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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

March 28, 2024 - 1:03 p.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: **DE 24-033**
UNITIL ENERGY SYSTEMS, INC.:
Petition to Increase Storm Recovery
Adjustment Factor.
(Prehearing conference)

PRESENT: Chairman Daniel C. Goldner, *Presiding*
Commissioner Pradip K. Chattopadhyay
Commissioner Carleton B. Simpson

Benjamin Martin-McDonough, Esq./PUC
Legal Advisor

Tracey Russo, Clerk

APPEARANCES: **Reptg. Unitil Energy Systems, Inc.:**
Matthew C. Campbell, Esq.

Reptg. New Hampshire Dept. of Energy:
Mary E. Schwarzer, Esq.
Paul B. Dexter, Esq.
Elizabeth Nixon, Dir./Electric Div.
Jacqueline Trottier, Electric Division
(Regulatory Support Division)

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

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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good
afternoon. I'm Chairman Goldner. I'm joined by
Commissioner Simpson and Commissioner
Chattopadhyay.

We're here today for a prehearing
conference in Docket Number DE 24-033, regarding
Unitil's Petition, which has two separate
requests for relief.

The first is for the Commission to
approve an increase in the Storm Recovery
Adjustment Factor, to allow Unitil to recover a
deficit of approximately 3.6 million in the Major
Storm Cost Reserve Fund.

Second, Unitil has requested that the
Commission approve its 2023 MSCR Fund Report.

The Commission provided notice of this
adjudicative proceeding and the prehearing
conference on March 21st, 2024. The New
Hampshire Department of Energy is the only party,
other than Unitil, to file an appearance in this
docket.

The Commission's authority over this
matter is based on the just and reasonable

1 ratemaking standard of RSA 374:2 and RSA 378:7,
2 and the prudence standards of 378:28.

3 The Commission understands that
4 Unitil's request to recover the MSCR deficit
5 through an increase in the SRAF is a novel use of
6 the SRAF. Further, the Commission understands
7 that Unitil is seeking to implement the new SRAF
8 rates on May 1st, 2024. Given the quick
9 turnaround, the Commission scheduled a hearing on
10 the proposed rates for April 24th, 2024.

11 The Commission notes that yesterday the
12 DOE filed an objection to the May 1st, 2024
13 implementation date for Unitil's proposed SRAF
14 rate. The DOE proposed an alternative effective
15 date of August 1st, 2024, which would allow the
16 DOE to both review the MSCR Fund Report and
17 review Unitil's proposal to recover the deficit in
18 the SRAF. In response, Unitil -- Unitil filed a
19 response, stating the May 1st effective date was
20 both feasible and in the public interest. Unitil
21 also filed a proposed procedural schedule that
22 included an April 24th, 2024, hearing date.

23 During the parties' opening statements,
24 the Commission is interested in whether the

1 parties have discussed Unitil's proposed
2 procedural schedule for the review of the
3 proposed rate. The parties should also raise any
4 other issues that they believe are relevant to
5 these proceedings.

6 Let's take appearances, beginning with
7 the Company.

8 MR. CAMPBELL: Good afternoon,
9 Commissioners. Matt Campbell, on behalf of
10 Unitil. And with me today I have a few folks
11 from the Unitil team: I have Chris Goulding,
12 Vice President of Finance and Regulatory; I have
13 Dan Nawazelski, Manager of Revenue Requirements;
14 I have Jacklyn Munguia, who is the Manager of
15 Business Resiliency & Compliance; and I have Jake
16 Sylvain, who is a Supervisor in our General
17 Accounting Group.

18 Thank you.

19 CHAIRMAN GOLDNER: Thank you. Let's
20 move to the Department of Energy.

21 MS. SCHWARZER: Good afternoon, Mr.
22 Chairman. Mary Schwarzer, Staff Attorney with
23 the Department of Energy. And with me this
24 afternoon, Paul Dexter, our Legal Director;

1 Elizabeth Nixon, our Electric Director; and
2 Jackie Trottier, who is our utility analyst.

3 CHAIRMAN GOLDNER: Okay. Thank you.

4 So, we'll now provide everyone the
5 opportunity for an opening statement, starting
6 with the Company.

7 MR. CAMPBELL: Thank you.

8 On February 28th, 2024, Unitil filed
9 its Annual Major Storm Cost Reserve Fund Report
10 with the Commission for the twelve-month period
11 ended December 31st, 2023. Also, on February
12 28th, the Company filed a petition requesting
13 that the Commission (1) approve the Company's
14 proposal to transfer the MSCR deferral balance
15 into the Storm Recovery Adjustment Factor, the
16 SRAF; second, we ask that the Commission approve
17 the Company's proposal to increase the SRAF
18 effective May 1st, 2024, to recover the MSCR
19 balance over a five-year period; third, we ask
20 that the Commission find the resulting rates are
21 just and reasonable; and, fourth, we ask that you
22 approve the proposed tariff changes necessary to
23 implement recovery of the MSCR deferral balance
24 through the SRAF.

1 The Company has proposed to transfer
2 the MSCR deferral balance into the SRAF because
3 the unrecovered balance continues to accrue
4 carrying costs on a monthly basis. As shown in
5 Schedule CGDN-2, Page 2, of the Company's initial
6 filing, the Company's proposal is expected to
7 result in interest savings to customers of over
8 \$400,000.

9 The Company notes that its proposal is
10 responsive to the Commission's direction in
11 Docket DE 23-017, in which the Commission
12 encouraged the Company to find ways to reduce the
13 deficit in the MSCR fund.

14 Excuse me. Turning to the procedural
15 schedule, in its Notice the Commission stated
16 that it would schedule a hearing on April 24th,
17 and the procedural schedule would be discussed
18 further at this prehearing conference.
19 Nevertheless, the Department of Energy filed an
20 objection yesterday to the anticipated procedural
21 schedule, which it has characterized as
22 "compressed". The Company does not agree with
23 this characterization, and notes that the
24 Petition complied with the 45-day notice

1 requirement in its Commission-approved SRAF
2 tariff.

3 The Company's position is that the
4 April 24th hearing date affords the parties a
5 reasonable amount of time to present their
6 respective positions on the question of whether
7 or not the MSCR deferral balance should be
8 transferred to the SRAF effective May 1st.

9 In addition, moving forward on the
10 basis of a May 1st effective date mitigates the
11 accrual of additional interest to be recovered
12 from customers, which would result from the delay
13 proposed by the Department.

14 In its May -- in its March 27th
15 objection, the Department expressed concern about
16 being able to review the 2023 MSCR Report in
17 advance of the proposed May 1st effective date.
18 The Department stated that it expects to file a
19 technical statement on or before July 15th.

20 The Company fully appreciates that the
21 Department needs time to review the 2023 MSCR
22 storm costs, and the Company's proposal does not
23 impinge on the Department's ability to do so.
24 The deferral balance in the SRAF would be subject

1 to any adjustments that may arise from the
2 Commission's determination of recoverable 2023
3 storm expenses. In other words, even though the
4 Department's review of the 2023 MSCR Report and
5 the question of whether to transfer the MSCR
6 balance into the SRAF are related, they can be
7 handled separately. As discussed in the
8 Company's response to the Department's objection,
9 which I filed yesterday, there is precedent that
10 supports this approach.

11 Specifically, in Docket DE 13-084, the
12 Commission approved the Company's request to
13 recover 2.3 million in storm costs through the
14 SRAF over five years, subject to any adjustments
15 from Staff's off -- from Staff's audit, excuse
16 me.

17 Another more recent example, which
18 wasn't in what I filed yesterday, there's a case,
19 and I'll give you the docket number, it's DE
20 23-006, and I'm referring to Order Number 26,777.
21 And, in that case, DOE and Liberty agreed that
22 Liberty would transfer an over-collection balance
23 of about 1.9 million to its SRAF to be recovered
24 from customers.

1 So, Chairman Goldner, at the outset you
2 mentioned that this was a "novel issue" with
3 respect to the Company's SRAF. But I would
4 suggest to you it's not a novel issue more
5 generally.

6 So, in summary, an April 24th hearing
7 date provides a reasonable period of time to
8 resolve the question of whether the MSCR deferral
9 balance should be transferred to the SRAF. We,
10 therefore, respectfully request that the
11 Commission set an April 24th hearing date to
12 resolve that question.

13 Thank you.

14 CHAIRMAN GOLDNER: Thank you. We'll
15 turn now to Attorney Schwarzer, and the
16 Department.

17 MS. SCHWARZER: Thank you, Mr.
18 Chairman.

19 I would certainly like to emphasize
20 that we think there are important questions, and
21 we've proposed a timeframe that we think is
22 reasonable and appropriate to deal with the
23 issues.

24 The largest question that the

1 Department has at this point in time has to do
2 with the mechanism that Unitil has proposed. We
3 are not -- we have not had sufficient time to
4 consider whether the MSCRF fund, which is
5 supposed to address regular storms, should, in
6 this instance, have its entire balance
7 transferred to the SRAF, which is supposed to be
8 used for extraordinary storms.

9 Further, the interrelationship between
10 the 2023 MSCRF fund is something more significant
11 than I think has been described, because the very
12 balance that is being audited would, if the
13 Commission does what the Company is asking,
14 already have been ordered to be recovered through
15 the SRAF.

16 The Department wonders about the
17 five-year amortization period, perhaps it should
18 be shorter. We have not had a chance to address
19 that. Would a higher SRAF be appropriate, to
20 allow recovery of the overall 3.7 million be
21 appropriate? We would like time to consider that
22 question.

23 I also would like to point out that
24 Unitil has had an approximate 3 million deficit

1 in the MSCRF for the last three years. And, so,
2 as compared to what Unitil is seeking, which is
3 an order effective May 1, the Department's
4 proposal would only add three more months to a
5 resulting effective rate [date?], as we've
6 proposed, of August 1st.

7 It would allow the Department
8 significant time for other options. There may be
9 a settlement agreement possibility. There may be
10 a transition of some storms, but not others.
11 These are things we would like to look at more
12 closely.

13 With regard to the numbers cited in
14 Unitil's March 27th letter, I think they
15 specified 75 -- \$73,000 in interest if the
16 Department's request is granted. That is
17 assuming six months of interest, and we are only
18 asking for three months beyond May 1.

19 So, that also does not consider the
20 time and effort of staff, which would be
21 required, were there to be an interim number,
22 that is then going to reconciled at a later time.
23 If it's possible, and we think it truly is, with
24 an August 1 effective date, we would have a final

1 audit, we would have a mechanism that we
2 investigated and supported, we'd have insight
3 into what the most appropriate recovery
4 period was, and the most appropriate recovery
5 rate.

6 We here, at the Department, like every
7 other company, and certainly like the PU itself,
8 have an ongoing workload. When Unutil filed its
9 request at the end of February, I believe, almost
10 March, it was in -- they filed it -- oh, I'm in
11 the wrong docket, excuse me.

12 I was trying to research the case that
13 Unutil just referenced with Liberty. It was my
14 understanding that we did recently use an SRAF to
15 return money to customers, after an audit had
16 been done, but I would need to check that, which
17 is different than in this case, given that
18 there's been no audit, and additional
19 reconciliation would be necessary.

20 I'm just getting back to the right
21 docket, if you give me a moment. Thank you.

22 So, yes. Unutil filed this on the
23 second to the last day of February, and the
24 Department has an ongoing workload. We simply --

1 we're not able to allocate the resources
2 necessary to do all the investigation that we
3 think is appropriate within the timeframe Unitil
4 proposes.

5 I guess I would further note that the
6 tariff does permit the imposition of an SRAF no
7 sooner than 45 days. It certainly doesn't
8 mandate any imposition at that time. And the
9 research that I've done, that I -- with regard to
10 the May 1 date, there was a distribution rate
11 case in 2016, with step increases May 1 of 2017,
12 2018, and 2019, that the last SRAF increase was
13 filed at the same time as the step increase.
14 That is not the case here.

15 It's also true that, since that
16 process occurred, the Department and the PUC have
17 become separate entities. And there's a
18 necessary time allocation for that division and
19 change as well.

20 If I could have a moment?

21 *[Atty. Schwarzer and Atty. Dexter*
22 *conferring.]*

23 MS. SCHWARZER: So, those are the
24 Department's -- those are the concerns that the

1 Department wishes to raise today. And we look
2 forward to the following tech session, after this
3 prehearing conference, and hope to work with
4 Unutil towards a procedural schedule with an
5 August 1 effective date.

6 Thank you.

7 CHAIRMAN GOLDNER: Thank you. We'll
8 turn to Commissioner questions now, beginning
9 with Commissioner Simpson.

10 CMSR. SIMPSON: One question for the
11 Department.

12 Do you have a perspective on approval
13 on an interim basis, subject to reconciliation,
14 pending the audit?

15 MS. SCHWARZER: I think our concern,
16 about approval on an interim basis, is that it --
17 we are not confident that the five-year
18 amortization is the right number, or that the
19 number sought is correct. And there, with regard
20 to the use of the funds and the SRAF, we would
21 like to explore transferring perhaps some
22 significant funds -- excuse me, costs associated
23 with significant storms into the SRAF that was
24 originally designed. But we -- there's

1 significant additional rework and inefficiency in
2 an interim rate, when the only savings identified
3 is a three-month period, with interest charges
4 that I believe would be approximately half of the
5 73,000 identified in Unitil's letter. And
6 there's been a 3 million deficit in this fund for
7 three years.

8 So, the Department is hard-pressed to
9 see the urgency associated with implementing
10 something May 1, as opposed to August 1st.

11 CMSR. SIMPSON: And can the Company
12 just address their perspective on that urgency?

13 MR. CAMPBELL: Well, let me take them
14 one at a time.

15 So, with regard to the agreement that
16 "the \$3 million has existed for quite some time",
17 I would just note that, in its most recent base
18 rate case, the Company did propose to reduce the
19 deficit using Excess ADIT. Now, I can't go into
20 what occurred during settlement discussions. All
21 I can say is, that proposal went into the sausage
22 grinder, didn't come out the other end.

23 I also note that the Commission, in the
24 last MSCR proceeding, expressly directed us to

1 address this deficit.

2 In terms of urgency, let's say the
3 Department is right, that the extension is not
4 six months, and it's only three months, that's
5 \$36,000. So, the reason that we're trying to get
6 this done by May 1st is because a delay costs our
7 customers money.

8 I don't want it to seem like we're
9 insensitive to workload issues and staffing
10 issues that the Department has, because nine
11 times out of ten, we'd be more than happy to
12 agree to an extension.

13 But, in this particular case, any delay
14 costs customers money. And, therefore, we think
15 it's imprudent for the Company to agree to delay
16 the proceeding.

17 CMSR. SIMPSON: And can the Company
18 share any perspective on approval on an interim
19 basis, subject to an audit?

20 MR. CAMPBELL: Absolutely. So, that's,
21 in fact, what we've proposed. To roll in the
22 entire \$3.6 million balance, subject to any
23 adjustments that occur as a result of the audit,
24 and the Commission's determination of allowable

1 2023 costs.

2 CMSR. SIMPSON: Okay. Thank you.

3 I don't have any further questions,
4 Mr. Chairman.

5 CHAIRMAN GOLDNER: Thank you. We'll
6 turn now to Commissioner Chattopadhyay.

7 CMSR. CHATTOPADHYAY: Implementation-
8 wise, you don't have any issues with doing it
9 either in May or August, right? Just
10 implementationwise?

11 MR. CAMPBELL: No implementation
12 issues, no.

13 CMSR. CHATTOPADHYAY: Okay. I have a
14 follow-up question for the DOE.

15 So, it's going back to Commissioner
16 Simpson's question. And you described the kind
17 of issues that you want to take a look at, and
18 the April 24th hearing is a date when all of
19 those issues would come up, or at least you have
20 greater visibility on. Assuming that you
21 understand the situation much better before that,
22 just before April 24th, and you have sort of a
23 sense of what that amount is, and you have also
24 talked with the Company to come to some sort of

1 understanding. At that point, do you think
2 it's -- you'd still be okay with the SRAF being
3 implemented in an interim basis?

4 MS. SCHWARZER: I apologize,
5 Commissioner, I'm not sure I understand your
6 question.

7 CMSR. CHATTOPADHYAY: Okay. So, I'm
8 going to repeat.

9 When you were responding to
10 Commissioner Simpson, he was asking about whether
11 it will be okay to go with the interim route.

12 MS. SCHWARZER: Yes.

13 CMSR. CHATTOPADHYAY: And you then
14 described what other issues that still don't have
15 clarity on.

16 MS. SCHWARZER: Yes.

17 CMSR. CHATTOPADHYAY: But let's say,
18 until -- this keeps going, and because we have a
19 hearing date on the 24th of April, by that time
20 you have more visibility, more clarity, okay?

21 Under that situation, are you okay
22 with allowing the SRAF on May 1st on an interim
23 basis?

24 MS. SCHWARZER: I think it is

1 impossible for us to have more clarity by
2 April 24th on these issues. And, so, I'm not
3 trying to avoid your question. But, therefore, I
4 think it's not possible for us to envision an
5 interim rate.

6 There's a lot of inefficiency and
7 additional work that is involved with any interim
8 rate. And we could very well be imposing a
9 structure that concerns us, with regard to the
10 difference between the SRAF and the MSCR fund.
11 It would seem best to us to have finality, and
12 the cost is just 90 additional days.

13 But I'm not trying to avoid your
14 answer [sic]. If you were to wave a magic wand,
15 and we had clarity before the April 24th date, I
16 think we would then not seek an interim rate.
17 But I don't think we'll have that clarity.

18 CMSR. CHATTOPADHYAY: I would surmise,
19 or at least share, that, even when we talk about
20 "clarity", there is a degree of clarity. And,
21 so, I'm just trying to understand.

22 So, you're definitely not even willing
23 to consider the May 1st SRAF on an interim basis?

24 MS. SCHWARZER: I think the challenges

1 for us around that are that we are not confident
2 that the five-year amortization period is
3 appropriate; a shorter period might be better.
4 We're not confident that the rate that Unitil has
5 suggested is the ideal rate.

6 We have concerns about the use of the
7 SRAF, because, as the Chairman noted, it is a
8 novel use of the SRAF. The MS -- it's not
9 impossible. But the MSCRF fund, which is part of
10 the distribution rates, were intended to deal
11 with average storm costs. And, in the last rate
12 cases, I believe Unitil has testified
13 consistently that they don't wish to increase the
14 MSCRF annual amount. That was approved as just
15 and reasonable and accepted in the past rate
16 cases.

17 However, we are interested in looking
18 at, in the broader issues that I've identified,
19 and I hope I'm answering your question, I just
20 don't think that our workload would permit us to
21 reach a point of certainty for the April 24th
22 date.

23 And I will note that the Commencement
24 of Adjudicative Proceeding, although it did

1 identify the April 24th rate [date?], I think
2 made clear that the Commission was open to
3 hearing any concerns about that date at this
4 proceeding, and we have them.

5 MR. CAMPBELL: Commissioners, I did not
6 want to interrupt Attorney Schwarzer, but she
7 just referenced something that the Company may or
8 may not have testified to at hearing. I don't
9 know if that's the case or not, but I ask that
10 either that be stricken, or the Commission ignore
11 that, unless Attorney Schwarzer can provide a
12 citation.

13 MS. SCHWARZER: I'd be happy to provide
14 a citation. It's through testimony that I read
15 in the preceding UES distribution rate cases.
16 And I can make -- if you'd like to make that a
17 record request, I'd be happy to provide a
18 citation.

19 CHAIRMAN GOLDNER: Yes. If we took a
20 break later, would that be enough time? Or would
21 you --

22 MS. SCHWARZER: Probably.

23 CHAIRMAN GOLDNER: Yes, if we took
24 maybe a ten-minute break, maybe the team could

1 find that, or while other questions are being
2 asked.

3 Please proceed, Commissioner
4 Chattopadhyay.

5 CMSR. CHATTOPADHYAY: This, you may not
6 have an immediate answer, but I'm also curious,
7 how sensitive is the interest charges to the
8 Prime Rate?

9 And, you know, so, for example, if the
10 Prime Rate increases by a percentage point, what
11 would that do?

12 So, that's something, and you don't
13 have to answer it right away, but that's a
14 concern.

15 The other thing I would just point out,
16 again, I don't -- this is a prehearing
17 conference, so I'm just trying to get a sense.
18 You mentioned that you may not -- you may find
19 that the five-year amortization may not be the
20 right approach, perhaps a smaller period may be
21 better. Is that what you meant? But could that
22 be resolved soon enough, or even that cannot be?

23 MS. SCHWARZER: I honestly don't
24 believe that we, as a Department, have the

1 ability to provide the resources to address these
2 issues.

3 CMSR. CHATTOPADHYAY: Okay.

4 MS. SCHWARZER: It was just filed at
5 the very end of February. We've really had it
6 for fewer, you know, approximately fifteen
7 business days.

8 CMSR. CHATTOPADHYAY: Okay. I just,
9 because you kept saying, you know, you hope
10 that -- you were saying that -- I think what you
11 said was you're trying to answer my questions,
12 and you hope that I -- you know, you were doing
13 that. Rest assured, I'm completely convinced
14 that you're trying to answer them properly. So,
15 no worries there.

16 Back to the Company. Does this issue
17 of using the SRAF or the \$3.6 million, did you
18 talk with DOE, you know, even before the
19 February 28th?

20 MR. CAMPBELL: We did not. But --
21 *[Atty. Campbell and Mr. Nawazelski*
22 *conferring.]*

23 MR. CAMPBELL: So, my understanding is
24 informal conversations have been held between the

1 Company and the Department regarding this issue.

2 However, I guess I would point the
3 Commission back to that 2013 case that's in my
4 response to the Department's objection, where
5 essentially that's what happened. A storm cost
6 was moved over to the SRAF, and recovered over, I
7 believe, a five-year period.

8 I did want to go back to your question
9 that you posed to the Department, about whether
10 or not a shorter period makes sense. The Company
11 is happy to discuss that and consider it. That
12 may make sense, if it further mitigates interest
13 charges. So, I think that's something that
14 absolutely could be resolved.

15 And, then, just following up on the
16 "novelty" of transferring this to the SRAF. I
17 would just point to our tariff, which says
18 that -- the novelty of recovering an unrecovered
19 storm fund balance through the SRAF, just to be
20 clear. The tariff language says, and I'm quoting
21 directly from First Revised -- Second Revised
22 Page 69-A, "The Company may petition to change
23 the SRAF should significant over- or
24 under-recoveries occur or expect to occur."

1 And, again, I don't understand the
2 Department's position that this is "novel", when,
3 in the recent DE 23-006 case, they agreed to have
4 an over-collected storm balance recovered through
5 the SRAF. So, I don't -- I don't see this as
6 being "novel".

7 MS. SCHWARZER: If I may --

8 CMSR. CHATTOPADHYAY: I'll let DOE
9 respond.

10 MS. SCHWARZER: Thank you. With regard
11 to the description of the Liberty docket, I
12 believe the over-recovered balance was refunded
13 to customers, and the over-refunded balance had
14 been audited. And, so, I would submit there's a
15 significant difference between returning a
16 balance that is excessively collected, which has
17 also been audited, to customers through an SRAF,
18 that's quite different than what Unitil is
19 proposing here, which is to collect an unaudited
20 SRAF -- MSCRF fund deficit balance by charging
21 customers, over a specific period of time that
22 has yet to be determined as the appropriate
23 period of time.

24 I would like to note, too, that I

1 believe, based upon what I read in 13-084 that
2 counsel referenced, that what was approved at
3 that time was the transfer from the MSCRF fund of
4 costs associated with a single extraordinary wind
5 event, or at least a storm event, which is
6 exactly what the SRAF is designed to do. And
7 that is different from what is sought here, which
8 is the transfer of the entire MSCRF fund, which
9 covers general storms, your average, anticipated,
10 run-of-the-mill wind, rain, snowstorm, as well as
11 costs that are associated with storms that have
12 yet to be transferred or collected to the SRAF.

13 I have not reviewed the individual
14 storm costs for what is sought in 2023. And
15 there may be some that qualify as
16 "extraordinary", I honestly -- I don't know.

17 But what is being sought here, as I
18 understand it, is a transfer of the entire MSCRF
19 fund balance, irrespective of the size of the
20 storm, and that is novel.

21 CMSR. CHATTOPADHYAY: Can you, if you
22 know, share what happened with the Liberty
23 Utilities case, in terms of how quickly was that
24 issue resolved? But, like, you know, here it's

1 happening, they want it by May 1st. I'm trying
2 to understand what was the process there, how
3 long did it take?

4 MS. SCHWARZER: If we could have a
5 brief recess? My recollection was that it was
6 part of a much longer hearing, an issue with
7 regard to definitions within the tariff. And
8 that it became apparent that there was an
9 over-collection, and that that was part of the
10 tech statement, and that was part of a much
11 longer proceeding, that, ultimately, at hearing,
12 Liberty and the Department reached a settlement
13 that was recorded in the Commission's order. But
14 it was a protracted period of time, with fully
15 audited numbers.

16 Is that enough of an answer?

17 CMSR. CHATTOPADHYAY: Yes, it is.
18 Thank you. That's all I have.

19 CHAIRMAN GOLDNER: Okay. And we'll
20 take a break, Attorney Schwarzer, in a bit, so
21 you can follow up on that item.

22 The question for the Company, I
23 believe, in looking at the Storm Report, that the
24 interest rate used was 4.01 percent, is that

1 correct?

2 MR. CAMPBELL: I think that's correct.
3 But I'm looking at my colleagues, and they're
4 nodding. So, yes.

5 CHAIRMAN GOLDNER: All right. And,
6 just from an education perspective, a lot of the
7 carrying charges at Unitil, and the other
8 utilities in the state, is often the Prime Rate.
9 Can you provide some background on why this is
10 not the Prime Rate? And, also, what it's tied
11 to, if it's 4. -- 4 percent?

12 MR. CAMPBELL: Certainly. And, if it's
13 okay, could Mr. Goulding speak to that?

14 CHAIRMAN GOLDNER: Yes, please.

15 MR. GOULDING: Sure. So, the rate for
16 the Storm Fund itself is the after-tax cost of
17 debt that was last approved in the last rate
18 case. So, I think that was 5.49 percent, and
19 then after tax is 4.01 percent.

20 CHAIRMAN GOLDNER: Okay. Thank you.
21 Thank you.

22 And, then, sort of a -- on this
23 question of workload, Attorney Campbell, if
24 you're willing to say, and I tried this with

1 Attorney Taylor and failed. So, let's see if I
2 can do better today.

3 MR. CAMPBELL: Okay.

4 CHAIRMAN GOLDNER: Does the Company
5 plan on filing a rate case any time soon?

6 I ask this just from a workload
7 perspective from the Commission. Is there any
8 insight you can give us on that?

9 MR. CAMPBELL: Not that I'm aware of,
10 unless Mr. Goulding is keeping something from me.

11 MR. GOULDING: No. I will just say, we
12 have not begun preparing a rate case at this
13 time. So, we're, obviously, constantly looking
14 at the financials, deficiencies. But, I mean,
15 we're now into March 28th, and we have not
16 started to prepare for pulling together a rate
17 case for UES.

18 CHAIRMAN GOLDNER: Thank you. That was
19 a much more helpful answer than Attorney Taylor.
20 You can share that when you go back to the
21 offices. Appreciate that.

22 I'll again ask the Company a question
23 on -- so, I realize 2024 is not in play here.
24 But, as you mention in the tariff, sort of

1 current charges and prior, it's all sort of on
2 the table. We know there, in the Unutil region,
3 there have been some storms lately. Can you give
4 us any insight in terms of what's happening
5 there, even though it's not a part of this
6 particular request?

7 MR. CAMPBELL: Yes. So, I know we had
8 a pretty nasty storm, was it last week? I do not
9 know at this point whether or not that will be a
10 qualifying storm, and I don't think we've
11 tabulated the costs yet.

12 I'm just going to turn around real
13 quick and look at my colleague for confirmation
14 of that, but I'm pretty sure that's the case.

15 *[Atty. Campbell and Ms. Munguia*
16 *conferring.]*

17 MR. CAMPBELL: So, we think it will be
18 a qualifying storm, but --

19 *[Atty. Campbell and Ms. Munguia*
20 *conferring.]*

21 MR. CAMPBELL: So, the outage has met
22 the criteria, but we haven't tabulated the cost
23 yet.

24 CHAIRMAN GOLDNER: And I think there

1 were some prior storms, just from personally
2 driving out in the area. Were any of those
3 qualifying or --

4 *[Atty. Campbell and Ms. Munguia*
5 *conferring.]*

6 MR. CAMPBELL: We don't believe so, no.

7 CHAIRMAN GOLDNER: You did well. It
8 was a big mess. So, good job.

9 MR. CAMPBELL: Thank you.

10 CHAIRMAN GOLDNER: You're welcome.
11 Okay. Thank you for that.

12 But you don't anticipate, in this
13 docket, filing anything relative to 2024, even
14 though, under the tariff, technically, you
15 could -- you could bring that in?

16 MR. CAMPBELL: That's correct. That
17 would be next year.

18 CHAIRMAN GOLDNER: Okay. And, then,
19 Attorney Schwarzer, I'm going to go back to a
20 topic you discussed earlier, but I guess I'd like
21 to probe a little further on that particular
22 topic.

23 So, I think it took me, I'm not a speed
24 reader, it took me a couple of hours to read

1 through all the documents in the filing. And I'm
2 sure -- I'm sure there are those in the hearing
3 room that read it faster than I did.

4 And, so, I'm a little baffled as to why
5 it took the Department until yesterday to file
6 something, which forced the Commission to
7 scramble, which forced the Company to scramble.
8 And, again, it's not -- if this was, you know,
9 the data platform docket or something, I totally
10 understand, there is some time required. But
11 it's a pretty light docket.

12 Can you please touch on why it took so
13 long to get a filing from the Department?

14 MS. SCHWARZER: I'd be happy to give
15 you some ideas around that, for what is helpful.

16 The Department did take a position,
17 very similar to what we filed, on March 21st, and
18 communicated that to the Company. So, I don't
19 believe Unitil was surprised by our request for
20 additional time. Certainly, we asked before,
21 even the 21st, whether a couple of extra months
22 made a difference, and why Unitil felt an urgency
23 around the May 1 date.

24 There have also, frankly, been planned

1 vacations. So, staff was not really available,
2 not all the staff was available. And reading it
3 is certainly different from coming up with a
4 solution.

5 So, we did try to -- we reached out to
6 Unitil fairly soon, March 12th was, I don't know,
7 ten business days after they filed, and had
8 entertained discussions, which I think were
9 productive. We understood more from Unitil's
10 perspective, at least about what their plans
11 were.

12 I would like to point out the discovery
13 procedural schedule that Unitil has filed allots
14 two business days for writing data requests for
15 the Department, and that's our only set of data
16 requests. That would not work for us. That is
17 not enough time for us to try to address the
18 questions that we have, even irrespective of a
19 workload, which we also have.

20 And, so, we certainly might have filed
21 this sooner than we did. We could have filed a
22 response, as we tried to do in another storm
23 docket, we probably could have filed something a
24 week earlier, and we'll keep that in mind for the

1 future.

2 CHAIRMAN GOLDNER: Thank you. It just
3 avoids everyone --

4 MS. SCHWARZER: Of course.

5 CHAIRMAN GOLDNER: -- having to
6 scramble at the last minute.

7 Because, you know, I can see both
8 sides. On the one hand, if we provide the extra
9 three months, then we don't have to come back and
10 have potentially another hearing after April, the
11 audit comes in, there's some change, now we have
12 to have two hearings. So, that's kind of an
13 administrative burden. Totally understand that.

14 On the other hand, you know, having a
15 hearing in April, and saving the money for
16 ratepayers, at 4 percent, is certainly appealing
17 with, you know, temporary or interim rates.

18 So, I just wanted to give you, Attorney
19 Schwarzer, a chance to comment on the trade-offs
20 that the Commission is facing?

21 MS. SCHWARZER: If we're going to take
22 a brief break, could I have an opportunity to
23 reflect with my team about what the trade-offs
24 would be?

1 CHAIRMAN GOLDNER: Sure.

2 MS. SCHWARZER: Thank you.

3 CHAIRMAN GOLDNER: Sure. Thank you.

4 Attorney Campbell, would you like to
5 comment before or after the break?

6 MR. CAMPBELL: Please. I would just
7 like to say, in the letter I filed yesterday, I
8 put together a procedural schedule with an
9 April 24th hearing date.

10 We're willing to be flexible on that
11 schedule, if the Commission thinks an April 24th
12 hearing date is the basis on which we should --
13 on which we'll proceed, we're willing to work
14 with the Department to change those dates, and
15 see what works for them, to get to an April 24th
16 hearing date.

17 CHAIRMAN GOLDNER: I think the
18 challenge, maybe you could talk about it at
19 break, too, is that the -- this two-step process,
20 one of the things that, you know, if the audit
21 shows something, now we have two hearings,
22 instead of one. So, maybe discuss that as well
23 at the break please.

24 MR. CAMPBELL: Okay.

1 CHAIRMAN GOLDNER: So, it sounds good.
2 Is ten minutes enough? Fifteen minutes? Which
3 would you prefer?

4 MR. CAMPBELL: Fifteen sounds good to
5 me, if that works for Attorney Schwarzer.

6 MS. SCHWARZER: That's certainly
7 acceptable. Thank you, Mr. Chairman.

8 CHAIRMAN GOLDNER: Okay. Let's return
9 at 2:00 p.m. sharp. Thank you. Off the record.

10 *(Recess taken at 1:44 p.m., and the*
11 *prehearing conference reconvened at*
12 *2:08 p.m.)*

13 *[Brief off-the-record discussion ensued*
14 *regarding redacted transcripts*
15 *remaining outstanding.]*

16 CHAIRMAN GOLDNER: All right. And
17 let's go back on the record, and begin with
18 Attorney Schwarzer.

19 MS. SCHWARZER: Thank you, Mr.
20 Chairman.

21 There are two citations I would like to
22 provide to the Commission in response to
23 discussions earlier. And, then, the Company and
24 the Department have reached agreement on a

1 proposed schedule that I'd be happy to share with
2 the Commission.

3 So, the first question was testimony
4 where Unitil declined to increase the MSCRF rate,
5 and that is in Docket 18-036, the testimony of
6 David Chong, Page 20 to 21, I can get you the
7 date in a second, his prefiled testimony.

8 Sorry, I'm going to have to get you a
9 date in a second, because, before I read it,
10 there was no docket number on it, and I'm going
11 to have to go back. So, let me get the date in a
12 moment of the testimony.

13 The testimony in that docket, based on
14 the petition as originally filed, the question
15 is: "Are you requesting a permanent increase to
16 the current level of the MSCR amortization of
17 \$800,000?" And the answer is: "No, Unitil is
18 not requesting a permanent increase", and they
19 explain -- they go on to explain why not. March
20 16th, 2018.

21 And, then, the other important
22 testimony that we wanted to provide to the
23 Commission has to do with Unitil's description
24 earlier that a proposal by Unitil to transfer an

1 EADIT credit to compensate -- to cover the Major
2 Storm Cost Reserve balance using the EADIT
3 offset, our Donna Mullinax, who testified in
4 Docket -- whose prefiled testimony in Docket
5 21-030, from November 23rd, 2021, at Tab 67,
6 explains that "The Excess Accumulated Deferred
7 Income Taxes, or EADIT, represents a liability
8 for amounts collected from ratepayers for taxes
9 that are no longer owed to the government.
10 Normally, utilities should return the EADI" --
11 excuse me. "Normally, utilities should return
12 the EADIT to customers." And she goes on to
13 explain why she is rejecting Unutil's proposal to
14 use that EADIT to reduce the year-end 2020 MSCR
15 under-recovery balance.

16 So, with those two citations, the
17 Department and the Company spoke during the
18 break. We are in agreement that the Department
19 will file a technical session [statement?] on
20 May 10th of this year. We propose a hearing on
21 or about May 26th. And for rates, however that
22 might be proposed, on June 1, 2024.

23 We have not checked our calendars. And
24 I will file a letter, subject, you know, with

1 checking with everybody's calendars to make sure
2 that those dates are workable. And, if the
3 Commission requires it, we can certainly propose
4 a couple alternative hearing dates that, you
5 know, that you'd be able to chose among.

6 CHAIRMAN GOLDNER: That would be
7 helpful. Yes, normally, it's Tuesday, Wednesday,
8 Thursday. And the Commission calendar will show
9 us booked if there's any already-booked hearings.

10 MS. SCHWARZER: So, that is the
11 proposal. I'm not sure the Commission is still
12 interested in hearing about the trade-offs at
13 this point in time, if we've agreed upon a
14 schedule, and you have your citations.

15 CHAIRMAN GOLDNER: I think that would
16 be fine. And this would be for an effective date
17 when?

18 MS. SCHWARZER: Of June 1, 2024.

19 CHAIRMAN GOLDNER: June 1, okay.

20 MS. SCHWARZER: It is our expectation
21 that an audit would be completed at that time.

22 CHAIRMAN GOLDNER: Okay. And would the
23 audit be completed on May 31st, or some, you
24 know, a few weeks, a buffer?

1 MS. SCHWARZER: We believe that our
2 tech statement would reflect the Department's
3 audit and regulatory position.

4 CHAIRMAN GOLDNER: Okay. Because I
5 think we'd want that a couple weeks ahead of time
6 for review. So, if you could just provide that
7 feedback, please.

8 MS. SCHWARZER: We would normally
9 attach that, and anticipate attaching it to the
10 tech statement on May 10th.

11 CHAIRMAN GOLDNER: May 10th. Okay.
12 Even better.

13 Okay. Great. Thank you, Attorney
14 Schwarzer.

15 Attorney Campbell, anything? Any other
16 comments?

17 MR. CAMPBELL: Nothing to add. I think
18 the question you asked was the right one, about
19 the balancing of administrative efficiency and
20 the additional interest cost to customers.
21 That's what we discussed, and that's how we
22 landed on these dates.

23 CHAIRMAN GOLDNER: Okay. Okay. Well,
24 I'll thank everyone for an effective break.

1 MS. SCHWARZER: Excuse me?

2 CHAIRMAN GOLDNER: Yes, Attorney

3 Schwarzer.

4 MS. SCHWARZER: I'm sorry, Mr.

5 Chairman. I'm told that the PUC calendar only

6 goes through May 5th.

7 CHAIRMAN GOLDNER: Well, happily, I
8 have the calendar right here. So, what would you
9 want -- what dates did you want to look at, I can
10 tell you right now?

11 MS. SCHWARZER: I don't know what's
12 available the week of May 26th.

13 CHAIRMAN GOLDNER: May 26th, okay. Let
14 me look.

15 So, the 28th is open. The morning of
16 the -- well, I'll just say the 28th is open.
17 And --

18 CMSR. SIMPSON: The 30th.

19 CHAIRMAN GOLDNER: And the 30th is also
20 open.

21 MS. SCHWARZER: Tuesday and Thursday.
22 Thank you very much.

23 CHAIRMAN GOLDNER: So, if it's going to
24 be effective on June 1st, which is actually a

1 Saturday, so it would really be June 3rd, then we
2 would need to have a hearing no later than the
3 28th.

4 MS. SCHWARZER: Okay. And I hesitate
5 to ask, because I know you have specific writing
6 days and hearing days, but would the 27th be a
7 possibility?

8 CMSR. SIMPSON: It's a holiday.

9 MS. SCHWARZER: Oh, it's a holiday.
10 What else do you have?

11 CHAIRMAN GOLDNER: You know, I wouldn't
12 schedule it on a Monday anyway. But, yes, that's
13 a --

14 MS. SCHWARZER: The 23rd?

15 CHAIRMAN GOLDNER: Twenty-third, we
16 have a hearing day with Eversource, it looks
17 like.

18 MS. SCHWARZER: The 24th before the
19 Memorial Day Holiday seems ill-advised.

20 CHAIRMAN GOLDNER: Yes. No, we don't
21 schedule on Fridays anyway. We have -- looks
22 like the 20 -- no. No, the week of the 21st is
23 NECPUC. So, the Commissioners are all out that
24 week.

1 MS. SCHWARZER: Oh. So, it sounds like
2 the 28th is our day.

3 CHAIRMAN GOLDNER: Afternoon of the
4 23rd is possible.

5 MS. SCHWARZER: Okay.

6 CHAIRMAN GOLDNER: So, if you want to
7 encounter Commissioners after an all-week
8 conference and a hearing in the morning, --

9 MS. SCHWARZER: Okay. I mean, absent
10 an unavoidable conflict, I don't know what
11 people's, you know, I'm not sure what the 28th
12 is. But thank you have he much.

13 CHAIRMAN GOLDNER: Yes. So, the 28th
14 is what I -- do you guys want to go with the 28th
15 for a hearing?

16 MS. SCHWARZER: No one sitting here has
17 been able to check their calendars, we've been
18 engaged in other conversations. But this is
19 broad, unless you would like to check it?

20 *[Atty. Schwarzer conferring with*
21 *multiple NH DOE representatives.]*

22 CHAIRMAN GOLDNER: So, I would just --
23 I'll wait for everyone to confer.

24 MR. CAMPBELL: Just so I -- my

1 apologies. So, if it's a June 3rd order date,
2 I'm not sure how that works with a June 1st
3 effective date for the tariff?

4 CHAIRMAN GOLDNER: Yes. That would be,
5 I mean, because we -- even if we had the hearing
6 on the 28th, and we issued the order by Friday,
7 the 31st, you probably don't have time to
8 implement it --

9 MR. CAMPBELL: Right.

10 CHAIRMAN GOLDNER: -- on your side.
11 So, --

12 MR. CAMPBELL: I think we'd have to
13 hold the bills, correct?

14 *[Mr. Goulding indicating in the*
15 *negative.]*

16 CHAIRMAN GOLDNER: So, I would say
17 then, the sixteenth is probably the next best
18 bet. Because that's a Thursday, it would give
19 you plenty of time -- well, that's plenty of time
20 to write the order and the Company to implement.
21 So, I would throw out that May 16th is probably
22 the best option.

23 MS. SCHWARZER: Mr. Chairman, if we
24 turn in our tech statement on the 10th, exhibits

1 will be due the day before our tech statement is
2 issued.

3 CHAIRMAN GOLDNER: Uh-huh. If that's
4 enough time for the Company, I think that's
5 enough time for the Commission.

6 MR. CAMPBELL: That would be fine by
7 the Company.

8 MS. SCHWARZER: Okay.

9 CHAIRMAN GOLDNER: Commissioner
10 Simpson?

11 CMSR. SIMPSON: Let me just ask
12 Attorney Schwarzer. So, you're saying that you
13 would need, if we scheduled the hearing for the
14 16th, then the 9th is the day that exhibits need
15 to be prefiled? That's what you're saying?

16 MS. SCHWARZER: Correct. But we would
17 not have our tech session [statement?] filed
18 until the 10th. And, so, maybe we can agree that
19 all exhibits could be filed on May 10th?

20 CHAIRMAN GOLDNER: If that's acceptable
21 to the Company, the Commission can work with
22 that?

23 MR. CAMPBELL: That's fine by the
24 Company.

1 CHAIRMAN GOLDNER: Okay.

2 MS. SCHWARZER: Thank you.

3 CHAIRMAN GOLDNER: So, let's make that
4 the plan of record.

5 And, Attorney Schwarzer, you mentioned
6 that you'll publish a summary after your
7 technical session?

8 MS. SCHWARZER: I will file a letter to
9 the Commission asking your formal approval of a
10 proposed schedule.

11 CHAIRMAN GOLDNER: Okay.

12 MS. SCHWARZER: Thank you.

13 CHAIRMAN GOLDNER: That's perfect. All
14 right. Anything else?

15 *[No verbal response.]*

16 CHAIRMAN GOLDNER: Anything else,
17 Attorney Schwarzer, today?

18 MS. SCHWARZER: No thank you, Mr.
19 Chairman.

20 CHAIRMAN GOLDNER: Attorney Campbell,
21 anything else?

22 MR. CAMPBELL: No thank you.

23 CHAIRMAN GOLDNER: Okay. All right.

24 Well, I'll thank everyone for their participation

1 today. We'll issue a prehearing order in due
2 course. And we are adjourned. Thank you.

3 ***(Whereupon the prehearing conference***
4 ***was adjourned at 2:18 p.m.)***

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