other situations, I mean, it's very
21 unique to what you're looking at, when you're
22 looking at rates under different programs. So, I
23 would say, for this situation, because it's a
24 statewide program, with similar programs, that

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 makes sense.

2 Q You don't consider electric distribution service
3 to be a statewide program?

4 A (Nixon) It is a statewide program, but there's
5 different situations. I mean, some of the areas
6 are rural, some are urban, some are mountainous,
7 some are, you know, cities. So, it is very
8 different from territory to territory.

9 Q And aren't those differences exactly why there
10 isn't anymore a direct correspondence between the
11 System Benefits Charges that are proposed for the
12 different service territories of the different
13 utilities?

14 A (Nixon) Well, again, like I said, this is a
15 program where all the Utilities are coming in
16 together for one statewide program. As you have
17 indicated many times, it's a statewide program,
18 it's the NHSaves Program. And that the Utilities
19 are not coming in as one unified front to get
20 electric distribution rates.

21 Q Okay.

22 CHAIRWOMAN MARTIN: Excuse me, Mr.
23 Kreis. Mr. Taylor, are you still with us?

24 MR. TAYLOR: Yes, Commissioner. I was

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 just -- actually, I had to momentarily step away,
2 but should be back in a minute or so.

3 CHAIRWOMAN MARTIN: And do you object
4 to us continuing or would you --

5 MR. TAYLOR: No objection. No
6 objection to continuing.

7 CHAIRWOMAN MARTIN: Okay. Thank you.
8 Go ahead, Mr. Kreis.

9 MR. KREIS: Thank you, Madam
10 Chairwoman.

11 BY MR. KREIS:

12 Q On Page 13 of your testimony, I think at just
13 about Line 15 or so, you note that "energy
14 efficiency programs may result in bill
15 decreases", over the long term, "but that the
16 short-term impacts of the programs will result in
17 [short-term] bill increases."

18 So, first of all, it's fair to say, is
19 it not, that the short-term bill increases are a
20 problem from your standpoint? That's a key point
21 in your testimony?

22 A (Nixon) I wouldn't generalize like that. I said
23 that it was specific to Eversource's C&I
24 customers where that was a problem. It seemed

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 that the other -- and possibly Unitil's last year
2 of C&I, but all the others seemed reasonable.

3 Q Okay. Fair enough. Would you agree with me that
4 one way to fix that problem is to spread the
5 recovery of energy efficiency related costs over
6 a longer period of time, so that the timing of
7 the benefits would better align with the timing
8 of the cost recovery?

9 A (Nixon) I don't support amortization.

10 Q That was going to be my next question. So, thank
11 you for stating it and answering it.

12 So, if you don't support amortization,
13 and if you don't support the -- well, I guess,
14 given that you don't support amortization, and
15 you think that the System Benefits Charges are
16 too steep without amortization, aren't you
17 basically asking the Commission to abandon the
18 goal of all cost-effective energy efficiency, and
19 go back to the old system, where we set budgets
20 first, and then we just bought as much savings as
21 we could given the budgets that the Commission
22 approved?

23 A (Nixon) Not at all. As I've stated many times
24 today in my testimony, and the other panel, I

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 remember Ms. Peters specifically had stated over
2 and over again, there's many legs to this,
3 there's three legs to this: There's savings,
4 there's budgets, and there's savings assumptions.
5 And you can't look at each one an individual.

6 And, in the last Plan, as I stated, the
7 Settling Parties agreed that you've got to
8 balance the savings goals and the budgets. And
9 that if -- and, if the Settling Parties agreed,
10 and the Commission approved, that, if the budgets
11 came in significant -- any different than was
12 agreed to in that DE 15-137, that they would have
13 to -- the budgets would have to be revisited and
14 the goals would have to be revisited. So, you
15 can't just look at any of those legs in
16 isolation.

17 Q I'd like to ask you a few questions about the
18 pandemic, because you have mentioned that in your
19 written testimony, and again here on the stand.

20 First of all, would you agree with me
21 that most public health experts these days seem
22 to think that the pandemic is likely to abate
23 over the course of 2021, given the vaccine
24 approvals that have been rolling out?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) I think the health experts are saying
2 sometime next summer. But, I mean, it's all an
3 unknown. This is all new territory for everyone.
4 So, I mean, I think we all know that, until we
5 see what happens, then we'll know what happens.

6 Q So, would you agree with me that the Commission
7 might at least be able to anticipate or hope
8 that, in the last two years of the triennium,
9 meaning 2022 and 2023, New Hampshire is likely to
10 be out of pandemic crisis mode, and into the mode
11 of trying to rebuild the economy to recover from
12 the effects of the pandemic?

13 A (Nixon) I can only hope.

14 Q As Staff developed its positions, as you
15 articulated them in your written testimony and
16 again here on the stand, did you take into
17 account the job creation impacts of the Triennial
18 Plan, either in its original form or as modified
19 by the Settlement?

20 A (Nixon) We didn't specific -- I didn't
21 specifically mention any numbers. But we do
22 support looking at workforce development. I
23 mean, this is a critical -- workforce is very
24 critical to these plans, and has been, since I've

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 gotten involved in these energy efficiency
2 programs, I know there's been concern that there
3 wasn't going to be enough workforce. So, I'm
4 really concerned, honestly, that there's not
5 going to be enough workforce.

6 And I -- and, to the extent that these
7 programs can build workforce in New Hampshire
8 specifically, then it's great. But, I mean,
9 again, with the pandemic, we've got to be careful
10 of how that's done. And, hopefully, those
11 businesses are still around. But I really hope
12 that the workforce can be built to accommodate
13 this Plan.

14 Q Have you done any analysis of the employment
15 impacts of approving the Triennial Plan as
16 conditioned by the Settlement Agreement?

17 A (Nixon) I have not. But I do know that, in the
18 recent statistics that came out just, I think,
19 within the last week or so, employment is way
20 down in New Hampshire. So, I mean, to the extent
21 that any employment can be gained, it's great,
22 but it can't be at the cost of every single -- I
23 mean, we don't build employment at an extreme
24 cost for others.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Would you agree with me that one of the salient
2 features of the Triennial Plan is that it's
3 possible that, in years two and three, the
4 programs could pick up slack created by lingering
5 effects of the pandemic in year one, that is to
6 say 2021?

7 A (Nixon) That's one of the advantages of a
8 three-year plan. But as we've been -- even, like
9 in early on, when we started the planning
10 process, we were concerned that there's so many
11 unknowns with the pandemic and what's going to
12 happen next year, and that there's going to --
13 there is the potential that there could be
14 over-collection next year. So, we just need to
15 be cautious going forward, especially in the next
16 year, and that there -- I mean, especially given
17 that the AESC, there's going to be a lot of
18 changes coming the first of the year, in terms of
19 savings assumptions -- or, in terms of the
20 assumptions related to this Program. So, the
21 next six months are going to be really telling in
22 terms of this Plan.

23 Q Sure. You know, when I woke up this morning, I
24 was listening to a story on Public Radio about

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the troubles that the restaurant industry has
2 had. And, of course, I know we're all thinking
3 about the impact of the pandemic on the business
4 community.

5 Would you agree that the most direct
6 way to address those impacts immediately would be
7 to create a moratorium on utility disconnections?

8 A (Nixon) I don't think that's relevant to this.

9 Q Well, I asked you a question, and it really isn't
10 your role to tell me that one of my questions is
11 irrelevant. That is something that your attorney
12 can do for it.

13 MR. BUCKLEY: Objection. Irrelevant.

14 CHAIRWOMAN MARTIN: Mr. Kreis, can you
15 explain how that's relevant to this proceeding?

16 MR. KREIS: Well, you know, Staff is
17 here experiencing concern that the Settlement
18 Agreement and the underlying Triennial Plan is
19 insufficiently attentive to the ill effects
20 economically of the pandemic. And I think I'd
21 like to establish that Staff didn't really have
22 that concern earlier this summer when it agreed
23 to discontinuing the disconnection moratorium
24 that the Governor had originally imposed at the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 beginning of the pandemic.

2 CHAIRWOMAN MARTIN: I'm going to
3 sustain the objection.

4 MR. KREIS: Okay. I will move on then.

5 BY MR. KREIS:

6 Q I want to ask you a question or two about Exhibit
7 27. And Exhibit 27 is a bunch of tables that
8 have to do with Energy Efficiency Charges in
9 Massachusetts.

10 And my question for you is pretty
11 general. So, I don't think you have to bury
12 yourself in any of the numbers in Exhibit 27. Do
13 you know whether the energy efficiency rates in
14 that exhibit are truly comparable to the ones
15 that we're -- to the System Benefits Charges that
16 we're talking about here in New Hampshire?

17 A (Nixon) My understanding is, if you look at the
18 appropriate column, they are.

19 Q So, my question is, is there a problem with the
20 comparison that might have to do with the way
21 RGGI proceeds are spent in the two states, and
22 the fact that, in Massachusetts, that some energy
23 efficiency costs are, in fact, in rates, but not
24 fully in the Energy Efficiency Charge itself?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) Could you repeat the last part of that
2 again?

3 Q Well, I'm just trying to figure out whether it is
4 fair to draw the comparison between the Energy
5 Efficiency Charges in New Hampshire and our
6 System Benefits Charges here in -- or, the Energy
7 Efficiency Charges in Massachusetts and the SBC
8 charges here in New Hampshire, given that, I
9 think, and I'm not supposed to testify, some
10 Energy Efficiency Charges in Massachusetts are
11 paid for outside of the Energy Efficiency Charge,
12 but are otherwise embedded in rates?

13 A (Nixon) My understanding is, again, like I said,
14 if you look at the appropriate column in that
15 attachment, that you can compare it to our SBC
16 rates.

17 But I don't do work in Massachusetts.
18 I don't live in Massachusetts. So, I can't
19 specifically state what's all behind all their
20 rates. But that's my understanding, is that
21 their total EEC rate is equivalent to our -- or,
22 is similar to our SBC rate.

23 Q Regarding all of the exhibits that talk about
24 Massachusetts, Rhode Island, and Vermont, do any

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 of those states use the Granite State Test,
2 cost-benefit test I mean?

3 A (Nixon) Not a test that's specifically called the
4 "Granite State Test". I don't know what each of
5 those states use for a test. But the Granite
6 State Test is specific to New Hampshire, where we
7 decided what costs and benefits would be
8 included.

9 There may be something that's similar
10 to that in those states, but just called
11 something else. I don't know what -- I actually
12 don't know what -- I don't have in front of me
13 what all those states use for a benefit-cost
14 test.

15 Q Okay. Turning to the provisions of the
16 Settlement that have to do with the proposed
17 Stakeholder Advisory Council, and you already
18 talked a bit about that with Mr. Buckley, so that
19 eliminates my need to ask at least some of my
20 questions.

21 Would you agree with me that one of the
22 key features of the proposed Stakeholder Advisory
23 Council, as described in the Settlement
24 Agreement, is that it kind of abolishes the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 distinction between stakeholders and the
2 Commission Staff, in the sense that it would make
3 clear that the Staff becomes a full participant
4 in the Advisory Council?

5 A (Nixon) Well, I equated it to the working groups,
6 where the Staff was a full participant. So,
7 that's -- yes. If that's what is meant by that,
8 that is true.

9 Q Okay. Do you agree with the concept of having
10 the Advisory Council function on an ongoing
11 basis, as opposed to just convening it simply
12 when it's time to start work on the next
13 Triennial Plan?

14 A (Nixon) I think that makes sense. I mean, I
15 think it's very good to meet over these programs
16 as we move forward and discuss things. There's a
17 lot that goes on, and we do a lot of planning,
18 and don't see the implementation. So, I'd love
19 to talk about it, the implementation more, and
20 begin planning as well.

21 Q You testified, in response to questions from Mr.
22 Buckley, that you think that Staff should chair
23 the Advisory Council. I guess, first of all,
24 that has not been the situation at any point

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 prior to now, either before, during, or after the
2 adoption of the Energy Efficiency Resource
3 Standard. Is that true?

4 A (Nixon) Well, I think that what -- the question I
5 answered was that "would I object to chairing?"
6 And I wouldn't object to chairing it. I didn't
7 necessarily say that I thought Staff should do
8 it. But I did equate it to the working groups,
9 and that is the case where Staff did lead those.
10 So, yes, Staff did lead those.

11 And the EERS Committee, I believe that
12 it -- you led it this time, I think you led it
13 partially last time. And I think the Office of
14 Energy -- or, the OSI's equivalent led it for a
15 bit last time, if I remember correctly.

16 That was the stakeholder -- that was
17 the stakeholder portion as part of the EERS
18 Committee.

19 Q So, again, just to clarify, your testimony is
20 that it would be okay and Staff would be willing
21 to chair the Advisory Council. But I thought I
22 heard you just say "that's not necessary", from
23 the standpoint of you or your Staff colleagues?

24 A (Nixon) It's not necessary. But I think I equate

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 what you propose to the working groups. And I
2 think, if it is similar to the working groups and
3 as part of the Commission, it would make more
4 sense for the Staff to chair it.

5 Q Okay. So, that, again, I'm just trying to
6 understand what you're talking about in
7 real-time, because I didn't know before today
8 what your position on this subject was, your
9 testimony is that you think it is appropriate for
10 the Stakeholder Advisory Council to exist as,
11 basically, an organ of the Commission, rather
12 than being independent?

13 A (Nixon) Again, I equate it to the working groups,
14 and it makes sense. I mean, if the stakeholders
15 want to have a separate body, they could have a
16 separate body. But, to have Staff involved, it
17 makes more sense to have it connected to the
18 Commission process.

19 Q Do you consider Staff a stakeholder for these
20 purposes?

21 A (Nixon) I believe so. And I think, in previous
22 settlements and orders and things like that, we
23 were specifically defined as a stakeholder.

24 Q Don't you think there's a problem with that,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 though, given that the PUC is the regulator? If
2 the regulator is participating in the process of
3 developing proposals that the program
4 administrators, i.e., the Utilities, are going to
5 submit, like how does the Commission maintain its
6 independent regulatory oversight role and its
7 role as the arbiter between shareholders and
8 customers?

9 MR. BUCKLEY: Objection. The question
10 seeks a legal conclusion.

11 MR. KREIS: I don't know what to say in
12 response to that, other than "no, it doesn't."

13 CHAIRWOMAN MARTIN: Sorry, I was trying
14 to find my mute button.

15 I am going to overrule the objection,
16 to the extent Ms. Nixon can answer based on her
17 own experience.

18 WITNESS NIXON: Could you repeat the
19 question please?

20 BY MR. KREIS:

21 Q Well, let me just try to wind it back. I'm
22 trying to get a sense of whether you see, again,
23 as an analyst and as somebody who has been very
24 close to this process over the last several

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 years, whether you see any role confusion between
2 the Commission Staff, as part of the utility
3 regulator, and the Commission Staff, as a
4 stakeholder that gives advice to the program
5 administrators about what programs to present to
6 the Commission for its approval?

7 A (Nixon) I can tell you my experience, is that
8 my -- I see my job as to help develop a balanced
9 record for the Utilities and stakeholders, so
10 that the Commission can make a decision. And,
11 again, that's, as an analyst, that's my job.

12 I think you referenced something else,
13 but I'm not sure that I play a role in that.
14 But, again, I don't recall what else you were
15 asking about.

16 Q Well, you just testified that your job, as a
17 Staff analyst, is to "help the Commission develop
18 a balanced record", and I don't have any argument
19 with that.

20 But I'm just trying to square that with
21 Staff playing a role in advising the program
22 administrators on what to propose to the
23 Commission, so that it can be considered in
24 connection with a balanced record?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) Again, I think that we just have stated,
2 during this process as well, our concerns that
3 would need to be fleshed out during the process,
4 so the Commission could better understand all the
5 pieces as part of the Plan.

6 Q I think, getting to the end of my questions on
7 this particular subject, as to the stakeholder
8 engagement process that unfolded prior to
9 September 1, as conducted by the EERS Committee,
10 was there ever an occasion at which Staff was not
11 allowed to express its views or concerns?

12 A (Nixon) I mean, when we could, we expressed our
13 views. I mean, I think one of the things that
14 the panel and the Settling Parties is
15 highlighting is a vote, which there were many
16 times when the Chair of the EERS Committee and
17 the Chair of the EESE Board both stated the vote
18 is meaningless or has no -- does not hold any
19 record. And, so, we were not part of that vote.

20 So, to the extent that the Settling
21 Parties have been waving that as a part of the
22 process, we are not part of that process, nor do
23 I think we should have been.

24 Q Okay.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) As I mentioned earlier in the testimony,
2 I think a consensus-building process is a better
3 avenue to go with.

4 Q Okay. But, again, my question was, was there
5 ever an occasion, during the stakeholder
6 engagement process that was conducted by the EERS
7 Committee, at which Staff was not allowed to
8 express its views or express its concerns?

9 A (Nixon) I believe we expressed them. Whether
10 they were included and our concerns were
11 addressed, that's a different story. But I
12 believe that we expressed them.

13 Q Okay. Understood. Beginning on Page 31 of your
14 testimony, you laid out some concerns about
15 "non-energy impacts", as those effect the
16 calculation of the secondary cost-benefit test.

17 And I just want to make sure that the
18 record is clear. Those concerns have no bearing
19 at all on the primary test, known as the "Granite
20 State Test", correct?

21 A (Nixon) I don't -- if the section of that is
22 referring to the non-low income NEIs, then that
23 is true.

24 Q Yes. In what circumstances would it become

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 necessary for anyone to have recourse to any of
2 those -- either of those secondary tests?

3 A (Nixon) Well, I think the other -- the Utilities
4 in other panels -- or, the other panel described
5 some of that. I mean, the primary test and the
6 one to determine whether the programs pass the
7 benefit-cost test is the primary test.

8 Those other programs are used for
9 informational purposes, and I believe that others
10 testified that it was possibly used for budget
11 allocation or different matters. But it's,
12 basically, for informational purposes.

13 And I believe that, in our Staff
14 recommendation last year from the Benefit-Cost
15 Working Group, we explained in much more detail
16 what the purpose of that was. And that's in
17 Docket DE 17-136.

18 Q Thank you. I want to turn now to the EM&V
19 Working Group, and the provisions of the
20 Settlement Agreement that deal with the EM&V
21 Working Group.

22 And I have to apologize, because it
23 is -- the section of the Settlement I'm talking
24 about is labeled "Section 6". And it starts on

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Page 9, and goes onto Page 10 of the Settlement
2 Agreement. But I don't have an edition of the
3 Settlement Agreement that has the Bates numbers
4 on it. So, I can't give you Bates numbers. But
5 I'm talking about the provisions of the
6 Settlement that have to do with the EM&V Working
7 Group.

8 CHAIRWOMAN MARTIN: Mr. Kreis?

9 MR. KREIS: Yes.

10 CHAIRWOMAN MARTIN: I just wanted to
11 check in with Mr. Patnaude. Mr. Patnaude, do you
12 need a break at this point or can you go a bit
13 longer?

14 *[Off-the-record discussion ensued.]*

15 CHAIRWOMAN MARTIN: Let's go back on
16 the record. Mr. Kreis.

17 MR. KREIS: Okay. Thank you. And,
18 again, I think I'm on the homestretch with
19 Ms. Nixon.

20 BY MR. KREIS:

21 Q With reference to the EM&V Working Group
22 provisions of the Settlement, and assuming that
23 Staff continues to enjoy the right to supervise
24 the EM&V consultant, and, in particular, to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 oversee the billings of that consultant, do you
2 have any problems with the idea that it should be
3 okay for the stakeholder representative on the
4 EM&V Working Group to consult with the consultant
5 and obtain help and insight from the consultant?

6 A (Nixon) I think that's -- I mean, no. I think --
7 currently, I think that is a possibility. And I
8 believe that actually everyone on the EM&V Group
9 basically consults with them, not independently,
10 but -- so, it's basically spelled out in the RFP
11 how that would be done, not specifically, but I
12 think it addresses that it's the consultant to
13 the EM&V Group.

14 Q And would you agree with me that it's a good
15 thing that, in the event there isn't consensus on
16 the EM&V Working Group, that the view of the --
17 or, the opinion of the consultant would be the
18 default, so that the Utilities can't effectively
19 veto propositions in the EM&V realm when it
20 doesn't agree with what the other members of the
21 Working Group think?

22 A (Nixon) I'm sorry. Could you repeat that.

23 Q I'm referring, in particular, to the language in
24 the Settlement Agreement that says, and, again,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 this is right between what's marked in my edition
2 as Pages 9 and 10, but those Bates numbers are
3 different. It says, and I'm reading: "In the
4 event consensus is not reached after reasonable
5 efforts, any member of the working group may seek
6 a Commission determination on the issue. In such
7 a circumstance, the status quo shall continue to
8 apply until the Commission makes a decision.
9 Should no request for a Commission determination
10 be filed within ten calendar days...the
11 recommendation of the consultant shall be
12 adopted."

13 I guess, maybe my question is just are
14 you okay with that language in the Settlement
15 Agreement?

16 A (Nixon) Yes, except for the "within ten calendar
17 days". I'm really concerned at how that clock
18 starts ticking. Like, typically, these issues
19 are discussed and discussed, and we might not
20 know until the end that there's disagreement.
21 So, I think there's going to be a lot of
22 controversy over when that ten days starts
23 clicking.

24 So, I think that it should just be --

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 there shouldn't be a clock. I think that it
2 should be, you know, if there isn't consensus,
3 then a party can bring it to the Commission.

4 Q Okay. All right. I think this is the last thing
5 I need to ask you about.

6 On Page 15 of your testimony, starting
7 at Line 23 [Line 3?], you recommend that
8 "Eversource revise its C&I customer budgets to
9 better balance short term rate impacts with the
10 long term goal of achieving all cost-effective
11 energy efficiency, keeping them more in line with
12 the short term rate impacts of other utilities."

13 Putting aside the question of whether
14 it's adequate or not, wouldn't you agree that
15 this is literally what the Settlement Agreement
16 does? It better balances the short-term impacts
17 with the long-term savings, and moves them more
18 in line with the impacts of similar customers at
19 the other utilities, again, in comparison to the
20 original Plan?

21 A (Nixon) I think the Settlement moved the
22 Eversource C&I customers. But the C&I --
23 Eversource C&I customers are still much greater.
24 I mean, I think as was pointed out earlier today,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 their impacts are over 7 percent, where some of
2 the other utilities I think were more in line
3 with maybe like 2 to 5 percent. So, they're
4 still much greater than the other utilities.

5 Q But, again, there's no place in your testimony,
6 either orally today or in writing, in which you
7 or your Staff colleagues make an affirmative
8 recommendation about what a better balance would
9 be, as opposed to the balance struck in the
10 Settlement Agreement?

11 A (Nixon) I think that -- well, I would disagree.
12 I would say that the better balance is to have it
13 more in line like the other utilities. The other
14 utilities are more like 2 or 3 percent bill
15 impacts for C&I, up to about 5 percent, and
16 similarly residential like about 2 percent or 2
17 and a half percent.

18 MR. KREIS: Okay. Ms. Nixon, I want to
19 thank you for engaging with me so forthrightly.
20 I found it to be very helpful, and I thank you
21 for your answers.

22 Madam Chairwoman, those are all the
23 questions I have for Ms. Nixon or her
24 colleagues.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 CHAIRWOMAN MARTIN: Okay. Thank you.

2 Why don't we take a break right now
3 until three o'clock, and return for the remainder
4 of cross. Thank you.

5 *(Recess taken at 2:47 p.m. and the*
6 *hearing reconvened at 3:03 p.m.)*

7 CHAIRWOMAN MARTIN: Okay. Let's go
8 back on the record.

9 I believe Mr. Taylor was going to go
10 next.

11 MR. TAYLOR: Yes. Thank you,
12 Commissioner.

13 So, my first group of questions is
14 going to be directed to Ms. Nixon, although I
15 suppose anybody could answer them, and then I
16 have a few questions for Mr. Dudley as well.

17 BY MR. TAYLOR:

18 Q So, starting Ms. Nixon. Staff was a signatory to
19 the Settlement Agreement that established the
20 EERS in Docket 15-137, correct?

21 A (Nixon) Yes. No, wait. Actually, I was not part
22 of that. So, I don't know for sure. I don't --
23 maybe one of my panelists could answer that, I'm
24 not sure.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 CHAIRWOMAN MARTIN: Go off the record.

2 [Brief off-the-record discussion ensued
3 due to a video issue.]

4 CHAIRWOMAN MARTIN: Go back on the
5 record.

6 BY MR. TAYLOR:

7 Q All right. Well, you know, if you don't know the
8 answer, you don't know the answer. And it's a
9 public document that can speak for itself.

10 But you would agree that the
11 fundamental objective of the EERS framework is
12 achieving all cost-effective energy efficiency in
13 New Hampshire, yes?

14 A (Nixon) Over time. And, as I've stated before,
15 you've got to take into account all the different
16 assumptions that I said before, that the -- the
17 gradualism for rates, and that the Settlement
18 also says that.

19 Q Okay. So, just to be clear, so you are familiar
20 with the Settlement, you just don't recall if the
21 Staff was a signatory to it?

22 A (Nixon) I was not involved in that docket. So, I
23 can't specifically state that, right now on the
24 stand, that Staff was a signatory. But I know

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 that Staff was involved in that docket. I
2 personally was not involved in that docket, and I
3 don't have it in front of me.

4 Q Okay.

5 A (Nixon) So, I can't say we specifically signed
6 it.

7 Q Well, you know, I guess I do have a couple
8 questions about that docket. And, so, I guess I
9 would ask you to do the best you can in answering
10 them. And I think some of the concepts have held
11 over.

12 One of the reasons for adopting the
13 EERS is that the previously effective Core
14 Programs were missing opportunities for
15 cost-effective energy efficiency, right?

16 A (Nixon) I'm not -- I'm not sure they were missing
17 it. Given the programs that we had, they were
18 achieving cost-effective programs within the
19 budgets that were approved.

20 But, I mean, and the state policy is to
21 eventually achieve all cost-effective energy
22 efficiency, taking into account ratemaking
23 policies.

24 Q Sure. And, prior to the EERS, the budgets were

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 established through what was essentially a static
2 System Benefits Charge, correct?

3 A (Nixon) I'm not sure what you mean by "static".
4 My understanding, again, is that it changed, but
5 it was one rate across the state. But I'm not
6 sure what you specifically mean by "static". If
7 it was the same every single year, I don't
8 believe that was the case.

9 Q Yes. That's what I meant, is that it didn't
10 change. And I can -- well, I don't have the
11 order up in front of me, but -- so, I understand,
12 your understanding of the Core Programs is that
13 the System Benefits Charge would change, but it
14 would remain consistent across the state?

15 A (Nixon) Again, I was, unfortunately, not involved
16 in those programs, except for -- no, I actually
17 was not involved in those programs at all. So,
18 I'm just, based on history, looking back.

19 My understanding was that those
20 programs, the budgets were set, and then whatever
21 could be achieved under those budgets then was
22 achieved.

23 But, again, I am not the historian on
24 this here. So, I can't speak to actually how

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 everything was done in the past. I think there
2 may be others in the room that have much more
3 history than I.

4 Q If you will give me a moment, I'm just going
5 through some of my questions. Because, if you're
6 unfamiliar with the Core Programs, or the way
7 they worked, it may not make sense for me to ask
8 them to you.

9 Let me ask you this. Is it your
10 understanding, and I understand that you weren't
11 with the Staff at the time, is it your
12 understanding that, in the Core Programs, the
13 budgets were established first, through the SBC
14 charge, and, based on those budgets, then the
15 savings targets were set. Is that correct?

16 A (Nixon) It's my understanding that there were
17 budgets established. Again, I'm not sure if
18 there were specific, like, targets. I believe
19 there were specific targets. I mean, I can speak
20 to the EERS, in that the fundamental change,
21 which I believe was a good change, is that goals
22 were established taking into consideration, as
23 Ms. Peters has reiterated over and over again,
24 goals were established taking into consideration

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the budgets, rates, and savings assumptions.

2 So, the shift has changed. Before the
3 budget was the main focus, where now it's more of
4 a three-legged stool, as Ms. Peters has repeated
5 over and over.

6 Q Okay. All right. So, you -- well, I'll hold off
7 on that. On Page 13 of your testimony, you
8 indicate that the SBC rates "should be somewhat
9 similar between the companies." But the Staff
10 hasn't made any specific recommendations as to
11 program budgets or SBC rates, correct?

12 A (Nixon) As I stated earlier, we didn't give a
13 specific SBC rate. But, in data responses, we
14 indicated that the last Triennial Plan had about
15 a 30 percent increase per year, so that we've
16 indicated that that seemed reasonable to be the
17 max increase per year over this Plan. And that a
18 doubling of the SBC seems like, again, some -- is
19 towards the max. But you've also got to take in
20 the absolute value of the SBCs when you're
21 looking at those percent increases, as well as
22 the bill impacts.

23 Q All right. So, could you maybe explain for me
24 then how -- so, what you've just described there

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 is a cap. In your testimony, you describe -- I'm
2 sorry, I misunderstood when you said that "it
3 shouldn't be more than 30 percent" that that's a
4 cap?

5 A (Nixon) I said that you need to take into
6 consideration the rates, the bill impacts, and
7 the absolute value. So that I didn't give a
8 specific cap. I mean, I would say "yes", if you
9 want to interpret the percent increase as a cap,
10 I guess possibly you could say that's a cap. But
11 I would say that's the max value that seems
12 reasonable, given the Plan and where we're coming
13 from.

14 Q Okay. But I guess maybe going back to my
15 original question. The Staff hasn't recommended
16 that any company's sector-specific SBC rate be
17 revised by a certain amount or reduced to a
18 certain rate, correct?

19 A (Nixon) Other than what I just stated, by the
20 percentage values or the doubling of the SBC, and
21 taking into account the bill impacts. You know,
22 we've indicated it's a substantial concern where
23 Eversource's is, but we had hoped to have further
24 discussions on those values.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Has the Staff presented any analysis to the
2 Commission demonstrating that maintaining, and I
3 guess I'll quote, "somewhat similar SBC rates
4 across sectors and companies would better achieve
5 the objectives of the EERS", as compared to the
6 Companies' proposal?

7 A (Nixon) I think most of my testimony does that.
8 I mean, we presented a comparison across the --
9 the SBC across sectors and utilities, the bill
10 impacts across sectors and utilities, spending
11 per customer across sectors and utilities, you
12 name it. My testimony is full of data that
13 compares across sectors and utilities.

14 Q Well, I understand that it may do a comparison.
15 But what my question was, you haven't presented
16 any analysis to the Commission demonstrating that
17 maintaining similar SBC rates across sectors and
18 companies would better achieve the objectives of
19 the EERS, as compared to what the Utilities have
20 proposed? Isn't that right?

21 A (Nixon) So, you're saying "better achieve the
22 objectives." I guess that my point is that we're
23 trying to look at an equitable program that's
24 being implemented statewide, so that similar

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 rates across utilities, again, doesn't have to be
2 exactly the same as it has been in the past, we
3 are in agreement that you can have different
4 rates from utility to utility and sector to
5 sector.

6 But, similarity, I mean, the example
7 is, if my neighbor is with a different utility,
8 and is paying twice as much or a business -- you
9 know, two businesses side-by-side pay different
10 rates, one's paying twice as much as the other,
11 how is that equitable? When, in reality, they
12 actually only have opportunity for the same
13 program. So, that's what I'm getting at, is they
14 need to be similar, because it wouldn't be
15 equitable to be paying a much higher amount for a
16 similar program.

17 Q But doesn't a framework that assigns similar
18 rates across sectors and companies assume that
19 each utility has the same opportunities for
20 savings, and that it will cost an identical
21 amount for each utility to achieve those savings?

22 A (Nixon) I didn't say the rates had to be
23 identical. But, yes. I mean, on average, I was
24 hoping that the -- hoping that the rates can be

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 similar across utilities.

2 If it can't be, then maybe we need to
3 relook at the framework of how this has to be
4 structured. But, in order to have it equitable
5 among all the utilities, it seems that the rates
6 need to be similar.

7 Q Okay. So, that's a hope of the Staff. But you
8 don't have any analysis showing that it's
9 actually a feasible concept?

10 A (Nixon) I guess I'm not sure exactly what you're
11 getting at. But I think my testimony points to
12 the fact that it's -- that they're not similar.
13 And I believe that there actually could be a way
14 that you could get at similar rates, whether it's
15 one rate per utility across both sectors, or, I
16 mean, there's various options.

17 But we were never presented with any
18 other, and it's not up to us to present the
19 rates. We are basically evaluating the programs
20 presented to us, and presenting what's presented
21 to us.

22 But, I mean, as an analyst, that's the
23 kind of the thing I love to do. And I would -- I
24 can tell you that you can do it various ways that

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 would probably end up with similar programs.

2 That's the beauty of numbers. You can make it so
3 that it could be equitable and similar.

4 Q Okay. But you have not, and I understand that
5 you just indicated that you don't see it as your
6 job, but you have not presented any of these
7 various other ways to the Commission for
8 consideration?

9 A (Nixon) No.

10 Q Okay. Would you agree that, to achieve
11 cost-effective energy efficiency, Utilities need
12 to identify and target those areas where the most
13 potential exists?

14 A (Nixon) I'm sorry. Could you repeat the
15 question.

16 Q Sure. Would you agree that, to achieve
17 cost-effective energy efficiency, the Utilities
18 need to identify and target those areas where the
19 most potential exists?

20 A (Nixon) I think that it's important to target
21 where potential is, but not all cost-effective is
22 where the highest potential is.

23 Q Well, wouldn't setting rates at an arbitrary
24 level, for any company or sector, necessarily

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 restrict the effort to achieve all cost-effective
2 energy efficiency?

3 A (Nixon) No. I mean, I wasn't proposing that
4 rates be arbitrarily set. I mean, there's got to
5 be cost causation behind them. So, it wouldn't
6 be arbitrary.

7 Q Well, but if you were to -- I mean, you've
8 proposed that the rates be similar across all
9 Utilities. And, so, that -- you're defining
10 parameters around those rates, correct?

11 A (Nixon) Generally. I'm not saying specifically
12 what the rate should be. But, with a statewide
13 program, like I indicated, you know, having one
14 utility, I mean, all customers are being offered
15 the same service, with some slight variation from
16 utility to utility. So, it really is not fair
17 for one customer to be paying twice as much as
18 another customer for the exact same product.

19 Q I think you've testified that you would agree
20 that the Commission can't simply adjust one
21 component of the Three-Year Plan without
22 fundamentally changing the whole, correct?

23 A (Nixon) I would say that all the pieces are
24 interrelated. It would depend on the specific of

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 what you're suggesting. There may be some
2 components that can be adjusted. But, in
3 general, the Plan is pretty interrelated.

4 I mean, for example, the EM&V Working
5 Group, like the consultant related to it, that
6 wouldn't necessarily change the Plan. The
7 advisory group, that wouldn't change the Plan.
8 So, there are pieces that potentially could
9 change without having to change the entire Plan.

10 Q I just want to step back for a sec. and ask a
11 follow-up on something you said earlier, when you
12 indicated that "customers across the state are
13 all paying for the exact same product." Did I
14 understand that correctly?

15 A (Nixon) That's what I said. The NHSaves Program
16 is a statewide program. So, the offerings to
17 each customer is similar for each customer in New
18 Hampshire. Like I say, Eversource might offer a
19 few additional programs that another one might
20 not. But, for the most part, my predecessors
21 have really hit home consistency among all the
22 utilities. So, it really is a -- the goal is for
23 it to be a statewide program.

24 Q And is that -- well, I guess it goes back to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the -- it goes back to the original Settlement.
2 Is it your understanding that the Parties all
3 agreed, including the Staff and the Commission,
4 that there would be uniformity across all
5 utilities going forward?

6 A (Nixon) I think it's been a general principle
7 that the similar programs are offered. I mean,
8 there's one NHSaves website that offers what the
9 incentives are. We've pushed hard to have it be
10 one offering.

11 If each utility is offering a different
12 program, then we don't have a statewide program,
13 and we wouldn't all be sitting here. It would be
14 a utility-by-utility program.

15 Q So, I know you've made reference to "gradualism".
16 Isn't it -- so, you would agree that the Staff
17 hasn't presented any analysis in this case
18 demonstrating that customers would, on an overall
19 basis, pay less over time, if the customer
20 budgets and SBC rates for the next Three-Year
21 Plan were further reduced?

22 A (Nixon) Could you repeat that please?

23 Q Sure. The Staff hasn't presented any analysis in
24 this case demonstrating that customers would, on

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 an overall basis, pay less over time, if the
2 customer budgets and the SBC rates for the next
3 Three-Year Plan were reduced?

4 A (Nixon) No. We don't present any analysis. We
5 just presented analysis of the different rates
6 and different components. But I feel like I'm
7 missing a piece of what you are asking.

8 Q Well, I'll ask it a different way. Is it
9 possible the customers would, over time, pay
10 more, if budgets and savings targets are reduced
11 from what's in the Settlement?

12 A (Nixon) I mean, I think the purpose -- like, as I
13 think as you may have even asked, the purpose of
14 the energy efficiency program is to eventually
15 try to get all cost-effective programs. But,
16 like you mentioned, gradualism has been the -- is
17 a part of ratemaking, and we need to have
18 gradualism with these rates. And all the parties
19 agreed in 15-137 that that would be the case as
20 well.

21 So, I don't -- I think that, overall,
22 the programs will result in more energy
23 efficiency, it just depends at what level that
24 energy efficiency impacts are.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q Ms. Nixon, earlier you made reference to Exhibits
2 28 and 29, which reference developments in Rhode
3 Island and Vermont. I know that Attorney Kreis
4 already went over these with you.

5 At the risk of being redundant, you're
6 not recommending that the Commission draw any
7 specific conclusion from these exhibits, correct?

8 A (Nixon) My main point was to show that the -- I
9 think that there may have been a couple points,
10 but the main one that I'm recollecting right now
11 was to show that those states are in a similar
12 planning process that we are, and they have all
13 proposed to hold their rates in 2021 constant.
14 Now, guaranteed, Vermont is in a much different
15 place than we are. They have been doing more
16 aggressive energy efficiency for a while. But,
17 given the COVID situation, they have all agreed
18 to hold their current rates flat, regardless of
19 where they are in the program.

20 Q Okay. So, you indicated that they're undergoing
21 similar planning processes. But there isn't
22 anything in the record where you've demonstrated,
23 on a comparative basis, that the planning
24 processes in New Hampshire, in this particular

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 docket, with this particular Plan, can be
2 compared on an apples-to-apples basis to what
3 you've provided in Exhibit 28 and 29, right?

4 A (Nixon) Basically, what I'm referring to is other
5 energy efficiency programs out there, regardless
6 of what is, you know, pieces of their program,
7 given the world situation right now, they have
8 decided to hold energy efficiency rates constant.

9 Q Okay. You testified earlier that there was much
10 in the Plan design, as preserved in the
11 Settlement, that had merit, right? I believe you
12 referred to them as "great enhancements"?

13 A (Nixon) Yes.

14 Q Okay. And, so, with respect to the Plan that's
15 before the Commission, the Three-Year Plan, you
16 have not recommended that the Commission not
17 adopt it, right?

18 A (Nixon) I said that there are elements of the
19 Program that definitely need to be preserved,
20 because those elements are important improvements
21 to the Program. As my testimony says, I'm
22 concerned with the rates for the C&I Eversource
23 customers. So, I wouldn't say a blanket "I think
24 the whole Plan should be approved." There are

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 areas that I have concern with, but there are
2 areas that I very much agree with.

3 Q And I think I know your answer to this, but you
4 have not provided any sort of analysis
5 demonstrating that the -- well, let me step back.

6 So, even though you've pointed the
7 Commission in the direction of these materials
8 from other states, you're not actually
9 recommending that they maintain a level System
10 Benefits Charge, correct?

11 A (Nixon) It's not the System Benefits Charge level
12 that I was referring to. I was referring to the
13 fact that it's a flat rate that they're keeping.
14 It's just the fact it's constant. So, the other
15 states are keeping a constant rate from this year
16 to next year.

17 Q Okay. But you're not recommending that the
18 Commission do something similar in this case, is
19 that correct?

20 A (Nixon) It's a possibility. I didn't say -- I
21 think a slight increase would be okay, but I
22 think that COVID is of concern. So that there
23 are situations, like I believe that Eversource's
24 residential rate -- or, no, their C&I rate is

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 currently going up at 64 percent the first year.
2 That's of concern. Unutil's C&I rate is going up
3 52 percent. I mean, there are some pretty big
4 increases the first year, which are of concern.
5 So, given COVID and the situation, yes, it's of
6 concern, but that we, in general, said that a 30
7 percent increase seemed a reasonable max over
8 time.

9 Q And, when you say you "said that", you're saying
10 it on the record here for the first time,
11 correct?

12 A (Nixon) We're saying it on the record here for
13 the first time. But we did provide it in data
14 responses, so others were aware of our indication
15 of that.

16 Q Okay. And you said that "seems right", not
17 actually supported by any sort of analysis and
18 how setting the rates at that level would, like
19 the Plan, would impact, for example, employment
20 in the state, so on and so forth?

21 A (Nixon) That is correct. We have not done any
22 analysis to see what it would do to goals, what
23 it would do to anything. It just -- at this
24 point, as I said, they're all interconnected, so

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 you would have to see what would happen.

2 Q Okay. And would you not agree that, for the
3 Commission to make a change like that, it would
4 require some sort of evidentiary analytical
5 basis?

6 A (Nixon) Well, I mean, the rate impact is
7 something that I think they have evidence on. So
8 that it -- it seems to me, again, I'm not -- it's
9 not my decision, but it seems to me that, if one
10 element is of concern, then you might want to --
11 that they could ask for the other pieces that go
12 with that, if there's another rate that seems
13 more reasonable.

14 MR. TAYLOR: I apologize for the delay.
15 I can assure you that I'm chucking out questions,
16 so it's actually making things go faster.

17 BY MR. TAYLOR:

18 Q I think you testified earlier that you
19 recommended "reducing the Eversource C&I SBC rate
20 to match the trajectory of the last Triennial
21 Plan." Did I hear that correctly?

22 A (Nixon) Yes. I said that it seemed like it --
23 like I said, it's about 30 percent increase per
24 year, which would be about -- I think the max in

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the last Plan was about 100 percent or 115
2 percent increase over time, seems reasonable.

3 But, again, keep in mind that that
4 percentage increase is a much greater absolute
5 increase in the rate, because we're starting from
6 a much higher level. We're starting from 0.528
7 today, where I believe back then it was I want to
8 say 0.3 something.

9 Q Have you done any analysis at all on the effects
10 of the overall savings targets if you reduce the
11 rates that way?

12 A (Nixon) I have not.

13 Q Okay. Earlier you also discussed the bill impact
14 estimates for the Utilities, and there are two
15 places that review the bill impacts. Attachment
16 M, which is the Synapse model, which indicates
17 that an average customer is a blend of
18 participants and non-participants. Have I
19 characterized that correctly?

20 A (Nixon) Could you repeat that.

21 Q So, there are two places to review bill impacts.
22 And the first one is Attachment M, which is the
23 Synapse model, and that indicates that an average
24 customer is a blend of participants and

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 non-participants?

2 A (Nixon) Correct.

3 Q Okay. And, for the utility bill impact
4 attachments, and I'll just, for an example, I'll
5 refer you to Exhibit 2, Bates 424, which is the
6 Eversource Attachment 3, although there are
7 corollary attachments for each utility.

8 Can you just clarify that those are
9 based on non-participant bill impacts only?

10 A (Nixon) I don't have the Eversource pulled up,
11 but I believe what you're referring to is that
12 bill impact page that was discussed in depth in
13 the Rate Panel, is that correct?

14 Q Yes. I can -- if you want to take a moment, it's
15 Exhibit 2, Bates 424.

16 A (Nixon) Okay. What is your question again? "Is
17 this a non-participant" you said? Is that your
18 question?

19 Q Yes. Can you just clarify that these are based
20 on non-participant bill impacts only?

21 A (Nixon) No. My understanding, as I testified
22 earlier, is these are the "average customer".
23 So, as you mentioned earlier, an "average
24 customer" includes participant and

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 non-participants.

2 Q That's in Exhibit M [Attachment M?]?

3 A (Nixon) Right. But I would agree that here is an
4 average customer as well.

5 So, again, as an -- an average, so some
6 can be higher, some can be lower. So, the bill
7 impacts could be different. But it's a blend of
8 participants and non-participants.

9 Q Moving on, I'll refer you to Page 17 in your
10 testimony, with respect to -- oh, actually, I'm
11 just going to go back for a second. With respect
12 to your understanding on Attachment E3, Page 424,
13 what are you basing your understanding on?

14 A (Nixon) My understanding is this is the typical
15 bill impact presentation that's given in any rate
16 case filing, so that it would be an average
17 customer. But, I mean, I believe that that's
18 what it is.

19 Q All right. I'll move on from that. So, you
20 recommended -- you recommend that "Staff and any
21 party to this proceeding have the right to
22 propose the Utilities file a mid-term
23 modification." And, in discovery, which we don't
24 have it in front of you, but you stated that

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 "Staff did not believe that the mid-term
2 modification process would be overused, and that
3 parties seemed to want the more efficient
4 process." Is that correct?

5 CHAIRWOMAN MARTIN: Ms. Nixon, you're
6 on mute.

7 **BY THE WITNESS:**

8 A (Nixon) I'm sorry. I missed the very last part
9 of your question.

10 BY MR. TAYLOR:

11 Q Well, I'll just keep it simple. You're
12 recommending that the "Staff and any party to
13 this proceeding have the right to propose the
14 Utilities file a mid-term modification." Is that
15 right?

16 A (Nixon) Correct. And I believe that the Parties
17 agreed that the Commission could seek a process
18 at any point during these hearings.

19 Q Well, but your -- the Staff's position is not
20 merely that "the Commission could request a
21 mid-term modification". Your position is that
22 "any party could request a mid-term
23 modification", correct?

24 A (Nixon) Yes.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And, regardless of how you believe it may be
2 used, as proposed, it could be overused, correct?

3 A (Nixon) It could be. But I think that all
4 parties involved want to avoid that process, and
5 it would really, I mean, the Commission could
6 decide if that is getting too burdensome and is
7 not relevant.

8 Q Okay. But that's really aspirational, right?
9 There are no actual parameters or guardrails
10 built into the process to stop it from overuse or
11 have to get to the point where the Commission
12 felt that it was being burdensome. Is that what
13 I understand you to be saying?

14 A (Nixon) No. I'm just saying it's up to the
15 Commission whether there is actually a process,
16 ultimately.

17 Q Okay. But, if parties -- but, for the Commission
18 to get to that point, there would have to be some
19 underlying process, correct? There would have to
20 be a request. There would have to be, I guess,
21 comments from other interested parties,
22 stakeholders, and so on and so forth. And then,
23 the Commission would have to make a ruling,
24 right?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) Well, I think there would be an initial
2 filing. And, at that point, then the Commission
3 could decide. Or, there could be a more in-depth
4 process, and then the Commission could decide.

5 It just -- it seems like it would
6 benefit all if there could be mid-term
7 modifications. I mean, we already know that
8 there's going to be a change with the AESC
9 results. So, we already know that there's going
10 to be modifications.

11 Q No, I understand. I'm really just talking about
12 the structure of the process, whereby anybody at
13 all can recommend a mid-term modification, for
14 any reason, at any time. That's what the Staff's
15 proposing, correct?

16 A (Nixon) Within reason. I mean, I don't think
17 that people -- I think we all want an efficient
18 process. So, yes. I think that we're all adults
19 and are not going to try to burden the process.

20 But, yes. It's, basically, any party
21 should have the opportunity to propose a mid-term
22 modification.

23 Q Okay. And that's the only, I guess, boundaries
24 on that are what the Staff hopes and believes

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 will be the good faith of the parties?

2 A (Nixon) Well, it's ultimately the Commission's
3 decision whether the process goes forward.

4 MR. TAYLOR: I'm going to -- thank you,
5 Ms. Nixon. I have no more questions for you. I
6 do have some questions for Mr. Dudley.

7 BY MR. TAYLOR:

8 Q Mr. Dudley, Staff supports a performance
9 incentive threshold of 75 percent for lifetime
10 kilowatt-hours/MMBtu, annual kWh/MMBtu, and --
11 sorry, I'll restate that.

12 Staff supports a performance incentive
13 threshold of 75 percent for lifetime kWh and
14 lifetime MMBtu, annual kWh and annual MMBtu, and
15 the valued performance incentive components, is
16 that right?

17 A (Dudley) Well, it's not just that the Staff
18 supports it, Mr. Taylor. That was the consensus
19 coming out of the PI Working Group. So, I would
20 say that everyone participating in that Working
21 Group, at the time, supported 75 percent. That's
22 where we landed.

23 Q Sure. And you referenced a report -- you
24 referenced a report earlier, and called it, I

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 believe, a "comprehensive and descriptive
2 document". Do you also recall that the Working
3 Group Report expressly stated that it was not
4 intended as and should not be construed as the
5 Settlement Agreement?

6 A (Dudley) Yes, because it's not.

7 Q Okay. And it also indicated working group
8 members reserves the opportunity to change their
9 positions in future proceedings, correct?

10 A (Dudley) Yes, it does.

11 Q Okay. And it also expressly states that it does
12 not preclude future adjustments to the
13 performance incentive framework to accommodate
14 *[indecipherable audio]* program design and other
15 factors, correct?

16 A (Dudley) Yes.

17 *[Court reporter interruption due to*
18 *indecipherable audio and to repeat his*
19 *question.]*

20 BY MR. TAYLOR:

21 Q Mr. Dudley, the Working Group Report also
22 expressly stated that it did not preclude future
23 adjustments to the performance incentive
24 framework to accommodate the evolution of program

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 design or other factors, correct?

2 A (Dudley) Correct. The report actually talks
3 about emergent issues that were known at that
4 time.

5 Q And your position with respect to the 75 percent
6 threshold is that you believe it will ensure
7 exemplary performance, correct?

8 A (Dudley) Plus, that we worked within the PI
9 Working Group, but, actually, that goes back a
10 lot further, Mr. Taylor. It goes back as far as
11 I point out in my direct testimony, back to 2011,
12 as a recommendation in the *New Hampshire*
13 *Independent Study of Energy Policy Issues*, the
14 Final Report generated by VEIC and Optimal
15 Energy.

16 CHAIRWOMAN MARTIN: Mr. Taylor?

17 MR. TAYLOR: Yes.

18 CHAIRWOMAN MARTIN: We've lost your
19 video. Can you still -- can you hear us? There
20 you are. You're back.

21 MR. TAYLOR: Yes.

22 CHAIRWOMAN MARTIN: All right. We'll
23 proceed.

24 **CONTINUED BY THE WITNESS:**

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Dudley) If I could continue, Mr. Taylor, that
2 report's conclusions were that most states had a
3 minimum savings threshold ranging from 75 percent
4 to 100 percent, and that the 65 percent was very
5 low nationally. So, this has been an issue for a
6 number of years.

7 BY MR. TAYLOR:

8 Q Sure. No. And I recall that from your
9 testimony. Now, that study that you cite was
10 from 2011. But, nevertheless, the Commission has
11 held -- or, held the 65 percent threshold for
12 almost a decade after that 2011 study, correct?

13 A (Dudley) It has. But it became an issue for
14 study, that was actually one of the charges for
15 the PI Working Group, was to consider that issue.
16 And, as I said earlier, we ended, through
17 consensus, an agreement on the 75 percent
18 threshold.

19 Q And, but just going back, your -- so, thank you
20 for the history. But your position is that this
21 threshold, the 75 percent, will incentivize
22 exemplary performance, correct?

23 A (Dudley) Based on the advice we have received
24 from the consultants that we have worked with,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 yes.

2 Q Okay. Is it your position that the Utilities'
3 performance has been less than exemplary in
4 previous years?

5 A (Dudley) Not at all. The history indicates that
6 it's actually been more than that. As I stated
7 in my statement earlier, they actually exceed 75
8 percent historically.

9 Q And you've not -- you've not testified or
10 presented any evidence demonstrating that the
11 Utilities' performance is trending downwards in
12 any way and needs to be remedied?

13 A (Dudley) That is not known to us at this time.

14 Q The PI Working Group concluded in October of
15 2019, is that correct?

16 A (Dudley) It concluded with the issuance of our
17 report, which I believe was -- well, I don't
18 "believe", I know it was part of the Plan Update
19 that was filed in September of that year, 2019.

20 Q Okay. But, at that point, I guess maybe the
21 point I want to get to, is that the stakeholders
22 had not yet established the savings targets that
23 were ultimately included in the Plan, correct?

24 A (Dudley) At that time.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And is it fair to say that the Performance
2 Incentive Working Group did not consider or
3 anticipate the impacts or the uncertainty brought
4 upon -- brought on by the COVID-19 pandemic?

5 A (Dudley) We would have no way of knowing that.

6 MR. TAYLOR: If I could just have a
7 moment?

8 *[Short pause.]*

9 MR. TAYLOR: I have no further
10 questions.

11 CHAIRWOMAN MARTIN: Okay. And were
12 there other parties who wanted to do
13 cross-examination of these witnesses?

14 MR. KRAKOFF: I would like to ask --
15 this is Nick Krakoff with CLF. I would like to
16 ask a few questions. It shouldn't take more than
17 five or ten minutes.

18 CHAIRWOMAN MARTIN: Okay. Go ahead.

19 MR. KRAKOFF: So, these questions are
20 primarily for Ms. Nixon.

21 BY MR. KRAKOFF:

22 Q Ms. Nixon, in your prefiled testimony, as well as
23 today, your earlier testimony, you noted that
24 Attachment M had to make some simplifying

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 assumptions in developing the models in that
2 attachment, is that correct?

3 A (Nixon) Yes.

4 Q Well, in your testimony, you also stated that you
5 helped to develop the model for -- the models for
6 Attachment M, and you believe that they're
7 helpful, right?

8 A (Nixon) I didn't develop the model. I was part
9 of the working group that oversaw Synapse. And I
10 think they are helpful to show, over time, what
11 the Plan's impacts are.

12 Q Okay. So, despite your critique of some of the
13 assumptions you relied upon, you would agree that
14 Attachment M is useful for the Commission in this
15 hearing, in this proceeding?

16 A (Nixon) Yes. But it has to keep in mind the key
17 perspective of what those are. And I and others
18 insisted that the model's accompanying
19 documentation address its limitations.

20 Q Sure. Now, I think, you know, if I am correctly
21 characterizing what you testified to earlier, you
22 know, your particular assumptions related to, you
23 know, kind of when the benefits would flow back
24 to ratepayers. Is that a correct

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 characterization of your testimony or a summary
2 of your testimony?

3 A (Nixon) You broke up in the middle of that. What
4 was your question?

5 Q Sorry. Yes. If I'm correctly characterizing
6 your testimony, I think one of your main critique
7 was regarding sort of when the benefits would go
8 back to ratepayers. Is that correct?

9 A (Nixon) Yes. I mean, one of the main simplifying
10 assumptions was that there was a rate case every
11 year. So that, in the model, that the benefits
12 go back to the customer every year. When, in
13 reality, the presumption is that, when we have
14 rate cases, the benefits would be realized.

15 Q Sure. But isn't it also true that Attachment M
16 looks at the lifetime of the measures in
17 question?

18 A (Nixon) Well, that was another simplifying
19 assumption. So, it only looked at the average
20 measure of lifetime. So, I believe that -- I
21 can't remember who it was, but somebody, and
22 maybe it was Mr. Stanley, testified that on some
23 of those charts, I think they only went out to
24 2025. Where, in reality, I think the model goes

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 out to twenty five years or so, to try to fully
2 realize what those impacts would be over time.

3 Q Okay. I understand. But, now, so you just said
4 your critique is related to when the benefits
5 would be achieved or enjoyed by ratepayers. But
6 wouldn't you agree that over the lifetime of
7 these measures, of the measures in the Plan,
8 ratepayers will ultimately benefit from the
9 measures in the Plan?

10 A (Nixon) Definitely participants will benefit.
11 And, assuming that the Utilities realize those
12 benefits in their distribution rate cases, yes.
13 And in other cases as well, like transmission and
14 energy, some of those benefits will be realized.

15 Q Okay. So, even if they might not enjoy the
16 benefits in each particular year, are you saying
17 that, you know, over time participating
18 ratepayers should enjoy the benefits? Is that a
19 correct characterization of your testimony?

20 A (Nixon) Yes. Participants, as well as some
21 non-participants. But I said "especially
22 participants".

23 Q Okay. Now, in your prefiled testimony, you
24 didn't question the overall bill impact

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 assumptions over the lifetime of the measures
2 that are featured in Attachment M, is that right?

3 A (Nixon) I'm sorry. Could you repeat that again?

4 Q Sure. My question was that, in your prefiled
5 testimony, and, you know, if you'd like, you can
6 look back at it, but I think it was on Page 12 or
7 13 that you discuss Attachment M.

8 But, in your prefiled testimony, isn't
9 it true that you didn't correct -- sorry. Isn't
10 it true that you didn't question the overall bill
11 impact assumptions over the lifetime of the
12 measures that are in Attachment M?

13 A (Nixon) Well, like you indicated earlier, I said
14 that you need to keep into mind what the
15 simplifying assumptions are. And I indicated
16 most noteworthy was that distribution one.

17 Q Okay. But, subject to that caveat, you would --
18 isn't it true you agree with the lifetime bill
19 impact analysis?

20 A (Nixon) I think it's an indicator. I mean, it's
21 not an absolute value. I don't think anybody in
22 this room would want to be held to say "that's
23 going to be the actual impact." It's
24 illustrative of the way they are. And, if you

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 read the supporting documentation, it's just
2 illustrative of what it will be.

3 But, again, you've got to realize its
4 limitations. And I tried to highlight some of
5 the key limitations.

6 Q Okay. Now, on Page 14, Lines 6 through 8 of your
7 prepared testimony, you can bring your testimony
8 up as well, I want you to look at that. This is
9 Exhibit 8 of your prefiled testimony -- yes, it's
10 your prefiled testimony. Have you found that?
11 Just let me know when you find it.

12 A (Nixon) Yes. I'm there.

13 Q So, in your prefiled testimony, isn't it true
14 that you acknowledge that over the life of the
15 measures proposed in that Energy Efficiency Plan
16 "the energy savings are beneficial to all
17 customers, because [virtually] all the proposed
18 programs pass the benefit/cost screening test"?

19 A (Nixon) Yes. That's what I stated in my
20 testimony.

21 Q Now, turning to Attachment M, I have a question
22 for you about -- and it's Bates Page, I think,
23 708, I believe, it's in Exhibit 2, Bates 708.
24 I'm going to ask you about the C&I bill impacts.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Wouldn't you agree that, for Large C&I
2 customers, Bates 708 demonstrates, for
3 non-participating C&I customers, Bates 708
4 demonstrates a 0.1 percent decrease over the
5 lifetime of the measures in the Plan?

6 A (Nixon) That's what this chart shows.

7 Q Okay. And wouldn't you also agree that Bates 708
8 shows that, for non-participating Eversource C&I
9 customers, it shows a 1 percent increase over the
10 lifetime of the measures for non-participating
11 customers?

12 A (Nixon) Increase in bills, yes.

13 Q Okay. In bills, yes. All right. Sorry, just
14 one second.

15 So, in your testimony earlier today,
16 while you expressed some concerns about the bill
17 impacts on non-participating customers, isn't it
18 true that this Attachment M demonstrates that,
19 for Large C&I customers, it's going to be a 0.1
20 percent decrease over the lifetime of the Plan's
21 measures?

22 A (Nixon) That's what this chart shows.

23 Q Okay. Now, Ms. Nixon, in your testimony, did
24 you -- did Staff propose an alternative energy

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 efficiency savings target that's different from
2 the one proposed in the Plan that was filed on
3 September 1st?

4 A (Nixon) No.

5 Q Okay. And did Staff propose an alternative
6 savings target, you know, to the 5 percent rate,
7 the 5 percent electricity rate that was developed
8 by the stakeholders during the EERS process over
9 the summer?

10 A (Nixon) The "5 percent electricity rate"? Are
11 you referring to the savings goals?

12 Q Yes. Sorry. To the savings goals, I'm sorry if
13 I have misstated that. So, to the savings goals?

14 A (Nixon) I don't believe we focused on
15 specifically the goals. As I mentioned, and
16 others have testified, they're all interrelated.
17 So, we were focused on the rate piece of it, to
18 see what would come out of the goal piece. And I
19 believe there were some proposals regarding
20 different alternatives, but not with a lower
21 rate, as part of what we were saying would seem
22 more reasonable.

23 Q Okay. And I understand, you know, you had
24 discussed some sort of parameters of where you'd

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 like to see rates today.

2 But it's correct that you didn't
3 propose a different savings target during either
4 the EERS Committee process or this docket?

5 A (Nixon) No.

6 MR. KRAKOFF: I have no further
7 questions. Thank you.

8 CHAIRWOMAN MARTIN: Okay. Anyone else?
9 *[No indication given.]*

10 CHAIRWOMAN MARTIN: All right. Seeing
11 none. Commissioner Bailey.

12 CMSR. BAILEY: Thank you.

13 BY CMSR. BAILEY:

14 Q Ms. Nixon, can we start with that Page 708, on
15 Exhibit 2?

16 A (Nixon) I'm there.

17 Q So, this shows that, for Large C&I customers,
18 even though they have these significant SBC rate
19 increases, over the lifetime of the Plan there
20 will be savings for non-participants?

21 A (Nixon) For "non-participants" you said?

22 Q Yes. For the Large C&I.

23 A (Nixon) Yes. But, again, keep in mind, that's
24 assuming that all the benefits are flowed back to

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the customers, and that assumes that there's a
2 rate case. And over the -- in the foreseeable
3 future, I don't know if Eversource will be having
4 a rate case to have those benefits flow back to
5 the customers.

6 Q And do you think that it would be possible to
7 somehow quantify the savings and the benefits
8 each year, and do some adjustment to rates, like
9 we do -- I mean, every electric company and every
10 gas company has sort of a rate adjustment every
11 year. Could we do something there to make that
12 better?

13 A (Nixon) I think it is possible. I mean, the part
14 of the benefit-cost model is it's showing the
15 benefits, and that's what was used in this model
16 is the benefits, it's the benefits calculated
17 based on the avoided costs. So, could either use
18 an absolute value that the company has realized
19 or base it on those benefits from the avoided
20 cost model.

21 Q Can you talk a little bit more about the absolute
22 value? And can the Companies determine every
23 year what the benefits are? Or is it all sort of
24 based on what should happen?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) I think -- I think there's a couple ways
2 to do it. You could do a calculation based on
3 the avoided cost and assume that those are your
4 values, because that's basically the marginal
5 rate for New Hampshire. So, that would be the
6 next, you know, electrons that would be used --
7 that would be saved.

8 There may be ways that could be
9 calculated doing more specific
10 utility-by-utility, but I'm not sure that we have
11 any of that kind of data now. I mean, it would
12 be, basically, if they knew they could avoid
13 certain capital expenditures, then you could know
14 that you're -- then you've avoided a specific
15 cost.

16 But, hopefully, that's all fed into
17 that avoided cost study, probably -- but that
18 would probably be the easiest way to do it, is
19 the avoided cost study.

20 Q And one of your concerns is that the avoided cost
21 study coming out next year is going to have
22 reduced savings from the capacity market, because
23 capacity -- forward capacity market rates are so
24 much lower than everybody expected them to be, is

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 that --

2 A (Nixon) That's one of the concerns. Avoided
3 capacity is projected to be decreasing, to
4 decrease, because of the Forward Capacity Market
5 option price has been going down so much over
6 time. But the energy prices are expected to go
7 down as well, and that's because -- I believe
8 because the cost of gas has gone down so much.

9 Q So, will that likely change this graph on Page
10 708?

11 A (Nixon) Yes. It will -- anything where those
12 values were used would be -- would affect that.

13 Q So, you keep saying that we should limit the
14 increase to 30 percent. Is that the increase of
15 the SBC rate that you're recommending that we
16 don't -- that it not increase by more than 30
17 percent a year, just the SBC rate or the total --
18 well, not the total overall bill, obviously?

19 A (Nixon) Well, what I was looking at is,
20 basically, the -- you could look at it two
21 different ways. Either the EE portion of the SBC
22 or the total SBC. So, again, I would say that's
23 a max, a ballpark. And, basically, that's based
24 on the last Three-Year Plan. It just seemed

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 reasonable.

2 Q Okay. And, when you're comparing that to the 64
3 percent increase for Eversource and the 52
4 percent increase for Unitil, is that the -- are
5 those percentages based open the EE portion or
6 the total SBC?

7 A (Nixon) That's the total. But, again, those -- I
8 caveat those. Those were prior to some
9 corrections that I heard today. So, those will
10 change slightly, when I -- well, like with --
11 yes. Well, I'm not sure Eversource's or Unitil's
12 will, sorry. I guess it was Liberty that rates
13 changed. Sorry about that.

14 Q Okay. And did you hear my questions to the Rate
15 Panel about the bill impacts to C&I customers and
16 what the cost was for each of the -- each of the
17 companies -- sorry -- each of the C&I customers
18 for each company for the Three-Year Plan, the
19 cost?

20 A (Nixon) Yes, I did.

21 Q Sorry, that was a terrible question. Okay. So,
22 I think I wrote down that Eversource's C&I
23 customers will pay about \$3,000 over the three
24 years; Unitil's will pay 2,200, and I'm rounding

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 these numbers; and the Co-op's would pay 1,400.
2 And I'm not giving you Liberty's numbers, because
3 they used 9,000 kilowatt-hours, instead of 10,000
4 kilowatt-hours, because I don't really know what
5 the apples-to-apples comparison is. But is
6 that -- is that why you're concerned about the
7 Eversource customers the most?

8 A (Nixon) Yes. I mean, it all flows through. It
9 just it seems like their rates are so much
10 higher, which is evident there, because that's
11 where their -- the total cost to the C&I will be
12 much greater, compared to the other Utilities.

13 Q Do you think that the rate impact for the Unitil
14 customers is acceptable, the \$2,200?

15 A (Nixon) Was this in the first year? Or, no, this
16 was over the whole Program. I think the last
17 year of Unitil's is a little concerning, because
18 it's -- I think they're over more than that 30
19 percent, and more than -- they more than doubled,
20 which was another parameter that I was
21 suggesting. So, I'd say it's close to
22 reasonable, but I'd say it's still a little high.

23 But the other thing to keep in mind
24 with them is, if you take out the LBR, the lost

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 base revenue in their third year, then they may
2 be more back in the reasonable range. Because,
3 if they truly come in for a rate case next year,
4 then they are required to decouple, which then
5 they will no longer have lost base revenue.

6 Q Okay. Let's go to your testimony, I have some
7 questions in that.

8 Actually, before we do that, do you
9 know what the overall savings goal would have to
10 be reduced to in order to achieve the rates that
11 you are suggesting?

12 A (Nixon) I do not. But, I think, if you kept the
13 framework that they have, I don't have that
14 number, but I think if, like I said, I didn't do
15 all the math, but I think there may be other ways
16 to frame this. Like, if Eversource had the same
17 rate for C&I and residential, that then you
18 might -- it might, just because their rates are
19 so much lower, it might not change the goal that
20 much.

21 But, if you're keeping the same
22 framework, I don't know what it is. But I can
23 say, we could probably do a quick -- well, I
24 don't know, it's not a linear number. So, never

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 mind. I was going to try to do a quick
2 comparison to the September 1 Plan and this, but
3 it's not a linear number.

4 Q Did you just suggest that we make the SBC Energy
5 Efficiency portion of the SBC rate for Eversource
6 the same for residential and commercial
7 customers, that would be one way to address this
8 issue?

9 A (Nixon) I think that if you -- just I did a quick
10 back-of-the-envelope at some point in the
11 process, and it seemed like your savings doesn't
12 change much, but the rates -- you can change the
13 rates. I mean, I think -- I don't have those
14 numbers in front of me, because I don't have it
15 on this Settlement or the Plan. But it seemed
16 like, at some point, that's an option. But that
17 would increase residential significantly, but not
18 unreasonably, I don't believe.

19 Q You think we could get there without increasing
20 residential by 30 percent?

21 A (Nixon) Probably, because we're starting from the
22 same point. So, we're all -- all of the SBC
23 rates are the same right now. So, it's 0.528 for
24 the EE portion for all the Utilities. So, to get

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 a 30 percent increase would be similar.

2 Q Would that make residential customers subsidize
3 energy efficiency programs that commercial and
4 industrial customers would be benefiting from?

5 A (Nixon) It would. But, I mean, to that point, I
6 think that -- yes. And, whether that's where we
7 want to go, that's a question. But I would say
8 that, regardless of which customer is putting in
9 energy efficiency, all customers benefit, not
10 just that customer class.

11 CHAIRWOMAN MARTIN: Commissioner
12 Bailey, can I ask a question, when you have a
13 moment?

14 CMSR. BAILEY: Go ahead. Go ahead.

15 BY CHAIRWOMAN MARTIN:

16 Q Ms. Nixon, would that increase the disparity
17 between Eversource residential customers and
18 other utility residential customers on the bill
19 impacts that Commissioner Bailey walked through?

20 A (Nixon) If you did the same rate for C&I and
21 residential? Probably.

22 CHAIRWOMAN MARTIN: Okay. Thank you.

23 BY CMSR. BAILEY:

24 Q Isn't that one of the three legs of the stool?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 And why is that any better than the way it is now
2 in the Settlement?

3 A (Nixon) Yes. I agree. I don't know -- again, I
4 haven't done this analysis through, so I can't
5 speak to how it would impact. But I just -- my
6 point is, there's probably different ways you can
7 do it. I mean, what's proposed -- what was
8 proposed between the Plan and the Settlement was
9 just focusing on Eversource's -- reducing
10 Eversource's C&I and increasing Eversource's
11 residential, which seems to be the simplest way
12 to do it, to not worry about that disparity.

13 But I think that if -- and even though
14 I mentioned this, I'm a little concerned
15 changing -- changing the game now, because it
16 would change the framework significantly. But --
17 and I would want consistency among all the
18 Utilities. I wouldn't want to do that for one
19 utility I think we need -- consistency is key.
20 And one of the predecessors really harped on
21 that, and I agree with him.

22 Q So, does that mean -- I'm trying to -- I'm trying
23 to figure out what our best option is, based on
24 your testimony. And, so, we can either -- are

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 you recommending that we deny the Settlement
2 Agreement, because it doesn't produce just and
3 reasonable rates? Or would it be better for us
4 to try to approve it with conditions?

5 A (Nixon) As I mentioned, there's pieces we like
6 and pieces we don't like. So, I guess, if an
7 option is to approve some and not some, then I
8 would propose that.

9 Q And do you think that that might cause some of
10 the Parties to walk away from the Settlement?

11 A (Nixon) I believe so, because it was -- that was
12 one of the questions I received, and it's part of
13 the Settlement, conditions of the Settlement.

14 Q So, if that happens, and some Parties walk away
15 from the Settlement, then we have no Energy
16 Efficiency Resource Standard at all, is that
17 right?

18 A (Nixon) That is unclear to me. Yes. I don't
19 know whether we could continue. Again, I'm
20 not -- from a nonlegal question, it seems like
21 it's best to continue with something, until
22 everything can be figured out, because stopping
23 and starting these programs is not a good thing
24 at all. And there have been major improvements

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 with this Plan.

2 I mean, with the pandemic, when the
3 Utilities had to not -- stopped going into
4 businesses and homes, a lot of the workforce had
5 to be laid off. And I think, I hope, I don't
6 know for sure, but I'm hoping that they were able
7 to bring all those people back. But a stop/start
8 is not a good thing.

9 So, I think, if there's any way we can
10 continue the programs at some level momentarily,
11 until something can be agreed, if this is not
12 accepted, then that would be the best option.

13 Q You were, in response to I think Mr. Kreis, a
14 question from Mr. Kreis, you were talking about
15 you think that the working group idea is better,
16 to use a consensus-building format than a
17 majority vote? Do you remember that?

18 A (Nixon) Uh-huh. Yes.

19 Q Did I have that right? I understood what you
20 were saying?

21 A (Nixon) Yes.

22 Q Okay.

23 A (Nixon) Yes. I think a consensus-building
24 approach is better than a voting approach.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Q And, when it came time to coming up with a plan
2 that everybody, including Staff, could live with
3 for this triennium, do you think, if you had had
4 more time, the Parties and you might have been
5 able to reach consensus?

6 A (Nixon) I do believe that.

7 Q Okay. Now, I'm just going to look through your
8 testimony and find my questions on that.

9 On Page 21, can you go over the
10 question and answer that starts on Line 21 about
11 "adjusted gross savings for certain measure
12 types"? I'm not sure I understand the point
13 you're making there.

14 A (Nixon) So, in years past, the decision was made
15 that we only use adjusted gross savings. And
16 what that meant is I believe we took realization
17 rates into consideration, but not what we've been
18 talking about, in terms of net-to-gross savings.
19 So, the assumption was that, like what
20 net-to-gross savings does, is takes into account
21 free ridership and spillover. So, essentially,
22 people that would have done the program anyway
23 and people that did the program because of the
24 program. So that it was assumed that those two

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 attributes were -- canceled each other out.

2 But, as time goes on, especially with
3 the lighting market, the net-to-gross ratio is
4 very important, because that market's
5 transforming, so that, basically, people would
6 have bought LED light bulbs anyway, even
7 regardless of the programs.

8 Q Okay. Thank you. Okay. Let me just check one
9 more thing.

10 You talked about other states keeping
11 the rate flat from this year to next year. But
12 you said something that made it sound like there
13 was a difference between that and keeping the
14 same SBC rate. Do you know what I'm talking
15 about?

16 Is there a difference between the rates
17 that were -- that you were referring to in the
18 other states that are being held constant that
19 aren't the same as SBC rates?

20 A (Nixon) I think what my distinction was, I
21 think that -- the point I was trying to make was
22 that holding the SBC rate flat, that's
23 essentially what I was getting at, is the
24 equivalent of SBC rate was flat.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 I think maybe where I might have caused
2 confusion is, I was saying I'm not saying that
3 the rate they have is what we should have. I was
4 just saying is was the actual fact that they held
5 it flat.

6 CMSR. BAILEY: Okay. Thank you. That
7 makes sense.

8 Thank you, Ms. Nixon. That's all I
9 have.

10 And, Mr. Dudley and Mr. Eckberg, I
11 thank you for your testimony. I think I
12 understand it.

13 CHAIRWOMAN MARTIN: Okay. I have some
14 questions, and any member of Staff can answer.

15 BY CHAIRWOMAN MARTIN:

16 Q Why does Staff oppose the amortization of costs?
17 We heard that in your testimony earlier, and
18 we've heard it before today as well. Can you
19 explain that to me?

20 A (Nixon) I can start. But, if others want to join
21 in, please feel free. Unless, Jay, unless you
22 want to start?

23 A (Dudley) No. Go ahead, Liz.

24 A (Nixon) So, the simplest reason is because, over

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 the long-term, it will be higher costs. Then,
2 the second simple reason is because, although the
3 rates today might seem lower, when we get to our
4 next three-year plan, you're not -- you don't
5 only have the rates from the Plan from 2021 to
6 2023, but you also have the rates from the next
7 three-year plan. And, so, they start stacking up
8 on one another.

9 And it is my understanding that
10 Maryland does amortize [*sic*], you know what I'm
11 trying to say, sorry, and that they're trying to
12 get out from under it. They did approve it again
13 this year, but that the rights have gotten so
14 high, that now they're trying to figure out what
15 to do, because of the long-term impacts of
16 actually amortizing.

17 The other thing to add to that is,
18 typically, what we do is this is when we're
19 looking at capital investments of the utilities
20 when we do that to our rates. And, so, what --
21 the question is, what are we actually paying --
22 what is the investment of the utilities? Do they
23 own these devices or measures behind the meter at
24 these people's homes? They don't actually own

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 anything, during -- at least the way the programs
2 are proposed now is the homeowners and the
3 businesses will own those, and the utilities
4 actually don't own anything.

5 The other thing is that the Utilities
6 had indicated that it would affect their credit
7 risk, because this would ultimately end up in a
8 debt, similar to what they have now, it would
9 basically double their debt. And they're
10 concerned that that would affect their credit
11 rating.

12 And I don't know if others want to add
13 to that.

14 A (Eckberg) I think you hit all the high points,
15 Ms. Nixon. So, yes. I would agree, certainly,
16 that during our discussions, we did hear from the
17 Utilities, and they made it clear that, you know,
18 it was not a low-cost alternative to incur this
19 additional debt.

20 And, yes, I think we thoroughly
21 explored the issue, and really came away feeling
22 that this was not a principle, the amortization
23 of the costs, that anyone really wanted to
24 explore in more detail.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 So, I feel like that was a decision of
2 the EERS stakeholder group. We did explore it
3 and discuss it in great detail, but, ultimately,
4 found the idea not worth pursuing.

5 Thank you.

6 A (Dudley) Yes. The thing that I would add, Madam
7 Chair, is that amortization is typically proposed
8 as a replacement for traditional PI mechanisms.
9 And, as Ms. Nixon pointed out, Maryland --
10 Maryland's experience hasn't been a good one.
11 They're still -- they're grappling with increased
12 costs.

13 And I think the point that the
14 Utilities made is an important one. As debt
15 goes up, credit ratings go down. And, so, Staff
16 doesn't see a lot of positives with
17 amortization.

18 Q Okay. Thank you for that. I just want to make
19 sure I'm clear on this Eversource ratepayer
20 versus other utility ratepayers distinction. We
21 heard testimony from earlier witnesses, and
22 Commissioner Bailey walked through it, that the
23 Eversource residential ratepayer would have a
24 bill impact over the three-year term of about

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 \$74, versus approximately I think it was 63, I
2 might be off by a dollar there, for the other
3 utilities.

4 Are the Eversource customers getting an
5 increased benefit for the additional cost? I
6 heard Ms. Nixon testify that it's "the same
7 program". Is that true? Can you clarify?

8 A (Nixon) Nothing comes to mind. I mean, that it's
9 all, like I say, it's the same programs.
10 Eversource does have a few additional programs
11 than the others, but -- like Energy Homes
12 Program, that I believe the other Utilities don't
13 have. So, there may be a few offerings. But,
14 for the most part, the programs are similar.

15 Q Anyone else?

16 CMSR. BAILEY: Can I ask a follow-up?

17 CHAIRWOMAN MARTIN: Go ahead.

18 BY CMSR. BAILEY:

19 Q So, the pages in Exhibit 2 that have those graphs
20 that show the impact, that start, you know,
21 they're around -- there's some on 707, I think it
22 starts on 707. Do they show that there are
23 different benefits or savings values by different
24 companies?

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 A (Nixon) That model should take into account
2 anything that's utility-specific. So, if the
3 rates are different, those will be taken into
4 account. The benefits will be based on, for the
5 most part, kilowatt-hour savings, sometimes
6 kilowatt savings. So, it will take into account
7 those savings.

8 So, I guess, to that extent, their
9 benefits may be greater, because they're saving
10 more. But they're all -- yes.

11 CHAIRWOMAN MARTIN: Commissioner
12 Bailey, anything further on that?

13 CMSR. BAILEY: No. Thank you.

14 CHAIRWOMAN MARTIN: Okay. Thank you.

15 BY CHAIRWOMAN MARTIN:

16 Q Can somebody tell me the advantages versus the
17 disadvantages of the true Three-Year Program?

18 We heard testimony that Staff, through
19 this planning process, supports this true
20 Three-Year Program, as it's been described.

21 Can we hear some explanation for that,
22 and the benefits -- or, the advantages and
23 disadvantages?

24 A (Nixon) I'll start again, and others can weigh in

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 please.

2 So, a true three-year program basically
3 gives the Utilities three years to achieve the
4 goal. So, if they have -- and can do that, move
5 quickly from one year to the next.

6 The way we've done it in the past is
7 we've had a three-year goal with individual year
8 goals. And, basically, the Utilities filed
9 updates each year to get approval before
10 proceeding with the next year. And I believe
11 that the workforce was concerned that every year
12 they were concerned of what actually was going to
13 be approved for the next year.

14 So, with this, with a true Three-Year
15 Plan, essentially, the Program is approved for
16 the three years and would proceed. So, that that
17 would be the benefit, is that the workforce would
18 be able to know that they have a constant program
19 going for the three years.

20 At the same time, the Utilities could
21 adjust, if they weren't able to meet their
22 projected goal for the year, the first year, they
23 could buckle down and try to do more the next
24 couple years.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 And one of the other big reasons is, it
2 would be more efficient. So that, like I alluded
3 to, each year we had a proceeding, a very
4 detailed proceeding on that one-year Plan Update.
5 This year, presumably, we won't have many, if
6 any, updates to each year.

7 Q Okay. And, in light of the Settlement Agreement
8 and some of the concerns we've heard, the Staff
9 still supports a three-year plan?

10 A (Nixon) Yes. We support a three-year plan
11 process. As we've noted, there are some concerns
12 within the Plan. But, yes, we support a
13 three-year planning process.

14 Q Anyone else?

15 A (Eckberg) I would -- I would certainly agree with
16 my colleague, Ms. Nixon. I think that the
17 administrative efficiency benefits from working
18 to administer this EERS through a true three-year
19 plan is something that we think is very much
20 worthwhile.

21 And I think the Utilities see this as a
22 big enhancement as well, giving them additional
23 flexibility in administering the Program, as well
24 as providing more continuity from year to year.

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Both of those latter points, of course,
2 Ms. Nixon made. Thank you.

3 A (Dudley) I would only say that I agree with my
4 two esteemed colleagues.

5 Q Okay. Thank you. Does Staff have any concerns
6 with replacing the role of the EESE Board, as
7 proposed in the Settlement Agreement?

8 A (Nixon) I would say "no". I think that we agree
9 in shifting to a consensus-based approach. And,
10 like I had mentioned earlier, that we see that
11 similar to the working groups we had in the past.
12 And I think a consensus-based approach will
13 actually, hopefully, make even this process more
14 efficient in the future.

15 CHAIRWOMAN MARTIN: Okay. Just give me
16 a moment to make sure that all of my other
17 questions were answered.

18 *[Short pause.]*

19 CHAIRWOMAN MARTIN: Okay. That's all
20 of my questions.

21 Mr. Buckley, do you have redirect?

22 MR. BUCKLEY: Just a few very brief
23 questions, if I may.

24 And these are generally to the panel at

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 large. Whoever feels best suited to answer can
2 please do so.

3 **REDIRECT EXAMINATION**

4 BY MR. BUCKLEY:

5 Q A moment ago the Chair asked about any concerns
6 related to replacing the role of the EESE Board.
7 Is the panel aware that there is a perennial
8 proposed legislation related to elimination of
9 the EESE Board?

10 A (Eckberg) I am aware that there have been
11 proposals in the past from the Legislature. I'm
12 not sure it's an annual event, but it's perhaps
13 nearly an annual event, that there is legislation
14 about that, certainly.

15 Q And is it conceivable that housing this
16 stakeholder board within a Commission docket
17 process might provide a slightly greater degree
18 of certainty related to its continued usage than
19 over housing it within some sort of a committee
20 of the EESE Board, as had been done previously,
21 given that understanding?

22 A (Eckberg) I would say that's certainly a possible
23 improvement, by moving the EERS development
24 process over to something that's a little bit

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 more under the purview of the PUC's oversight,
2 certainly.

3 I'm hopeful that we'll still have the
4 same broad stakeholder involvement. I think that
5 has been an advantage that, I mean, it's been a
6 benefit to have so many parties involved in the
7 process, and bringing viewpoints to the
8 situation, to the development of the program.
9 So, I certainly hope, however we -- wherever we
10 land, we are able to maintain that broad
11 stakeholder involvement.

12 Q Thank you, Mr. Eckberg. Now, a question for Ms.
13 Nixon, I think.

14 There was a question to you from the
15 Consumer Advocate on cross about the comparison
16 of SBC charges in New Hampshire to the
17 Massachusetts SBC charges that I think referenced
18 an additional rate, other than the SBC, through
19 which funding is recovered in Massachusetts. Is
20 that correct?

21 A (Nixon) Yes.

22 Q And do you have some degree of familiarity with
23 that rate? I think it might be called the
24 "Energy Efficiency Reconciling Factor" or

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 something along that line?

2 A (Nixon) A little bit.

3 Q And would it be fair to say that represented on
4 that exhibit, it is both the combination of their
5 SBC and their Energy Efficiency Reconciling
6 Factor?

7 A (Nixon) Yes.

8 Q That is directly related, next to one another?

9 A (Nixon) Yes.

10 Q And is it still true that, after summing those
11 two columns, previous statements related to SBC
12 rates comparing New Hampshire and Massachusetts,
13 at least on the C&I side, are still true?

14 A (Nixon) Yes.

15 Q And, again, Ms. Nixon, you mentioned, on cross --
16 or, rather, no, in response to a question from
17 Commissioner Bailey, that you thought that more
18 time might have allowed a reaching of consensus.
19 I'm wondering if you could explain that just a
20 little bit more?

21 A (Nixon) I guess I'm an optimist. I just -- I was
22 hoping that, if we talked more, we could come to
23 agreement, and we possibly all would have to
24 compromise. But I was just being an optimist,

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 and hoping that we could come to more agreement
2 on all the issues.

3 Q Thank you, Ms. Nixon. And there was a rather
4 lengthy discussion of the shortcoming of
5 Attachment M, which you had identified, as far as
6 the assumption that there is a rate case every
7 year to return savings back to ratepayers. Is
8 that correct?

9 A (Nixon) Yes.

10 Q And, so, my question for you related to that is
11 whether it is conceivable that, if energy
12 efficiency investments did, in fact, reduce the
13 revenue requirement of a utility in a given year,
14 is it conceivable that a utility would invest in
15 further assets, because it has room to reduce the
16 revenue requirement, maybe related to reliability
17 or something else, rather than choose to
18 immediately flow those savings back to ratepayers
19 in that year?

20 A (Nixon) It seems that, until a rate case occurs,
21 that they would not send it back to the
22 customers.

23 Q Thank you. And, so, if I could ask you now to
24 turn to -- there was an extensive discussion of

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 Bates Page 424, in Exhibit 2, and a comparison of
2 that versus the bill impacts set forth in the
3 Attachment M. Do you remember this discussion?

4 A (Nixon) Yes.

5 Q And there also was a discussion of -- well,
6 actually, no. Let me rephrase it.

7 Is Bates Page 424, did that inform that
8 overall bill impact that we discussed at length
9 earlier around -- not "we", but during
10 cross-examination, around the approximately 10
11 percent impact on C&I customers?

12 A (Nixon) Yes.

13 Q And --

14 A (Nixon) Well, let me restate. Let me restate
15 that. It was a similar page in the September 1
16 Plan. What we're looking at is related to the
17 Settlement, but it's a similar page, with similar
18 information, just different numbers.

19 Q And, so, is it true that you don't know exactly
20 how many customers take that, what is it, Rate G,
21 at 10,000 kilowatt-hours used at three-phase
22 service?

23 A (Nixon) Yes. That's true.

24 Q But it's also accurate to say that this is the

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 representative customer that was chosen by the
2 Utilities to file in their petition to represent
3 the C&I customer rate or, more specifically,
4 Eversource, is that right?

5 A (Nixon) Yes.

6 Q Thank you. And just so I have a better
7 understanding of that, the difference between
8 Exhibit M and the actual Exhibit 2 -- or,
9 Attachment M and Exhibit 2, at the page we were
10 talking about, 424, when we had the discussion of
11 "average customer", did those two documents use
12 the phrase "average customer" differently or the
13 same, to refer to participation or
14 non-participation or a combination thereof?

15 A (Nixon) Well, in Attachment M, it specifically
16 defines "average customer" as "participant and
17 non-participant". I'm not sure exactly what
18 "average customer" means here. But, essentially,
19 it takes that SBC rate of a typical or average
20 customer at these proposed parameters and says
21 what the bill impact would be.

22 Q And, so, at Bates 424, did I understand you
23 correctly to say that this bill impact analysis
24 does account for savings that accrue to a

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 customer due to participation?

2 A (Nixon) No.

3 Q Okay. So, unlike Attachment M, this Bates 424 is
4 just the rate impact, is that correct?

5 A (Nixon) Correct. Just that rate, that given
6 rate, it's what the bill impact would be. But
7 Attachment M looks out over the life or the
8 average life of the measures to see what the
9 actual benefits from the programs are as well,
10 where that Bates 424 is just literally the bill
11 impact of that rate.

12 Q And Attachment M, can you tell me what discount
13 rate is used in Attachment M to discount future
14 benefits?

15 Or, maybe I can rephrase. Is the
16 discount rate used in Attachment M the same as
17 the one used in the Granite State Test and the
18 energy efficiency programs more broadly?

19 A (Nixon) I believe so. I'd have to agree subject
20 to check, but I believe so.

21 Q And, if that is the case, is it conceivable that
22 some customers might have a different preference
23 related to time value of money? For example,
24 those folks who might have credit card debts at

[WITNESS PANEL: Nixon|Dudley|Eckberg]

1 above a 10 percent rate or do loan debts at a
2 value above a 7 percent interest rate? Is that
3 conceivable?

4 A (Nixon) Yes.

5 MR. BUCKLEY: Okay. Thank you. No
6 further questions.

7 CHAIRWOMAN MARTIN: Okay. So, at this
8 point, I want to raise a couple of issues.

9 One, I have a hard stop at 4:55. And,
10 so, I note that we are concluding these
11 witnesses, but we have a lot left to do, I think.

12 I offered the possibility of an
13 additional opportunity to recall a witness to
14 address Staff's testimony. Is that something
15 anyone would like to do?

16 Mr. Kreis, that was in response to your
17 objection.

18 MR. KREIS: I do not need to recall my
19 witness.

20 MR. SHEEHAN: Madam Chair, the --

21 CHAIRWOMAN MARTIN: Anyone else?

22 MR. SHEEHAN: Madam Chair, the
23 Utilities -- this is Mike -- are actually kicking
24 emails around right now, and it's kind of hard to

1 do it remotely.

2 If we are going to go to another time,
3 we could get -- we're not going to squeeze it in
4 now. So, it would be helpful, if we could have a
5 break to whenever the next session is, to resolve
6 that.

7 I don't think so. But I can't speak
8 for everyone, because, again, the emails are
9 flying.

10 CHAIRWOMAN MARTIN: Okay. Well, that
11 was why I'm raising it now, just to get a sense
12 of how much more time we might need, because we
13 also have closing arguments, which I assume
14 people were planning on making. So, --

15 MR. SHEEHAN: I can tell you that what
16 I'm hearing is it would be relatively short, if
17 we were to recall anyone.

18 CHAIRWOMAN MARTIN: Okay. And
19 closings. So, if everyone was planning on making
20 a closing argument?

21 Mr. Dexter.

22 MR. DEXTER: Staff is planning on a
23 closing, yes.

24 MR. KRAKOFF: CLF had a closing, too.

1 *[Court reporter interruption for*
2 *identification of previous speaker.]*

3 CHAIRWOMAN MARTIN: I think Mr.
4 Krakoff. So, go ahead, Mr. Krakoff, and then --

5 MR. KRAKOFF: Yes. I said that CLF was
6 also planning a closing.

7 MR. EMERSON: Clean Energy New
8 Hampshire as well. This is Eli.

9 CHAIRWOMAN MARTIN: Okay.

10 MR. BURKE: And this is Raymond Burke.
11 The Way Home would like to make a closing
12 argument as well.

13 CHAIRWOMAN MARTIN: Okay. All right.
14 So, it sounds like we want to leave additional
15 time.

16 And I have a question on the status of
17 what I think we've referred to as "Exhibits 45"
18 and "46". Have those been filed at this point?

19 MS. CHIAVARA: Apologies. They have
20 not at this time. This also would probably
21 benefit if we -- if I could confer with the other
22 attorneys for the Utilities, just to -- just we
23 haven't had a chance to discuss it at breaks.
24 So, --

1 CHAIRWOMAN MARTIN: Fair enough. I did
2 have in my notes also that the Utilities would
3 propose language for Commissioner Bailey's review
4 for one of those, the one that came from her. Is
5 that still the plan? And, if not, Commissioner
6 Bailey, how do you feel about that?

7 MR. SHEEHAN: That was my proposal.
8 And I apologize for not following up on it.

9 I believe that was with regard to the
10 amortization issue. Am I correct about that? Or
11 was it the other one? And if it was the -- sorry
12 my brain is just collapsing, like everybody
13 else's.

14 CMSR. BAILEY: Mine, too. I can't
15 remember it off the top of my head.

16 MR. SHEEHAN: Jessica, you probably
17 have it on the tip of your tongue there.

18 MS. CHIAVARA: It was on the
19 amortization issue. But I didn't know that -- I
20 don't think it was going to be language to
21 review. I thought it was just -- it was going to
22 be Utilities' positions on the amortization
23 issue.

24 And we have, among other things, a

1 report that does an analysis of amortization for
2 review.

3 CHAIRWOMAN MARTIN: Okay. Thank you.
4 I had, as Attorney Sheehan mentioned, he had
5 offered to have the attorneys for the Utilities
6 write up the proposed request, which would be
7 shared with the Commission for review.

8 Commissioner Bailey, I defer to you on
9 how you want to proceed on that one?

10 CMSR. BAILEY: I will have to go back
11 and look at my notes and see what -- I honestly
12 don't remember the question right at the moment,
13 other than it was about amortization. So, --

14 MR. SHEEHAN: The other request was a
15 comparison of the Utilities' administrative cost
16 percentages by year. And we have that about
17 ready to go. So, we will be able to prepare
18 that.

19 And, on the amortization, I do believe
20 it was a request of "what are the Utilities'
21 thoughts on that?" And, certainly, we have
22 something to go. We could file it. And maybe,
23 if that's -- if we left something unsaid,
24 Commissioner Bailey could flag it when we

1 reconvene. It will be similar to what you heard
2 Staff just testify to a few minutes ago.

3 CMSR. BAILEY: Okay. That works for
4 me. Thank you.

5 CHAIRWOMAN MARTIN: I'm sorry,
6 Commissioner Bailey?

7 CMSR. BAILEY: I said "That works for
8 me. Thank you."

9 CHAIRWOMAN MARTIN: Any other issues we
10 need to address before we adjourn for today?

11 *[No verbal response.]*

12 CHAIRWOMAN MARTIN: Scheduling, I'm
13 going to leave that to Staff and the Parties to
14 work out with the Executive Director, because
15 this is, obviously, a tricky time of year to try
16 to get everything done just right here, right
17 now.

18 Anything else we need to do?

19 MR. DEXTER: Madam Chair, maybe I could
20 ask the Parties to stay on the line to try to
21 pick a date, before we go to the Executive
22 Director, if they're willing to do that, since we
23 have everybody here, after the record closes?

24 CHAIRWOMAN MARTIN: I think that's fine

1 with the Commission. Although, I'm not sure if
2 all of the Commission Staff, who is managing this
3 for us, can stay on for too long, because it's
4 getting late.

5 Okay. Anything else?

6 *[No indication given.]*

7 CHAIRWOMAN MARTIN: All right. So, we
8 will continue this hearing to a future date. And
9 we are adjourned for today. Thank you, everyone.

10 ***(Whereupon Day 4 of the hearing***
11 ***regarding DE 20-092 was adjourned***
12 ***at 4:48 p.m. Day 5 to be held on a***
13 ***later date to be determined, which***
14 ***was later noticed to be held on***
15 ***December 22, 2020, commencing at***
16 ***1:00 p.m.)***