

*ORIGINAL*

RE: DE 24-046

PUC HEARING

September 23, 2024



**AVICORE REPORTING**

15 Constitution Drive, Suite 1A • Bedford, NH 03110 • (603) 666-4100  
info@avicorereporting.com • www.avicorereporting.com

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

September 23, 2024, 1:00 p.m.  
21 South Fruit Street, Suite 10  
Concord, New Hampshire

ORIGINAL

RE: DE 24-046  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
d/b/a EVERSOURCE ENERGY  
2024 ENERGY SERVICE SOLICITATIONS

PRESENT: Chairman Daniel C. Goldner, Presiding  
Cmsr. Pradip K. Chattopadhyay  
Alexander Speidel, Esq., Legal Advisor

APPEARANCES:

Reptg. Public Service Company of  
New Hampshire d/b/a Eversource:  
David K. Wiesner, Esq.

Reptg. New Hampshire Dept. of Energy  
Matthew C. Young, Esq.

Reptg. Residential Ratepayers:  
Donald M. Kreis, Esq.  
Office of the Consumer Advocate

Stenographer: Nancy J. Theroux, NH LCR No. 100

	I N D E X	PAGE
1		
2		
3	INTRODUCTORY COMMENTS BY CHAIRMAN GOLDNER	4
4	APPEARANCES TAKEN	6
5		
6	WITNESSES: PARKER LITTLEHALE, YI-AN CHEN	
7	Witnesses sworn	14
8	Direct by Mr. Wiesner	14
9	Cross by Mr. Young	23
10	Cross by Mr. Kreis	28
11	Redirect by Mr. Wiesner	63
12		
13	QUESTIONS BY THE COMMISSION:	
14	By Chairman Goldner	40
15	By Cmsr. Chattopadhyay	58
16		
17	WITNESS: DR. MARC VATTER	
18	Witness sworn	69
19	Direct by Mr. Kreis	70
20	Cross by Mr. Wiesner	82
21		
22	CLOSING ARGUMENTS:	
23	By Mr. Young	105
	By Mr. Kreis	106
	By Mr. Wiesner	109
	* * *	

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

E X H I B I T S

EXHIBITS NO.	DESCRIPTION	PAGE
4	Pre-filed Testimony of Parker Littlehale and Yi-An Chen dated 7/30/2024	105
5	Direct Testimony of Marc Vatter for the OCA, dated 9/13/2024	105
6	9/10/2024 Eversource Energy Record Response RR-004	105

\*\*\*

1 P R O C E E D I N G

2 CHAIRMAN GOLDNER: Okay. Good  
3 afternoon. This is the hearing on the Eversource  
4 proposal made pursuant to a Commission directive  
5 presented in Order No. 27,022 and filed on July  
6 30th, 2024, for market-based default service  
7 energy procurement reforms considered here in  
8 Docket 24-046.

9 I'm Commissioner Goldner, and I'm  
10 joined today by Commissioner Chattopadhyay. The  
11 Supplemental Order of Notice regarding this phase  
12 of the proceeding was issued by the Commission on  
13 August 30th -- sorry -- August 23rd, 2024.

14 Subsequent procedural orders issued by  
15 the Commission on August 28th, August 30th, and  
16 September 18th, rescheduled our hearing in this  
17 matter to today's date, granted the OCA and other  
18 interested parties leave to file testimony in  
19 this proceeding, issued a Commission record  
20 request propounded by the Company, and granted  
21 the NRG Retail Company's motion to intervene.

22 Eversource filed its responses to the  
23 Commission record requests, including

1 confidential schedules, on September 10th. The  
2 OCA filed its testimony of Dr. Marc Vatter on  
3 September 13th. And the DOE also filed a  
4 position statement presented by Attorney Young  
5 regarding these matters on September 13th.

6 The Company requests a Commission  
7 decision on this proposal no later than October  
8 15th. We only have this afternoon to address  
9 this proposal at hearing prior to October 15th  
10 due to other Commission scheduling commitments,  
11 so we need to have a focused and efficient case  
12 presentation format today.

13 The Commission definitely wants to  
14 hear from Dr. Vatter at today's hearing on the  
15 stand; however, we may wish to take up the  
16 substance of Dr. Vatter's recommendations and  
17 those points discussed in the DOE position  
18 statement at a later date, after rendering a  
19 decision on the discrete proposals made by  
20 Eversource on July 30th. We also wish to give  
21 scope to the parties for brief closing  
22 statements.

23 In light of this, we'll adopt the

1 order of witnesses approach presented by the  
2 Company in its September 16th filing. First  
3 we'll hear from the Company panel of Ms. Chen and  
4 Mr. Littlehale, followed with a brief recess.  
5 We'll then have Dr. Vatter take the stand for the  
6 OCA.

7 We note the proposed Exhibits 4 and 5  
8 presented in the Company's September 16th list.  
9 Also, the Commission wishes to assign hearing  
10 Exhibit 6 -- 6 to the Company's data request  
11 responses filed on September 10th with the  
12 Commission.

13 We will take simple appearances from  
14 the parties momentarily. We will ask each party  
15 to indicate whether they have any objections to  
16 those proposed exhibits.

17 Okay. We'll now take appearances from  
18 the parties, beginning with the Company, asking  
19 if anyone has any objections to the proposed  
20 exhibits.

21 MR. WIESNER: Good afternoon,  
22 Mr. Chairman, Commissioner Chattopadhyay. David  
23 Wiesner representing Public Service Company of

1 New Hampshire, doing business as Eversource  
2 Energy.

3 Clarifying question. Exhibit 6 would  
4 be all four request responses; is that correct?

5 CHAIRMAN GOLDNER: Correct.

6 MR. WIESNER: That's fine with us.

7 And you mentioned the order of witnesses. We had  
8 thought that it might make sense to have our  
9 witnesses address the Company's proposal to  
10 expand direct wholesale market participation for  
11 default service procurement at this time, and  
12 then let Mr. or Dr. Vatter -- I'm not sure what  
13 the preference is -- to take the stand and  
14 explain the OCA's proposal. And then have our  
15 witnesses, in particular, Mr. Littlehale, come  
16 back and speak to that proposal.

17 So that's sort of a hearing within a  
18 hearing, if you will, but, to us, I think that  
19 made the most sense, and I'm hopeful we can do  
20 that in an efficient way that doesn't keep us  
21 here late.

22 CHAIRMAN GOLDNER: We have the  
23 advantage of having a similar hearing this

1 morning, and so I think we'll find that the  
2 proposed second round is unnecessary for  
3 Mr. Littlehale, given OCA's proposal which, I  
4 think, we all -- we, at least the Commissioners,  
5 understand.

6           So we can -- we could hold off on that  
7 request, Attorney Wiesner, and -- and consider it  
8 later. But I think, at this point, we could  
9 probably go with the Eversource witnesses and  
10 then Dr. Vatter, and then wrap up.

11           MR. WIESNER: So would the expectation  
12 be, then, that our witnesses would not address  
13 the OCA proposal today; is that --

14           CHAIRMAN GOLDNER: That's correct,  
15 based -- based on the, sort of -- what I would  
16 call the maturity of the proposal, meaning that  
17 the parties really haven't had a chance to really  
18 fully vet it and have a deeper conversation,  
19 which we talked about this morning.

20           MR. WIESNER: We had prepared as well  
21 some cross-examination --

22           CHAIRMAN GOLDNER: For sure, we would  
23 want to do that. Yes. Yes, absolutely.

1           We just wouldn't need the second round  
2 of witnesses.

3           MR. WIESNER: Okay. I think we can  
4 accommodate that.

5           CHAIRMAN GOLDNER: Okay. Yes. But  
6 for sure, we would want to hear the cross today,  
7 yeah.

8           Okay. Very good. Is NRG here today?

9           Okay. NRG is not here today.

10          We'll move to the Office of the  
11 Consumer Advocate.

12          MR. KREIS: Good morning,  
13 Mr. Chairman. I'm Donald Kreis, the Consumer  
14 Advocate, here on behalf of the residential  
15 customers of this utility. We have no objections  
16 to Exhibits 4 or 5 being entered into evidence.  
17 I don't think I have any objections to Exhibit 6  
18 being entered into evidence either.

19          I do have comments on the colloquy you  
20 had with Attorney Wiesner, though. I think -- I  
21 guess, if you recall from the morning's hearing,  
22 I asked the witnesses from that utility if they  
23 had any response to Mr. Vatter's testimony, and

1 their answer was, essentially, no, we haven't  
2 really read it very carefully. We aren't really  
3 in a position to comment.

4           Apparently, from what Mr. Wiesner just  
5 told you, these witnesses are in a position to  
6 comment, and, frankly, I was planning on asking  
7 them the same question, and it sounds like the  
8 answer they're going to give is gonna be a lot  
9 more substantive than what the witnesses for the  
10 utility did.

11           We presented a proposal -- first, we  
12 asked the Commission for leave to present --  
13 well, first, we were told several months ago that  
14 our concerns about the proposed changes to the  
15 procurement methodology were premature, and that  
16 they would be ripe for consideration at this  
17 hearing and the other two hearings that are  
18 comparable to it for the other two utilities.

19           So we decided to submit testimony with  
20 what we consider an alternative to default energy  
21 service. And we asked for leave to file the  
22 testimony. The Commission said yes. The  
23 Commission then said, and you can have some --

1 the other parties can have some time to conduct  
2 discovery.

3           There hasn't been any. And so now  
4 everybody seems to just assume that what we filed  
5 was just some sort of trial balloon. But we  
6 don't consider it a trial balloon. And if the  
7 other parties and the Commission just want to  
8 say, well, no, or not now, you are potentially  
9 opening this proceeding up to a motion for  
10 rehearing from the Office of the Consumer  
11 Advocate, if everybody just kind of shrugs and  
12 doesn't consider what we asked the Commission to  
13 approve.

14           CHAIRMAN GOLDNER: I think there's a  
15 distinction worth, at this point, making, which  
16 was, Attorney Wiesner's suggestion was that his  
17 witnesses take the stand again after the OCA.  
18 The suggestion from the bench was that that is  
19 unnecessary between cross and direct testimony.  
20 We can get everything that we need on  
21 Dr. Vatter's testimony and the witness testimony  
22 in the normal course. That's the distinction.

23           MR. KREIS: I'm happy to handle it

1 that way, if that's your pleasure, Mr. Chairman.

2 I don't know what the Eversource  
3 witnesses are going to say, when I ask them what  
4 their evaluation of Mr. Vatter's testimony was,  
5 so I guess I'll -- I'll be surprised along with  
6 everybody else.

7 CHAIRMAN GOLDNER: Yes. Okay. So I  
8 just wanted to make sure everyone was okay with  
9 the process, because all I'm suggesting is we go  
10 through it in the normal course, as opposed to  
11 bringing Eversource witnesses back at the end.  
12 That's the only distinction. No limits on  
13 questions.

14 The comment before, Attorney Kreis,  
15 may have been more on specificity. Dr. Vatter  
16 said, both in his testimony and this morning,  
17 which I know is not this docket, was that there  
18 was not a specific proposal; it was more a  
19 concept that Dr. Vatter wanted to put in front of  
20 the Commission and the parties.

21 That's the -- the specificity  
22 distinction is the one that I think I'm making.

23 MR. WIESNER: And I'll just add, if I

1 might, that our witnesses are prepared to give  
2 their, sort of, preliminary reaction to the  
3 proposal and their preliminary thoughts, but we  
4 -- we haven't had a lot of time to fully evaluate  
5 it, and I think you suggested you heard something  
6 similar from Liberty this morning, so I -- for  
7 what's that worth.

8 CHAIRMAN GOLDNER: Okay.

9 MR. WIESNER: I guess we'll just see  
10 how it goes.

11 CHAIRMAN GOLDNER: Yeah, let's see how  
12 it goes, and at the end, if there's a need for  
13 additional testimony, we can certainly -- we can  
14 certainly consider -- consider that.

15 Anything else, Attorney Kreis, before  
16 I move to the Department?

17 MR. KREIS: Nothing for me.

18 CHAIRMAN GOLDNER: Okay. Thank you.

19 We'll move now to the New Hampshire  
20 Department of Energy.

21 MR. YOUNG: Thank you, Mr. Chairman.  
22 My name is Matthew Young on behalf of the  
23 Department of Energy. I'm here with Elizabeth

1 Nixon, who is the Director of the Electric  
2 Division.

3 We have no objections to any of the  
4 three -- I believe three proposed exhibits, and  
5 no further comment. Thanks.

6 CHAIRMAN GOLDNER: Thank you. Okay.  
7 So let's move on to Eversource's witnesses. One  
8 at a time. Could you please state your name for  
9 the record.

10 MS. CHEN: Yi-An Chen.

11 MR. LITTLEHALE: Parker Littlehale.

12 CHAIRMAN GOLDNER: And could you raise  
13 your right hands and reply one at a time.

14 (Whereupon, YI-AN CHEN and  
15 PARKER LITTLEHALE were duly sworn  
16 by Chairman Goldner.)

17 CHAIRMAN GOLDNER: Thank you. The  
18 witnesses are ready for direct.

19 MR. WIESNER: Thank you, Mr. Chairman.  
20 And I will try to keep these preliminaries brief.

21 DIRECT EXAMINATION

22 BY MR. WIESNER:

23 Q. And so I will start with Mr. Littlehale and ask

1 if you can please state your name and your -- and  
2 the title of your role at Eversource for the  
3 record.

4 A. (Littlehale) My name is Parker Littlehale, and I  
5 am a Manager of Wholesale Power Supply in the  
6 Electric Supply Department of Eversource Energy.

7 Q. And what are your responsibilities in that role  
8 with the Company?

9 A. (Littlehale) I oversee the process required to  
10 fulfill power supply requirement obligations of  
11 PSNH, including overseeing solicitations of the  
12 competitive procurement of power for energy  
13 service and supervising the fulfillment of  
14 related renewable portfolio standard obligations.

15 Q. And have you previously testified before this  
16 Commission?

17 A. (Littlehale) Yes, I have testified in prior  
18 energy service rate adjustment dockets.

19 Q. Did you file testimony on July 30th, which has  
20 been marked for identification as Exhibit 4?

21 A. (Littlehale) Yes, I did.

22 Q. And was that testimony prepared by you or at your  
23 direction?

1 A. (Littlehale) Yes, it was.

2 Q. Do you have any changes or updates to make at  
3 this time?

4 A. (Littlehale) No, I do not.

5 Q. And do you adopt your testimony today as it was  
6 written and filed?

7 A. (Littlehale) Yes, I do.

8 Q. And now turning to Ms. Chen. Again, for the  
9 record, would you please state your name and your  
10 title and role with Eversource?

11 A. (Chen) Sure. My name is Yi-An Chen, and I'm  
12 Director of New Hampshire Revenue Requirements.

13 Q. And what are your responsibilities in that role?

14 A. (Chen) I am responsible for the coordination and  
15 implementation of revenue requirements  
16 calculation and regulatory filings, such as,  
17 energy service for the Company.

18 Q. Have you previously testified before the  
19 Commission?

20 A. (Chen) Yes, I have testified in a number of  
21 different dockets.

22 Q. And did you file testimony on July 30th, which  
23 has been marked for identification as Exhibit 4?

1 A. (Chen) Yes, I did.

2 Q. Do you have any changes or updates to make to  
3 that testimony?

4 A. (Chen) No, I do not.

5 Q. And that testimony was prepared by you or at your  
6 direction; is that right?

7 A. (Chen) Yes.

8 Q. And do you adopt your testimony today as it was  
9 written and filed?

10 A. (Chen) Yes, I do.

11 Q. And I'll turn back to Mr. Littlehale and ask if  
12 you could provide a brief summary of the  
13 Company's proposal to expand its procurement of  
14 energy supply to increase direct participation in  
15 the ISO New England wholesale markets?

16 A. (Littlehale) As directed by the Commission, we  
17 developed a proposal to expand direct  
18 participation in the ISO New England wholesale  
19 market for the default service supply  
20 procurement. We are proposing to procure 30  
21 percent of small customer group and 100 percent  
22 of large customer group load requirements  
23 directly through ISO New England.

1           The Company is proposing 30 percent  
2 for the small customer load, because 30 percent  
3 complied with Order No. 27,022. As mentioned in  
4 previous hearings and testimony, ISO New England  
5 market-based procurement shifts risk from  
6 wholesale suppliers to customers. The initial  
7 change to serving 12.5 percent of small customer  
8 group load through direct ISO New England market  
9 participation has been happening for less than  
10 two months, and the impacts of that change are  
11 not yet fully known.

12           The Company believes that any further  
13 increase in the ISO New England market-based  
14 procurements beyond 12.5 percent should be done  
15 in a gradual and prudent manner, allowing  
16 additional time and data points to accumulate  
17 that will enable stakeholders to understand the  
18 benefits and costs more fully.

19           Moving to ISO New England market-based  
20 procurements for 12.5 -- 12.5 percent for small  
21 customer group load for August 2024 through  
22 January 2025, followed by 30 percent for the  
23 February 2025 through July 2025 rate period,

1 achieves that incremental and prudent objective.

2           The remaining 70 percent of small  
3 customer group load will be supplied by wholesale  
4 suppliers selected through a competitive  
5 solicitation process for five tranches of 14  
6 percent.

7           As I have said before, it is important  
8 to note that the future is highly unpredictable,  
9 and energy markets remain volatile. Should  
10 future spot market-based costs come in higher  
11 than the self-supplied proxy rate set in advance  
12 of the rate period, it would result in an  
13 under-collection that would necessitate cost  
14 recovery from customers through a successive rate  
15 period reconciliation.

16           This dynamic can be seen in RR-0304,  
17 Page 5 of 10. The August 2021 through January  
18 2022 rate period saw higher spot market prices  
19 than the accepted rate from suppliers. You can  
20 see 9.4 cents versus 8.4 cents per kilowatt hour.

21           It is also worth mentioning that the  
22 8.4 cents per kilowatt hour is the default  
23 service rate that was based on full requirements

1 with third-party suppliers and not necessarily  
2 the self-supplied proxy rate that will be  
3 utilized going forward when serving load through  
4 spot market costs.

5 If the self-supply rate for August  
6 2021 through January 2022 had been based on the  
7 self-supply proxy rate methodology as directed by  
8 the Commission, then the 8.4 cents would actually  
9 have been lower than quoted in that table.

10 Q. And, Mr. Littlehale, you mentioned proxy prices.  
11 Could you briefly describe how the Company plans  
12 to prepare proxy prices to be used in the energy  
13 service rate calculation with respect to the  
14 self-supplied portion for small customer and  
15 large customer group load?

16 A. (Littlehale) As directed by the Commission, we  
17 will calculate a proxy price for the market-based  
18 procurement portion as the average of the  
19 four-year rolling average of the ISO New England  
20 market prices in New Hampshire load zone, with  
21 the future prices for the upcoming six-month  
22 energy service period for ISO New England. The  
23 six monthly proxy prices would then be averaged

1 on a load-weighted basis to calculate a single  
2 self-supplied proxy price.

3 It is worth mentioning that NYMEX  
4 recently announced that as of August 24th, 2024,  
5 they have discontinued publishing their power  
6 market forward data, including its ISO New  
7 England forward market pricing data.

8 We are currently evaluating  
9 alternative sources, such as OTC Global and/or  
10 Amerex, but given this recent announcement from  
11 NYMEX, we will have to use an alternative data  
12 provider for power market forward prices.

13 Q. Thank you, Mr. Littlehale.

14 I'll turn now to Ms. Chen. Could you  
15 please describe how the Company plans to recover  
16 its costs of energy service supply and  
17 procurement?

18 A. (Chen) Yes. The Company does not propose any  
19 modifications to the current effective cost  
20 recovery methods for energy service.

21 Under the current methodology, the  
22 Company recovers the costs of providing energy  
23 service by charging customers a rate that

1 reflects its procurement costs.

2           If the energy service revenue  
3 collected is over or under the cost of  
4 procurement, the cost -- the over- or  
5 under-recovered balance is then collected through  
6 the reconciliation adjustment factors for small  
7 and large customers.

8           In regards to -- Mr. Littlehale noted  
9 earlier on the potential large under-recovery  
10 that can result from the Company's starting load  
11 in the spot market and the use of a proxy price  
12 to set rates in advance. I will also note that  
13 increases in spot market purchases will also tend  
14 to increase the Company's related working capital  
15 requirements due to the shorter and more frequent  
16 timeframes for settlement and payment that apply  
17 in the ISO New England markets.

18           And if the Commission believes that  
19 the Company should serve 30 percent or more in  
20 the spot market, the Company believes a  
21 non-bypassable charge should be utilized for  
22 those over- or under-collections, including any  
23 associated cash working capital requirements.

1                   In the recent order, the Commission  
2                   directed the Company to prepare and file a  
3                   proposal for integration of the reconciliation  
4                   adjustment factor charges into collection through  
5                   the stranded cost recovery charge, the SCRC.  
6                   However, that change in recovery has not yet been  
7                   approved or developed for filing yet, as the  
8                   filing is due in November of this year.

9    Q.    Thank you, Ms. Chen.

10                   Consistent with the discussion that we  
11                   had at the outset of this hearing, I will not ask  
12                   you questions about the Company's preliminary  
13                   views of the Consumer Advocate's proposal, but  
14                   others may have questions.

15                   MR. WIESNER:   So I have no further  
16                   questions on direct, Mr. Chairman.

17                   CHAIRMAN GOLDNER:   Thank you.   We'll  
18                   move to cross, beginning with the New Hampshire  
19                   Department of Energy.

20                   MR. YOUNG:   Thank you, Mr. Chairman.

21                   CROSS-EXAMINATION

22    BY MR. YOUNG:

23    Q.    My first question, I think, is to Mr. Littlehale.

1 I think you just mentioned this. Did you say  
2 NYMEX is no longer publicly publishing their --  
3 the data points?

4 A. (Littlehale) That's correct.

5 Q. So now, is it through a subscription-based model?

6 A. (Littlehale) Yeah. We have always accessed the  
7 NYMEX through a third-party data supplier. We go  
8 through S&P Global, and they recently sent out an  
9 announcement that those NYMEX prices are no  
10 longer available. They have been discontinued.

11 So we have some alternative data  
12 providers that we're familiar with and we've used  
13 to supplement in the past. And part of it's  
14 worth mentioning to ensure that all stakeholders  
15 are aware, but we also understand that, in the  
16 Commission order around the establishment of the  
17 proxy price, NYMEX was specifically referenced,  
18 and we just want to ensure that, again, folks are  
19 aware, and we'll have to use an alternative  
20 forward provider moving forward.

21 Q. Thank you. Ms. Chen, I believe you referenced  
22 the financial impacts of the increased  
23 settlements with ISO and, I guess, how that could

1 impact the Company's cash working capital.

2 Has the Company had a chance yet to  
3 kind of look into the impacts? I know it hasn't  
4 been very long, but --

5 A. (Chen) No. So I believe we also noted that in  
6 our testimony on -- submitted on July 30th, that  
7 the Company will review that in more detail prior  
8 to the next filing, and then also read anything  
9 that's -- that comes out of this hearing or  
10 subsequent orders, if any.

11 Q. So, if the -- I guess, has anyone raised any  
12 concerns to date then, red flags, anything like  
13 that?

14 A. (Chen) Can you define a little bit more on the  
15 concerns it reflects?

16 Q. Sure. I guess the previous model had the Company  
17 providing payments to the supplier once a month.  
18 I believe now there's two payments per week going  
19 to ISO New England. And I guess the Department  
20 is just interested in understanding how that is  
21 impacting the Company's cash working capital and  
22 how it might, I guess, moving forward; if there's  
23 been any issues that have come up since the

1 Company started doing this.

2 A. (Chen) My understanding with -- depending on  
3 what comes out of this hearing, there could be a  
4 little bit more payment frequency required for  
5 the ISO New England-related charges. So that is  
6 why, in my earlier testimony, I noted that there  
7 could be more cash working capital requirements,  
8 depending on what is ordered by the Commission.

9 Q. Okay. And I believe, Ms. Chen, you also  
10 discussed briefly the reconciliation. It  
11 doesn't -- I believe you said that reconciliation  
12 periods wouldn't change. Has the Company  
13 considered maybe a more frequent reconciliation  
14 request in the event of, you know, changes to  
15 energy prices over the year, just in order to, I  
16 guess, mitigate any under- or over-collection?

17 A. (Chen) For -- I appreciate the question. So in  
18 terms of the reconciliation, it's really more of  
19 a timing issue, because, ultimately, we are  
20 comparing the actuals that we are seeing versus  
21 the forecasted revenue and also procurement  
22 costs, plus some other energy, and then come up  
23 with a reconciliation factor, plus the

1 forward-looking cost and collections, and compare  
2 the two.

3 So it's -- the way that I can answer  
4 this question is we -- if we are ordered to do  
5 this more frequently, we can certainly implement  
6 that. Just keep in mind that, ultimately, it's  
7 just really a timing issue, and the Company  
8 really has not done this exercise, because we  
9 believe, ultimately, it's not, like, harming the  
10 customers or the customers can benefit from it  
11 other than probably just the monthly -- well,  
12 whether or not they see the monthly changes or  
13 more frequent changes, so it's more of  
14 administrative type of differences that we are  
15 seeing.

16 Q. Okay.

17 A. (Chen) And if I also can add, frequent changes  
18 to the rates can also cause confusion to the  
19 customers. Myself, as also a customer, so I can  
20 appreciate that if I know ahead of time what is  
21 my schedule going be like; whereas, if I have to  
22 constantly look into the market and compare  
23 different suppliers, and based on the different

1 rate that had been set more frequently, it would  
2 be more troublesome for myself.

3 MR. YOUNG: Thank you. I appreciate  
4 that thoughtful answer.

5 Mr. Chairman, I think that is all from  
6 the Department. Thank you.

7 CHAIRMAN GOLDNER: Thank you, Attorney  
8 Young. We can move now to the Office of the  
9 Consumer Advocate for cross.

10 MR. KREIS: Thank you, Mr. Chairman.  
11 I think I'll pick right up where we just left  
12 off.

13 CROSS-EXAMINATION

14 BY MR. KREIS:

15 Q. Ms. Chen, I heard you use a word that always sets  
16 off my antenna during your direct testimony, and  
17 that was "non-bypassable." That word doesn't  
18 appear anywhere in your pre-file testimony, does  
19 it?

20 A. (Chen) It was not in this -- in the testimony  
21 submitted on July 30th, but it was extensively  
22 discussed throughout this docket in multiple  
23 settings.

1 Q. Extensively discussed throughout this docket in  
2 which multiple settings?

3 A. (Chen) I believe it was in a hearing previously  
4 that it was discussed. And then, also, I believe  
5 in the order -- the Commission's order, it was  
6 also referenced.

7 Q. So I just want to make sure I understand what the  
8 Company is asking the Commission to approve  
9 today. Are you asking the Commission to approve  
10 a recovery mechanism that makes any  
11 under-recovery of default service recoverable  
12 through a non-bypassable charge to be paid by all  
13 customers rather than just customers taking  
14 default service?

15 A. (Chen) We are not making any modifications to  
16 our currently approved methodology of the default  
17 energy service rate calculation today.

18 The testimony that I referenced  
19 earlier was simply to address the -- what  
20 Mr. Littlehale has noted.

21 Q. So I guess where I'm having a little trouble  
22 understanding is, if -- if recovery of  
23 under-recoveries in default service are going to

1 be non-bypassable, then I don't understand how  
2 more frequent true-ups of default service under-  
3 or over-recoveries are just a timing issue. It  
4 seems to me that has a substantive impact on  
5 customers, especially those who will be asked to  
6 cover these under-recoveries.

7 A. (Chen) I'm sorry. I'm not sure I fully  
8 understood your question.

9 Q. Well, is it really just a, quote/unquote, timing  
10 issue? Doesn't it have some substantive impact  
11 on customers, or at least some of them?

12 A. (Chen) I do not see it that way, though. If we  
13 are not changing the methodology for default  
14 energy service calculation as of today, I do see  
15 that is really just a timing issue.

16 Q. I think I'm going to switch over to  
17 Mr. Littlehale.

18 Mr. Littlehale, in your direct  
19 testimony, you mentioned that we are just a  
20 little ways into the current six-month  
21 procurement period, and it is, as you also  
22 mentioned, the first procurement period in which  
23 Eversource is relying, to a limited extent, on

1 the spot market to meet its default energy  
2 service load. And you said that the impacts of  
3 that are not yet fully known.

4 So my question, maybe it's obvious,  
5 is: To what extent are the impacts known, given  
6 they're not fully known? In other words, is  
7 there anything we can say yet about the  
8 experience of relying for the -- relying on the  
9 spot market to the tune of 12.5 percent for the  
10 small customer class?

11 A. (Littlehale) To answer that question  
12 effectively, we won't know until the completion  
13 of the six-month rate period if utilizing a 12.5  
14 self-supply saves customer dollars or not.

15 Q. So we don't know anything about that yet?

16 A. (Littlehale) What we know to date so far, with  
17 roughly six to seven weeks' worth of data, is  
18 that the underlying wholesale market costs are  
19 coming in lower than the self-supply proxy rate.

20 Now, it's important to note that the  
21 self-supply proxy rate is a weighted-average,  
22 six-month calculation that's uniform over the six  
23 months, which blends, you know, higher-priced

1 months and lower-priced months.

2 So even if we're trending towards an  
3 over-collection, which means dollars would be  
4 returned to customers through six or seven weeks,  
5 that doesn't mean that's where we're going to end  
6 up, especially as we head towards the winter,  
7 higher-priced months.

8 So any further discussion or further  
9 read off six or seven weeks of data is premature,  
10 in my opinion.

11 Q. I'm not going to push back against that at all,  
12 except to say that that's an interesting answer,  
13 given that there were some -- there was at least  
14 one OP4 capacity deficiency event during August,  
15 which might suggest the opposite. And I guess  
16 I'm wondering whether you thought -- or why it is  
17 that those anomalies in August didn't lead to an  
18 upward pressure on the market part of default  
19 energy service?

20 A. (Littlehale) I believe you're referring to the  
21 event that took place on August 1st?

22 Q. Yes.

23 A. (Littlehale) And there was a price spike that

1 day. I think we have to recognize that that  
2 occurred, and those things have happened in the  
3 past, and it's been our testimony that these  
4 things will happen in the future. But that  
5 doesn't necessarily mean that just because there  
6 was a one-day pricing spike event, that -- you  
7 know, that the wholesale -- underlying wholesale  
8 market costs will come in higher than the  
9 self-supply proxy rate. It's a one-day data  
10 point.

11 Q. That makes sense. Or at least I have no basis to  
12 further badger you about that subject.

13 You also testified that Eversource  
14 favors a -- a -- I'm trying to think of the right  
15 word here. You testified that Eversource favors  
16 an evolution in the way that you procure default  
17 service, making those changes in a gradual and  
18 prudent manner. So you proposed moving from the  
19 current 12.5 percent to 30 percent.

20 If you had not been asked or directed  
21 to propose at least 30 percent, what would you  
22 have done in the interest of making sure that  
23 whatever changes we adopt are, in fact, done in a

1 gradually prudent manner?

2 A. (Littlehale) That's a hypothetical question.

3 The Commission ordered us to come up  
4 with a self-supply proposal of at least 30  
5 percent self-supply, and that's what we've done.

6 Q. Okay. But I did ask you a hypothetical question  
7 hoping that you would answer it.

8 A. (Littlehale) I don't have an answer to that.

9 Q. Why not?

10 A. (Littlehale) Because we're dealing with the  
11 facts that are in front of us, and the facts that  
12 are in front of us is we had to comply with the  
13 Commission order of creating a self-supply  
14 proposal of at least 30 percent for small  
15 customers and justify why we have selected the  
16 percentage that we did. And it's our opinion  
17 that our testimony that we filed on July 30th and  
18 the points that we're making today complies with  
19 the Commission order.

20 Q. We heard testimony this morning from Liberty  
21 Utilities about their proposal to migrate, for  
22 their small customer class, to a model that calls  
23 for a 50 percent reliance on the spot market, and

1           they justified that by basically saying it's sort  
2           of a one-for-one hedge, and they found some logic  
3           to that.

4                           What do you think of that idea?

5    A.   (Littlehale) I was not at the Liberty hearing.  
6           I cannot comment on that.

7    Q.   Have you had an opportunity to review what has  
8           been marked for identification as Exhibit 5? I'm  
9           referring to Dr. -- or Mr. Vatter's testimony.

10   A.   (Littlehale) Yes, I have.

11   Q.   And do you have an opinion about whether that  
12           presents a viable alternative for default service  
13           procurement?

14   A.   (Littlehale) So our perspective is the --  
15           Mr. Vatter's testimony highlights two main risks  
16           from our perspective. The first is volume risk.  
17           And that is the megawatt hours that are procured,  
18           which can be more or less than the ultimate  
19           default service load for the future rate period,  
20           which, under Mr. Vatter's proposal, is three  
21           years from now.

22                           The second major risk is price risk,  
23           which is associated with the purchase price

1 expressed in dollars per megawatt hour, which can  
2 be more or less than the ultimate spot market  
3 clearing price during the relevant future rate  
4 period.

5           So these risks are typically borne by  
6 the wholesale suppliers. And under the OCA's  
7 proposal, these risks are shifted from the  
8 supplier to the utilities. And in reviewing the  
9 testimony, one thing that we focused on was what  
10 is the financial obligation of entering into a  
11 three-year forward purchase as recommended by the  
12 Dr. Vatter testimony.

13           So we looked at future prices, which  
14 change daily. But last week, future prices for  
15 the August 2028 through January 2029 period  
16 averaged about \$60 a megawatt hour. So for  
17 context, the default service load for PSNH for  
18 2023 was 3 million megawatt hours. So if the  
19 Company were to enter into a commitment to  
20 purchase energy three years in advance -- let's  
21 say it's a million megawatt hours, so that's  
22 roughly a third of our default service load for  
23 2023. That financial commitment would be

1 approximately \$60 million. And because we  
2 procure for two six-month rate periods, we're  
3 talking something in the \$120 million range.

4 And, you know, that's not only a  
5 substantial amount of money, this energy that you  
6 procure on a forward basis is not full  
7 requirements or load-following energy; and,  
8 therefore, there would be periods where those  
9 hedges exceeded or fell short of satisfying  
10 customer demand. And the Company would be in a  
11 position to either liquidate, essentially, you  
12 know, purchases above the need, or purchase  
13 additional energy if it was short.

14 So it's a very lengthy docket --  
15 document, testimony. It's very complex. But our  
16 preliminary analysis is that we do not support a  
17 requirement to purchase energy three years in  
18 advance of the default service period.

19 The OCA's testimony highlights a  
20 period when forward prices were ultimately lower  
21 than spot prices, saving customers money, but the  
22 opposite is also true. Future prices can be  
23 higher than the spot market. So, from our

1 perspective, if customers want their supplier of  
2 choice to execute these types of hedging  
3 strategies, then competitive supplier and/or  
4 community aggregation programs are available to  
5 many, if not all, customers in this state.

6 It's not acceptable, from the  
7 Company's perspective, for the OCA witness to  
8 suggest that if a forecasted load does not appear  
9 for any reason, Eversource shareholders should  
10 bear the cost of any loss from forward market  
11 purchases that cannot be mitigated by liquidating  
12 the position in this spot market. The Company is  
13 not being paid to take risk on forward purchases,  
14 and -- as proposed by the OCA and, therefore,  
15 cannot be in a position to bear any risk of  
16 non-recovery. And without such a precondition  
17 approval by the Commission, it's our opinion that  
18 the OCA's proposal is unfeasible and  
19 unreasonable.

20 Q. Mr. Littlehale, could you tell me exactly where,  
21 in Exhibit 5, Mr. Vatter proposes that  
22 shareholders bear the risks that you were just  
23 describing?

1                   MR. WIESNER: In the interest of time,  
2                   I'll suggest that's to be found on the Bates  
3                   pages 19 and 20.

4                   THE WITNESS: (Littlehale) Thank you,  
5                   Attorney Wiesner.

6 BY MR. KREIS:

7 Q. If you could just give me a moment.

8                   Mr. Littlehale, assuming that the  
9                   Commission ultimately doesn't agree with you,  
10                  with respect to that emphatic position that you  
11                  just took on behalf of Eversource about the  
12                  proposal in Exhibit 5, is it your testimony that  
13                  the Company wouldn't undertake any efforts to  
14                  liquidate its positions or mitigate the extent to  
15                  which it's on the hook for costs it couldn't  
16                  recover?

17 A. (Littlehale) Again, Attorney Kreis, I think  
18                  that's a hypothetical question. It's our  
19                  position that we've seen a document. We have a  
20                  number of discovery questions -- or questions  
21                  that Attorney Wiesner would like to ask  
22                  Mr. Vatter. But what we've seen so far, what the  
23                  words say on the paper is -- is a proposal that

1 we deem as unreasonable and unfeasible for us to  
2 implement as outlined.

3 Q. Well, I don't know where you get the idea that  
4 I'm not allowed to ask you hypothetical  
5 questions, but I can tell you, as a matter of  
6 law, that that's not correct.

7 And with respect to the discovery  
8 questions that you just alluded to, are you aware  
9 that the Company had an opportunity to pose  
10 discovery questions of the OCA in this docket?

11 A. (Littlehale) That is my understanding of what  
12 takes place next, Attorney.

13 MR. KREIS: Okay. That's all the  
14 questions I have.

15 CHAIRMAN GOLDNER: Okay. We'll move  
16 now to Commissioner questions, beginning with  
17 Commissioner Chattopadhyay.

18 CMSR. CHATTOPADHYAY: I do not have  
19 any questions.

20 BY CHAIRMAN GOLDNER:

21 Q. All right. I just have a few.

22 So first, just on the nomenclature  
23 issue, I'll start with an easy one. The -- the

1 realtime market, I think of as the spot market,  
2 and the day-ahead market I call the wholesale  
3 market. How does Eversource refer to those  
4 respective markets?

5 A. (Littlehale) I don't use that same vernacular  
6 that you just outlined. In many ways, the -- the  
7 day-ahead and the spot market -- I'm sorry -- the  
8 day-ahead and the realtime market, in my opinion,  
9 my view, are both the, quote/unquote, spot  
10 market.

11 Q. Okay. Go ahead.

12 A. (Littlehale) In the discovery questions that we  
13 answered on September 10th, we got into some  
14 discussion around the day-ahead market and the  
15 realtime market, as we understand the differences  
16 between the two.

17 Q. And -- well, how would you distinguish between  
18 the nomenclature, wholesale market and spot  
19 market? Are those the same things or different  
20 things? I'm just trying to understand and use  
21 the right vocabulary.

22 A. (Littlehale) Yeah, I think they -- in my  
23 experience, they've been used interchangeably.

1 Q. Okay. Thank you.

2 Okay. I'm going to return to the  
3 working capital issue for just a moment. My  
4 recollection was that it was in this docket,  
5 though I didn't go back and check on it, and I  
6 might not be recalling. But I remember, in one  
7 of the three dockets, going through the working  
8 capital calculations and finding that -- that for  
9 between 10 and 20 percent of the load, the impact  
10 on working capital was sub 1 percent, so it was  
11 very small. Obviously, if we increase the amount  
12 to 30 percent, or what have you, then it would  
13 increase. But I recall it being a very, very  
14 small impact on the Company's working capital.

15 Is that directionally correct, not  
16 going through the detailed calculations, but that  
17 any working capital difference, between 12.5  
18 percent, for example, and 30 percent, would be  
19 very small and -- for the overall Company's  
20 working capital?

21 A. (Chen) We -- so after we received the directive  
22 from the Commission, we did look at that at a  
23 very high level. And in our testimony filed on

1 July 30th, on Bates page 10, we tried to address  
2 that that change would decrease from  
3 approximately 45 days to around five days. That  
4 reflects more frequent ISO New England market  
5 settlement schedule.

6 We don't have a specific number at  
7 this moment, but we do see there could be  
8 potentially more upward pressure on the working  
9 capital if we increase furthermore.

10 Q. I believe that, based on earlier calculations,  
11 that the overall effect is quite small. But what  
12 I heard today was a concern from the Department  
13 and the Consumer Advocate that working capital  
14 may be a concern that the Company would have.

15 So, I guess, based on that input, I  
16 would encourage some calculations to see if it's  
17 a material impact at the Company level, if it's  
18 something that the Company would seek to change  
19 the working capital calculation on. So that  
20 would be an encouragement for the future, I think.

21 A. (Chen) Okay.

22 Q. Okay. Okay. So referring back to Exhibit 4  
23 earlier in this docket, Bates pages 7 and 8, the

1           Company was quite firm in the last hearing on  
2           12.5 percent for the small customer group. And  
3           then in this docket, we see 14 percent, five  
4           tranches total, for the remaining 70 percent. So  
5           I'd just like to ask about the explanation or  
6           what the Company was considering when it  
7           increased from 12.5 percent to 14 percent,  
8           because, again, I remember -- I think you and I,  
9           Mr. Littlehale, had a conversation last time  
10          about the 12.5 percent, and what I heard was that  
11          you were confident that that was the right, sort  
12          of, tranche size.

13        A.   (Littlehale) Yeah, so just to, sort of, clarify,  
14          when -- this 12.5 percent is not the 12.5 percent  
15          that was self-supplying. That's the size of each  
16          individual tranche.

17        Q.   Yes.

18        A.   (Littlehale) Okay? Yes. So as you recall, we  
19          used to have four tranches, and then, at the  
20          height of the volatility, we increased the number  
21          of tranches to eight, thereby reducing the  
22          megawatt hours per tranche, and it was -- the  
23          idea behind that move was that would enable the

1 suppliers to take less risk on from each  
2 individual tranche that they served.

3           And that decision was made  
4 approximately two years ago, and, you know, from  
5 our perspective, that worked out well, and that  
6 helped -- you know, one of the many things that  
7 helped stabilize the market and get through the  
8 height of the volatility.

9           Since that point in time, significant  
10 megawatt hours have migrated off PSNH Energy  
11 Service to primarily community power. So we went  
12 from serving roughly 4 million megawatt hours to  
13 -- we're on track for 2024 somewhere to be about  
14 2.5 million megawatt hours. So we're serving  
15 less megawatt hours, and, therefore, we think  
16 it's -- the market can withstand a slight  
17 increase in megawatt hours per tranche. And --  
18 and as directed by the Commission, we had to be  
19 at least 30 percent self-supply for the rate  
20 period that began -- or begins in February 2025.

21           So, you know, partly it's -- it's  
22 making the math work out, and partly it's about,  
23 because we're serving less megawatt hours, we

1 think that the market can handle that roughly an  
2 extra 1.5 percent per tranche.

3 Q. Okay. Thank you. So I went through -- and thank  
4 you for the excellent record request. I'm  
5 looking at Record Request No. 4 from September  
6 10th. It was quite clean and easy to read, so  
7 thank you for the work to do that.

8 And I went -- I went through those ten  
9 time periods, so five years. And just using the  
10 data in front of me, I did a simple calculation.  
11 And what I got was that if the small customers,  
12 the residential ratepayers, had been on this  
13 current mode of using the spot or wholesale  
14 market at 100 percent -- just to keep the math  
15 simple -- I calculate savings of about almost a  
16 billion dollars over the last five years. I get  
17 \$884 million.

18 Would that surprise you? I don't know  
19 if you've done that calculation. It's in the  
20 spreadsheet, so it's not that hard to calculate.  
21 But would it surprise you to say that the savings  
22 would have been about a billion dollars?

23 A. (Littlehale) I have not done the calculations,

1 but I trust your math.

2 Q. So half of that at 50 percent, it would be,  
3 obviously, \$400-something million, and at 30  
4 percent, it would be roughly \$300 million or \$280  
5 million. So the savings -- I guess my point is  
6 that, based on the Record Request No. 4, it looks  
7 like the savings here are significant for going  
8 to the spot or wholesale market.

9 And I agree with you that there was  
10 one time period where, in fact, according to the  
11 Company's own data -- I'm looking at -- it's the  
12 time period from August of '21 to January of '22,  
13 where there was a slight inversion of about \$10 a  
14 megawatt hour. But then, you also have -- it  
15 goes the other direction, as much as, I think,  
16 about \$120 a megawatt hour. In the period where  
17 the risk was the highest, we had the greatest  
18 variability in the wholesale rates, and that's  
19 when the extraction of the premium was the  
20 highest from the third parties.

21 Would you call that a fair summary?

22 A. (Littlehale) Yeah, I think the data speaks for  
23 itself. Obviously, this is backward looking, but

1           it -- it does provide a story that, over the past  
2           five years, the underlying wholesale market costs  
3           have, you know, nine out of ten times, come in  
4           lower than the accepted rate from suppliers.

5    Q.    Thank you for that summary.

6                    Okay.  Just wrapping up here, just to  
7           make sure this one is covered, can the Company  
8           confirm that if there were to be a failed RFP for  
9           requirements contracts, that the Company has the  
10          capability to go to a full 100 percent market  
11          procurement level for the six-month period for  
12          the small customer group?

13   A.   (Littlehale)  Yes.  Under a failed RFP, we have  
14          the ability to self-supply both small and  
15          customer --

16   Q.    And just a quick follow-up to that.  This has  
17          always been a discussion, you know, every six  
18          months in this hearing room.  But if the proxy,  
19          for example, was \$60 a megawatt hour, and the  
20          rates came in from the bidders, and it was  
21          outside the Company's acceptable range -- so  
22          let's say the Company did the math, and they  
23          said, well, you know, really beyond \$100 a

1 megawatt hour, it looks unreasonable, and the  
2 bids came in at \$150, significantly higher than  
3 the proxy price. Does the Company have the  
4 ability to break those proposed contracts, or is  
5 the Company obligated to go with that 70 percent  
6 at that point?

7 A. (Littlehale) So if I understand your question,  
8 this would be on bid day, if we had an internal  
9 proxy price of \$60 a megawatt hour, and bids came  
10 in at \$150 a megawatt hour, for the 70 percent --  
11 yeah, I don't think we'd have to break the  
12 contracts, because, at that point, those  
13 contracts would not be executed yet.

14 Q. Because the Commission hasn't approved them?

15 A. (Littlehale) Yeah, that's right. That's right.  
16 So we would have the ability to essentially  
17 reject or -- or not enter into the contract.

18 And we have experience with that in  
19 Massachusetts. When we had a failed RFP, part of  
20 the rationale for the failed RFP is we received  
21 bids that, in our opinion, were unreasonable.

22 So -- you know, the -- the internal  
23 proxy price that we develop is not necessarily a

1 hard ceiling. We refer to it as a zone of  
2 reasonableness.

3 So we do have experience of accepting  
4 bids above our internal proxy price. But there  
5 is a threshold, and we track this -- or we track  
6 this internally on that essentially -- how far  
7 above our proxy we've accepted bids in the past.  
8 So there would be a point that we would say,  
9 essentially, no more.

10 Q. And I think the history, as far back as I go,  
11 and, Mr. Littlehale, I like to see -- because I  
12 know you go back a lot further, I think in the  
13 past, the Commission has also approved the  
14 Company's recommendations, at least in New  
15 Hampshire.

16 And so one possible scenario is that  
17 the Company comes in after this bid process and  
18 says, you know what, those bids are just too  
19 high. We don't recommend going forward with one  
20 or two or three, or all of the bids.

21 That's one possible scenario.

22 Another one would be the Company comes  
23 in and says, you know, honestly, this is at the

1 very high end. We kind of recommend you move  
2 forward with it, but maybe it's not the strongest  
3 recommendations.

4 And then the Commission might have  
5 some discussion over whether -- with the other  
6 parties over whether those bids should be  
7 accepted or not.

8 Would you accept those as two possible  
9 scenarios?

10 A. (Littlehale) Yeah. I mean, you know, a lot --  
11 it really has to happen on bid day, though,  
12 because we have to get back to the suppliers, per  
13 the terms of the RFP, that afternoon.

14 Q. So then what's the purpose of the Commission  
15 review some days later, if there's no possibility  
16 of changing course at that point?

17 A. (Littlehale) Well, I guess -- again, we're  
18 talking through some hypothetical situations.  
19 I'm trying to relate to how we've done it in the  
20 past. And really, what we did in Massachusetts  
21 is, on bid day, we received bids for a customer  
22 tranche that we deemed were too high and  
23 unreasonable to accept, so we rejected them that

1 very day. And then we obtained permission from  
2 the Massachusetts Department of Public Utilities  
3 to self-supply, under the same methodology that  
4 we proposed here in New Hampshire, and that's  
5 how -- that's how we handled it when these types  
6 of situations have arisen in the past.

7 Q. And I do remember, in fairness to the OCA and the  
8 DOE, having this discussion before in various  
9 forms, where the OCA and the DOE have questions  
10 in this regard, but I think -- I think it would  
11 be fair to say -- well, let me put it in the form  
12 of a question.

13 So if in this cycle, just for example,  
14 the Company was to determine the bids were  
15 outside the zone, what would the Company -- the  
16 Company's process be on bid day? What would you  
17 do? Would you reach out to the DOE or the OCA,  
18 or would you -- how would that work?

19 A. (Littlehale) Well, that's -- I'm not sure we  
20 have our, exactly, procedure in place. So, I  
21 mean, what happened last time in New Hampshire,  
22 if you recall, before we entered the self-supply  
23 business, is we ran a second RFP when we didn't

1 receive enough bids for the large customer class.

2           It was December -- I believe it would  
3 have been December of 2022, where we were looking  
4 to fill two tranches. We received one bid. We  
5 accepted that bid. And then we came to the  
6 Commission and then asked for approval to hold a  
7 second RFP, which we were granted.

8           And we held a second RFP, which would  
9 have been, I believe, January of 2023. And the  
10 market prices declined during that three- or  
11 four-month -- three- or four-week gap. We held a  
12 -- what we referred to as a lightning-round  
13 RFP -- that was the terminology we all used --  
14 and we were able to obtain that second tranche  
15 for the large customer, and so that was the  
16 solution there.

17           I don't believe we'd have the process  
18 ironed out today if -- how that would be  
19 different in the future. I think, you know, we'd  
20 welcome some guidance on that or -- or further  
21 discussion. But from our perspective, you know,  
22 we need to make a decision on bid day if we think  
23 those bids are reasonable or not and either

1 accept or reject.

2 Q. So I'll just see if I can repeat that back. So  
3 really, the ratepayers and the Commission and the  
4 parties are depending on Eversource's decision on  
5 bid day -- if I'm using the right term -- bid  
6 day, okay, to make the decision that day, because  
7 really, after that, there's no turning back. If  
8 the Company approves a rate, that the Commission  
9 or the parties later come back and say, well,  
10 that -- that's just too high, then there's really  
11 no recourse at that point; you would agree?

12 A. (Littlehale) I -- I don't believe so. I mean,  
13 we either -- at that point, if we reject bids on  
14 bid day, we either move directly to self-supply,  
15 or we hold a second RFP.

16 Q. I see. Thank you. That's very helpful for --  
17 for my understanding.

18 And I know -- I think it was the OCA  
19 previously. It might have been the Department,  
20 but I think it was the OCA that was trying to  
21 figure out a couple of years ago how we could  
22 deal with bid day better collectively as a state,  
23 and I think we just weren't able to get there

1 from here, as I recall.

2           So that may be a topic of further  
3 discussion, because I do think it's like having  
4 an emergency plan for the building. If the  
5 building here catches on fire, what do we do?  
6 Well, we go to the exits. So I do think it's  
7 useful to have an emergency procedure if  
8 something were to come up that is an emergency,  
9 so we'll -- I'll stop there on this topic, but  
10 that does seem like a rational proposal.

11           And I think, Mr. Kreis -- Attorney  
12 Kreis, if I'm not wrong, that was -- your  
13 proposal from earlier was to try to figure out  
14 what to do on bid day, and that got -- has not  
15 been addressed, so far as I know; is that true?

16           MR. KREIS: We were certainly  
17 concerned about the scenario that you've been  
18 discussing with Mr. Littlehale, and I agree that  
19 it wasn't really resolved, and that possibility  
20 or that threat seems to have abated since then.

21           We were concerned about being -- we  
22 are not a utility at the OCA, and we're not a  
23 regulator; we're advocates. And so I was

1           reluctant to see us dragged into the process of  
2           making decisions in response to bids, because  
3           we -- all we exist to do is to tell other people  
4           what to do. We don't do anything ourselves. And  
5           it suddenly felt like we were being potentially  
6           asked to help make decisions that really belong  
7           to the management of the utility.

8                         And I had the same concern about the  
9           Commission and the Department, and I remember  
10          having quite a bit of discussion about that, but  
11          I don't remember any resolution.

12                        CHAIRMAN GOLDNER: Yeah, I probably  
13          misremembered, because I -- I thought that the  
14          OCA had recommended a course for same-day action  
15          that involved the OCA, but I -- I must be  
16          misremembering. It was a long time ago.

17                        THE WITNESS: (Littlehale) May I  
18          offer my recollection?

19          BY CHAIRMAN GOLDNER:

20          Q. Thank you.

21          A. (Littlehale) So we came with -- Eversource came  
22          with a proposal to replicate some of the -- what  
23          we considered the best practices in the other

1 states, most notably, in Connecticut. On bid day  
2 in Connecticut, we get on the phone with the  
3 procurement manager and other representatives  
4 from the Consumer Advocate, and we discuss the  
5 bids that we received. And this is when the bids  
6 are still open, so it's after -- you know, before  
7 any decision is made. And we come -- we come to  
8 some consensus, or, ultimately, it's really the  
9 procurement manager's decision.

10 So we recommended a similar process in  
11 New Hampshire, because we felt that works well,  
12 particularly in, let's call it, volatile  
13 circumstances. And that recommendation that  
14 Eversource came with was rejected by other  
15 stakeholders.

16 CHAIRMAN GOLDNER: Thank you. Any  
17 recollection the DOE would care to share on this  
18 topic?

19 MR. YOUNG: All of these -- thank you,  
20 Mr. Chairman. All of these conversations are  
21 ringing bells. It has been a little bit of time.  
22 Frankly, I can't remember how everything played  
23 out at that time, but I have no reason

1 to disagree with anything said here today.

2 MR. KREIS: I would just say anytime  
3 we hear Eversource come in now and say, let's do  
4 in New Hampshire what we're doing in Connecticut,  
5 that's -- that's always intriguing.

6 CHAIRMAN GOLDNER: I'll move along  
7 without commenting. Excellent.

8 Attorney -- sorry -- Commissioner  
9 Chattopadhyay, any questions in follow-up?

10 BY CMSR. CHATTOPADHYAY:

11 Q. I recall that we were talking about what happened  
12 on August 1st. Would you agree that -- you know,  
13 that the high prices impacted the realtime --  
14 well, not the day-ahead prices?

15 A. (Littlehale) Yeah, that's correct. There was a  
16 shortage event on -- on August 1st. My  
17 understanding, from some of the information that  
18 had been published from ISO New England, is that  
19 a generator wasn't available that had been  
20 scheduled in the day-ahead market. I believe  
21 temperatures came in a bit higher than were  
22 forecasted. So it was a combination of things  
23 that occurred, and that, ultimately, led to a

1 price spike brought upon by shortages primarily;  
2 that, under those circumstances, those price  
3 spikes show up in the realtime market but not the  
4 day-ahead market.

5 Q. The realtime market, the prices are set every  
6 five minutes, right?

7 A. (Littlehale) Yes.

8 Q. Would you happen to remember when those high  
9 prices happened, like how often? So did it  
10 happen in a lot of the five-minute intervals or  
11 just a few? Do you have any recollection?

12 A. (Littlehale) I typically don't have five-minute  
13 data. The data that we use to put together the  
14 record request -- on September 10th, it would  
15 have been Record Request No. RR-003. I was using  
16 hourly data to be responsive to the question that  
17 we received from the Commission.

18 Q. Okay. It's quite easy to look at ISO New England  
19 pricing information, and I -- I can tell that the  
20 prices -- even if you're looking at the hourly  
21 data for the realtime, the prices spiked on 1st  
22 of August during the hours beginning 18 and 19,  
23 and then maybe even 20. But, otherwise,

1 generally, the prices were still low.

2 But really, where I'm going at is,  
3 those spikes happened during the realtime, and  
4 also, whether the -- whether the ratepayers of  
5 Eversource were impacted by it a whole lot  
6 depends on how much you were exposed to the  
7 realtime.

8 A. (Littlehale) That's right. That's exactly  
9 right. So we bid in -- into the day-ahead  
10 market, right? And I don't have the exact data  
11 in front of me, so I'll just -- I'll just speak  
12 in round numbers. But let's say that we bid in  
13 30 megawatt hours for one of those hours that  
14 prices spiked. And let's say that our actual  
15 load was 31 megawatt hours. So the 30 megawatt  
16 hours that we bid into the day-ahead market paid  
17 the day-ahead market prices and were not subject  
18 to those price spikes.

19 But let's just say, for argument's  
20 sake, we were one megawatt short, meaning our  
21 load was one megawatt higher than we anticipated  
22 the day before, it would be that one megawatt  
23 hour that would be exposed to the realtime

1 prices, but not all 30.

2 Q. What happens if your load is -- the actual load  
3 turns out to be lower than what you had purchased  
4 in day-ahead?

5 A. (Littlehale) So then you'd have to sell your  
6 differential, and, essentially, you resell your  
7 -- if it came in at 29, right -- let's say we bid  
8 at 30 and the load was 29. Then we'd sell -- we  
9 bought at whatever the day-ahead price was for  
10 our 30th megawatt, and then we would have to sell  
11 that one megawatt in -- at the realtime price,  
12 whatever that may have been realtime.

13 Q. And if the realtime price was pretty high because  
14 of a spike, and yet you turned -- it turned out  
15 that the load was -- the actual load was lower  
16 than what was forecasted, you actually make a lot  
17 of money?

18 A. (Littlehale) I mean, conceivably --

19 Q. Unlikely situation, but --

20 A. -- yeah. Yeah. Yeah.

21 Q. That's how the market --

22 A. It all gets reconciled, right. You either -- you  
23 estimate your day-ahead load. It's never exact.

1           So then it gets -- it gets, you know,  
2           quote/unquote, reconciled in the realtime market,  
3           whether there's a positive or a negative.

4   Q.    So, again, if you over-forecasted, and you have a  
5           price spike in the realtime market, it is at  
6           least theoretically possible that for the extra  
7           -- for the deviation, you get paid a lot when you  
8           sell?

9   A.    (Littlehale) I'll have to -- I'd rather that I  
10          have the data in front of me to answer that  
11          question.

12   Q.    Okay. I'll leave it at that, except I was,  
13          again -- so would you agree that, when those  
14          spikes happen, you have to also understand what  
15          percentage you've already bought in the day-ahead  
16          market, and it's really impacting the deviation,  
17          which may be a small percentage?

18   A.    (Littlehale) Yeah. I mean, I think that's the  
19          key point to take away, is that -- you know, the  
20          day-ahead market serves as a -- you know, locks  
21          in to the degree that you're accurate, and then  
22          any inaccuracies are cleared up or reconciled in  
23          the realtime market.

1 Q. And I'm looking at the -- the hourly prices from  
2 ISO New England. I can see that the very next  
3 day, when all of that was sorted out -- you know,  
4 the prices again went down to what normally --  
5 what the market participants would see. I'm  
6 simply comparing it with the day-ahead pricing.

7 A. Yeah, because there was no generator outage the  
8 next day.

9 CMSR. CHATTOPADHYAY: Okay. So I'll  
10 leave it at that. Thank you.

11 CHAIRMAN GOLDNER: Very good. We'll  
12 turn to redirect and Attorney Wiesner.

13 REDIRECT EXAMINATION

14 BY MR. WIESNER:

15 Q. Yes, I just have a few clarifying questions, and  
16 I'll address the first ones to Mr. Littlehale,  
17 because it's fresh in my mind. I'm not sure it's  
18 possible to avoid hypothetical questions on some  
19 level, but I'll -- I'll try to do my best.

20 So there was some discussion about  
21 what happens on bid day and the decisions that  
22 are made and then when the Commission gets an  
23 opportunity to review the decisions that the

1 Company has made. And you did testify that a  
2 couple of years ago, the Company had proposed to  
3 involve DOE, OCA, and PUC in the decision-making  
4 on bid day, as it's done in other states; is that  
5 right?

6 A. (Littlehale) That is my recollection, correct.

7 Q. So in the absence of that -- because I believe  
8 you testified, and I believe this is correct,  
9 that was -- that proposal that the Company had  
10 made was not particularly well received and was  
11 certainly not implemented; is that right?

12 A. (Littlehale) That's correct. It was not  
13 accepted by the other stakeholders that we  
14 proposed it to.

15 Q. But notwithstanding the lack of any change to the  
16 current process, it is the case, is it not, that  
17 if the Company decided that a particular bid was  
18 at the high end of bid zone of reasonableness,  
19 but the Company would execute a contract with  
20 that bidder, that that contract is nonetheless  
21 brought to the Commission for approval a few days  
22 later?

23 A. (Littlehale) That's correct.

1 Q. And, hypothetically, the Commission could say,  
2 well, you might have thought it was reasonable,  
3 but we don't, so go try again, or go directly to  
4 the wholesale market?

5 A. (Littlehale) That could conceivably occur. It  
6 has not occurred under my life experiences.

7 Q. So that could be thought of as a safeguard for  
8 the regulators to have a look at the Company's  
9 decision-making, including its proxy prices, and  
10 decide whether the decision that was made was, in  
11 fact, reasonable?

12 A. (Littlehale) That's correct.

13 Q. Okay. Thank you. And, again, this is going to  
14 sound hypothetical, and perhaps it is.

15 If the Company were to take a forward  
16 position three years in advance, based on  
17 forecast of load, and then that load wasn't  
18 there, and it was necessary to take mitigating  
19 actions to reduce the loss for the ultimate  
20 account of customers, that the Company would take  
21 reasonable mitigating actions; is that fair to  
22 say?

23 A. (Littlehale) That is fair to say; that that is

1 something that we would do if -- if those  
2 circumstances presented itself.

3 Q. And those mitigating actions might take the form  
4 of liquidating a position in the spot market?

5 A. (Littlehale) That's correct. And -- and in  
6 preparing for today's testimony, we were able to  
7 uncover an example back in 2009. This was before  
8 my time, but PSNH entered into various bilateral  
9 transactions, both on peak and off peak. This is  
10 spelled out in DE 10-121, and purchased about  
11 1.2 million megawatt hours on peak at the average  
12 price of about \$98 a megawatt hour.

13 They were -- and then it turned out  
14 that there were hours that the supply exceeded  
15 customer demand, so the Company had to sell  
16 roughly \$400,000 of those on-peak megawatt hours  
17 for the average price of \$44 a megawatt hour.

18 So there is some historical evidence  
19 that, you know, a forward hedge doesn't always  
20 work out so well on behalf of customers.

21 Q. Thank you. I appreciate that answer. I'll turn  
22 now to Ms. Chen.

23 In connection with the Company's

1 annual reconciliation for the energy service  
2 rate, a lead-lag study is prepared on an annual  
3 basis to determine the Company's cash working  
4 capital requirements; is that right?

5 A. (Chen) That's correct.

6 Q. And that is typically done in the spring of each  
7 year?

8 A. (Chen) That's correct. Because we -- we look at  
9 the actual performances the prior calendar year  
10 to update the lead-lag study.

11 Q. So the next updated lead-lag study would include  
12 some period of time when direct market purchases  
13 for the source of supply for the energy service  
14 rate; is that -- is that fair to say?

15 A. (Chen) That's correct.

16 Q. And so the -- the differences in timing of  
17 payment required by the ISO versus the wholesale  
18 suppliers would be reflected in that updated  
19 lead-lag study next year?

20 A. (Chen) That's correct.

21 Q. Okay. Thank you.

22 And, finally, I just want to clarify.

23 Your reference on direct examination to a

1 non-bypassable charge and the Company's expressed  
2 preference that such a non-bypassable charge be  
3 utilized to recover from customers, either over-  
4 or under-recoveries through reconciliations of  
5 the energy service rate, was that, effectively, a  
6 reference to the previous decision of the  
7 Commission at the suggestion of the Company to  
8 consider moving those over- and under-recoveries  
9 from the energy service rate into the stranded  
10 cost recovery charge?

11 A. (Chen) Yes.

12 Q. But as you testified, that's a proposal that will  
13 come before the Commission initially in November  
14 and then, for ultimate decision, in January if  
15 the usual process holds?

16 A. (Chen) Yes.

17 Q. So it is not an issue that will be decided or  
18 needs to be decided in this docket at this time;  
19 is that correct?

20 A. (Chen) That's correct.

21 MR. WIESNER: Thank you. That's all I  
22 have, Mr. Chairman.

23 CHAIRMAN GOLDNER: Thank you for those

1 clarifications, Attorney Wiesner. That was very  
2 helpful.

3 So what we'll do is we'll take a  
4 ten-minute break now, returning at 25 of. We'll  
5 excuse the witnesses at this time, but I'll ask  
6 the witnesses to stay in the hearing room, per  
7 Attorney Wiesner's prior proposal, though, at  
8 this point, I don't think it's necessary, but  
9 let's see after Dr. Vatter's presentation.

10 And, yeah, let's take a break at this  
11 time, returning at 25 of. Off the record.

12 (Recess taken.)

13 CHAIRMAN GOLDNER: Okay. We are back  
14 now on the record.

15 If the OCA witness will please state  
16 his name for the record.

17 THE WITNESS: Marc Vatter.

18 CHAIRMAN GOLDNER: Thank you. Please  
19 raise your right hand.

20 (Whereupon, DR. MARC VATTER was duly  
21 sworn by Chairman Goldner.)

22 CHAIRMAN GOLDNER: Thank you. The  
23 witness is ready for direct.

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

2 DIRECT EXAMINATION

3 BY MR. KREIS:

4 Q. Good afternoon, Mr. Vatter. Would you start by  
5 selling the Commission what you do for a living?

6 A. (Vatter) I'm the Director of Economics and  
7 Finance at the Office of the Consumer Advocate.

8 Q. And drawing your attention to what I believe has  
9 been marked for identification as Exhibit 5, is  
10 that, in fact, pre-file written direct testimony  
11 with three spreadsheets attached that you  
12 prepared and filed in this docket about a week  
13 ago?

14 A. (Vatter) Yes, sir.

15 Q. And do you have any updates or corrections to  
16 offer to those documents?

17 A. (Vatter) Yes. Thanks, again, to the Commission  
18 for giving us extra time to do this, but I do.

19 In Table 2, the third column labeled  
20 "Net" should be deleted. In the first column,  
21 the heading "Cost" should be changed to "Gross  
22 Cost," and the same changes should be made to the  
23 corresponding cells in the spreadsheet.

1                   On page -- Bates page 016, Line 15,  
2                   the words "the former is negative and" should be  
3                   deleted.

4                   And on Bates page 008, Line 14, the  
5                   words "more" and "less" should reverse positions.

6   Q.   Subject to those changes, if I asked you all of  
7           the questions in Exhibit 5 live today, would the  
8           answers that are written down in Exhibit 5, as  
9           just updated and corrected by you, be the answers  
10          that you would give as your testimony here at  
11          today's hearing?

12   A.   (Vatter) Yes, they would.

13   Q.   And so, do you adopt Exhibit 5 as your sworn  
14          testimony in this proceeding?

15   A.   (Vatter) Yes, I do.

16   Q.   Just briefly, could you tell the Commission why  
17          you decided to offer this testimony today?

18   A.   (Vatter) The fuel price shock of 2022 was a  
19          problem for some residential customers. People  
20          with high income and secure jobs handled it fine,  
21          but people who were poor or unemployed had  
22          trouble covering high utility bills. My  
23          testimony documents this, and that it was a

1           problem for a typical customer, and, therefore,  
2           costly in the aggregate, and proposes a  
3           cost-effective way to hedge the risk of such a  
4           shock in the future.

5   Q.   And in case it isn't obvious, obviously, that --  
6           those full price shocks that you're talking  
7           about, they end up getting reflected in the price  
8           of default energy services?

9   A.   (Vatter)  Certainly.  Well, not "certainly."  
10           They do in spot prices, and if those are passed  
11           through, then they will be reflected in the price  
12           of default energy service.

13  Q.   Yes.  Thank you.

14                   So you mentioned the price shock of  
15           the winter of 2022.  Would your proposal be a  
16           cost of -- cost effective and attractive one if  
17           there was never any kind of shock like that ever  
18           again?

19  A.   (Vatter)  No.  Without such a shock, the hedging  
20           strategy I propose would not be worth the risk  
21           premium residential customers would have to pay.

22                   However, these shocks have been  
23           occurring since 1973, and there are good reasons

1 to expect them to reoccur, which I explain  
2 briefly in my testimony and more deeply in other  
3 testimony and writings.

4 I would like to continue for a moment.

5 So my -- my testimony highlights the  
6 shock of 2022, but it looks at a ten-year period,  
7 and the importance of the shock is -- is observed  
8 by taking the year 2022 in or out, and, pretty  
9 much, in terms of spot prices at the Mass Hub,  
10 the shock corresponds to the calendar year.

11 And so, I don't -- I don't want to --  
12 I don't want to confess to saying that I've only  
13 looked at the shock of 2022, but, at the same  
14 time, it is crucial.

15 This idea of hedging three years in  
16 advance is motivated by hedging these kinds of  
17 extreme global fuel price shocks. But, you know,  
18 if you look at the history of energy prices, they  
19 occur, and they're a serious problem, especially  
20 for people of modest means.

21 And so, just to be clear, I looked at  
22 a ten-year period, and if I had gone back  
23 farther, I would have grabbed the shock of 2011

1 and the shock of 2008 first before I grabbed  
2 anything else, so that's -- so in a way, I mean,  
3 what I'm doing is sort of understating the  
4 importance of a strategy like this.

5 Again, I would -- I would also, you  
6 know, raise the point that, if the ISO moves to  
7 prompted seasonal markets, there's less of a  
8 capacity price revenue stream that's going to  
9 satisfy the -- that's going to cover the cost of  
10 electric generators. They're going to have to  
11 cover those costs through high spot prices. So a  
12 move to a prompted seasonal market can exacerbate  
13 this risk going out three years.

14 Q. And you're aware that that's exactly what the ISO  
15 is considering or talking about doing?

16 A. (Vatter) Yes, that's what they are talking about  
17 doing. They've been talking for a long time, and  
18 if they're getting cold feet, I don't mind.

19 Q. Now, you talked a bit just now about the history  
20 of price shocks. Do you know when the next one  
21 is going to be?

22 A. (Vatter) Well, I do not, and nobody does. Not  
23 even OPEC knows when the next price shock is

1 going to be. They're opportunistic about this.

2 This is -- this is the art of the  
3 price shock. You wait until the market is tight,  
4 and then you hold back a little bit more, the  
5 price goes through the roof, and you clean up. I  
6 think it sometimes happens in electricity.

7 But this is -- OPEC's opportunism is  
8 documented in my testimony. Saudi Arabia is a  
9 swing producer, and the way they respond to tight  
10 markets and this -- you know, whether they be  
11 from supply or demand, but in this -- in what  
12 I've shown, it's from disruptions in supply. The  
13 way Saudi Arabia responds to supply tends to be  
14 to reduce production even more, at least to fail  
15 to make up for the fluctuation when they could.

16 So there are reasons to expect these  
17 price shocks. They are profitable. And -- but  
18 it is profitable for them to occur with the  
19 element of surprise, because people don't prepare  
20 for them. I hope that we're the exceptions,  
21 but -- in answer to this question, I'll stop  
22 here. Nobody knows, but we do have a reason to  
23 expect these things to continue. They have been

1 going on since 1973.

2 Q. So in light of all of that -- and I saw another  
3 attorney in this hearing room do something  
4 similar recently. She asked her learned expert  
5 witness to describe something as if she -- as if  
6 he were talking to a room full of sixth graders.  
7 I'm going to pop us all to maybe college level.

8 So assuming that you're talking to a  
9 bunch of college students, say, who aren't  
10 familiar with what you are recommending, could  
11 you briefly describe your recommendations to the  
12 Commission reflected in your testimony?

13 A. (Vatter) Of course. I propose that the Company  
14 purchase electric commodity three years in  
15 advance using futures contracts at the Mass Hub,  
16 rather than making the spot purchases being  
17 integrated into default procurement.

18 I should say that -- I don't -- I  
19 don't want to say that spot purchases day-ahead  
20 and realtime will play no role, but, largely,  
21 substituting the futures market for the spot  
22 market. Beginning with delivery in August 2028,  
23 three years ahead of procurement -- the first

1 procurement period after next, I think that is.

2 The futures market did not price the  
3 shock of 2022 into its prices in 2019. And I  
4 estimate from historical data, and I explain why  
5 there's a three-year cycle in prices for natural  
6 gas that drives LMPs at the Mass Hub.

7 I'd also like to share a calculation I  
8 just did from the historical spot prices in my  
9 exhibit. They are in Column E, Peak Spot Prices.  
10 And the average on-peak spot prices at the Mass  
11 Hub during that time, in 2024 dollars, was \$59,  
12 which is pretty close to the \$60 that Parker  
13 mentioned earlier.

14 The average downward deviation -- and  
15 these are monthly data -- was 18.39, and the  
16 average upward deviation is 38.67. So that's a  
17 lot of lopsided risk on the high side. So, yes,  
18 of course, spot prices go up, they go down, but  
19 the risk is not symmetrical.

20 Q. You just mentioned that your proposal is to have  
21 the Company enter into futures contracts for  
22 delivery starting in August of 2028. Is there  
23 any reason to have the Company acquire any

1 futures before August of 2028?

2 A. (Vatter) I'd say there's -- there's not  
3 currently a reason not to, because there's no  
4 price shock baked into the futures curve,  
5 although one could occur. But -- so I would just  
6 suggest that and not insist on it. It is -- I  
7 think it's a reasonable possibility. A price  
8 shock certainly could occur.

9           Again, the shock of 2011, when OPEC  
10 held back production after Libya went offline,  
11 occurred less than three years after the shock of  
12 the summer of 2008. So there's no reason to  
13 expect them to be eleven years apart. They can  
14 be two and a half years apart. You just don't  
15 know.

16 Q. You were sitting right next to me a few minutes  
17 ago as we listened to the Eversource witnesses  
18 testify, and I was left with the distinct  
19 impression from Mr. Littlehale that the Company  
20 is not enthusiastic about your proposal. Did you  
21 get that impression, too?

22 A. (Vatter) I think Mr. Littlehale clearly stated  
23 that they are not enthusiastic about the

1 proposal, and -- and he articulately  
2 distinguished between load risk and price risk.  
3 And I would like to address the issue of load  
4 risk.

5 I think -- I think he used the phrase,  
6 I think, with -- I think I -- it's probably my  
7 mistake, but I think he used the phrase "could  
8 not liquidate" with reference to futures  
9 positions.

10 Now, I -- again, I hope I  
11 misunderstood, but it should be clear that, you  
12 know, if you're talking about buying \$120 million  
13 worth of commodity three years in advance, \$120  
14 million is not at risk. And, in fact, you know,  
15 with the calculation I just made, that I just  
16 shared with you, the upside potential is higher  
17 than the downside potential. It's not looking  
18 like such a crappy -- I'm sorry. I'm so sorry.  
19 It's not looking like such a poor proposition  
20 from the perspective of the Company.

21 And -- and so, when you talk about the  
22 amount of risk the Company is taking on here, I  
23 think -- I think to say that -- to mention a

1 figure like \$120 million, without putting that in  
2 perspective, is -- is exaggerating the risk.

3 It's some fraction of \$120 million. But, again,  
4 the distribution of prices is skewed. And there  
5 are -- the upside deviations are bigger than the  
6 downside deviations. It's not an onerous risk  
7 for the Company to take on.

8 Q. So --

9 A. (Vatter) But it is -- it is up to them. I also  
10 say in my testimony that commodity is a straight  
11 passthrough, and if somebody else -- if this is a  
12 good idea that we proposed, and somebody else  
13 takes it up, the Company will reap the same  
14 benefits as if they themselves take it up. But I  
15 would suggest that it would have to be somebody  
16 else who is big and has the same economy of scale  
17 that Eversource has or PSNH has.

18 You know, we documented the economy of  
19 scale in procurement and resale in a letter to  
20 the Commission. And Mr. Littlehale talked about  
21 competitive suppliers and aggregators as possible  
22 candidates for taking this idea up, if they liked  
23 it. And I would -- I would tend to probably rule

1 out competitive suppliers, because they don't  
2 have the buying power that PSNH does. And so  
3 they're -- they're disadvantaged in another way.

4 But we know somebody else in the state  
5 who does have that kind of buying power, who  
6 essentially, in the long-run, competes with PSNH  
7 for default service load. So there are some  
8 possibilities. But, of course, at the OCA, we  
9 want any idea that is good for customers to be  
10 taken up by any seller. Residential customers,  
11 that is.

12 So we would -- we would like it -- it  
13 is disappointing that Mr. Littlehale expressed  
14 displeasure with the idea, unless -- unless I'm  
15 wrong.

16 Q. Okay. Thank you.

17 MR. KREIS: You'll note that, in  
18 response to my question about whether he got the  
19 same impression that I did about Mr. Littlehale  
20 and Eversource's perspective, he then anticipated  
21 all of the questions I was going to ask him with  
22 respect to responding to Mr. Littlehale.

23 So with that, I'm happy to make

1 Mr. Vatter available for cross-examination.

2 CHAIRMAN GOLDNER: Thank you. We'll  
3 begin cross with the Company.

4 MR. WIESNER: Thank you, Mr. Chairman.

5 CROSS-EXAMINATION

6 BY MR. WIESNER:

7 Q. I'll begin with what I hope is an easy question,  
8 and I will ask you to state, on the record,  
9 whether you prefer to be addressed as Dr. or Mr.

10 A. (Vatter) Oh, boy. I prefer to leave it to  
11 anybody who's addressing me, actually. I'm not  
12 offended, and I certainly don't want to put  
13 people on the spot. So if you feel -- whatever  
14 you feel more comfortable with is fine.

15 Q. Thank you for that flexibility.

16 So I will say, in the interest of  
17 time, I will not ask you about legal issues,  
18 market share analysis, competitive impacts or  
19 economic theory, even though there may be much to  
20 be questioned in your testimony on those  
21 important points.

22 So I'll begin with -- you may recall  
23 Mr. Littlehale referred to the suppliers of

1 default service for the Company and for other  
2 utilities as providing a full requirements  
3 load-following energy service; would you agree  
4 with that characterization?

5 A. (Vatter) Yes, I do.

6 Q. And do the futures markets cover all of the  
7 necessary products to provide that full  
8 requirements load-following service?

9 A. (Vatter) No, they don't.

10 Q. So there would have to be something else done in  
11 procurement besides purchasing futures contracts.  
12 And, in fact, the futures markets you're  
13 referring to are markets for energy and not for,  
14 say, capacity, ancillary services, et cetera?

15 A. (Vatter) That is correct.

16 Q. And, in fact, some of the wholesale load cost  
17 components that are borne with -- by those who  
18 are serving load in New England are not even  
19 market products, such as, net commitment period  
20 compensation?

21 A. (Vatter) Okay. But, I mean, what we've proposed  
22 is substituting futures energy purchases for spot  
23 energy purchases. This is just what we put

1           there.

2   Q.   And on a historical basis, how much do energy  
3       costs represent of the entire wholesale load cost  
4       obligation? Do you have a sense of that?

5   A.   (Vatter) I would say it would -- I don't know  
6       quantitatively. I would say it would be a large  
7       fraction, but not -- but far from one.

8   Q.   Okay. Thank you for that.

9                   Now, let's talk -- you mentioned risk  
10       premium in your testimony just a moment ago, and  
11       I want to explore that a little bit.

12                   So would you agree with me that, when  
13       executing a forward hedging strategy, as you  
14       recommend, the typical counterparties on the  
15       other side of the transaction are, in fact,  
16       wholesale power marketers?

17   A.   (Vatter) Ultimately. I mean, there are brokers,  
18       right?

19   Q.   So would I -- but would you agree that standing  
20       behind those positions taken by the sellers on a  
21       forward basis are power marketers who may, in  
22       fact, be some of the same companies who are  
23       bidding on the Company's default service load?

1 A. (Vatter) Ultimately, the price of energy is  
2 going to reflect the cost of producing it.

3 Q. But the -- but the marketers, they are taking a  
4 forward position. There is risk involved in  
5 doing so; would you agree?

6 A. (Vatter) Sure. Anytime you take a futures  
7 position, the forward position -- so you're  
8 taking a risk, yes.

9 Q. And that risk would be, presumably, priced into  
10 the prices that they offer for those forward  
11 positions?

12 A. (Vatter) If I -- I will let you continue the  
13 question.

14 Q. Well, I -- I think -- I think -- so if we assume  
15 that both a risk premium, if you will, plus a  
16 profit margin is built into the pricing, it is  
17 not, in fact, a pure price of energy for the spot  
18 market three years forward?

19 A. (Vatter) Correct. There is a risk premium. The  
20 interesting thing about -- about this is that --  
21 you know, I get a positive risk premium when I  
22 take 2022 out of the historical window, which is,  
23 I think, what you're suggesting, that it's going

1 to be there.

2 The average spot price is about \$5.70  
3 higher than the average -- or rather, the average  
4 future price is about \$5.70 per megawatt hour  
5 above the average spot price, if you take 2022  
6 out. But with 2022 in there, it goes the other  
7 way. The reason being that the futures market  
8 has a very hard time anticipating these fuel  
9 price shocks, and that's as OPEC intends it.

10 So, yes, it's a risky proposition, but  
11 I think over the long term -- in any short time.  
12 But over the long term, not so much, because we  
13 really can expect these shocks to continue to  
14 occur and the futures market to fail to price  
15 them in three years in advance.

16 Q. With respect to the risk premiums that are  
17 charged by the power marketers who are standing  
18 behind these forward positions, have you done any  
19 analysis as to how that compares to the risk  
20 premiums that the Company has seen through its  
21 wholesale default service procurement strategy?

22 A. (Vatter) I mean, what I -- actually, I have not,  
23 but I have seen other people's analysis, but over

1 a shorter futures commitment term.

2 And I thought it was noteworthy that  
3 the so-called risk premium coming through the  
4 auctions was higher than -- and applied a higher  
5 price than what the medium term futures market  
6 did. And so that did raise the question in my  
7 mind, well, why not just buy them on the futures  
8 market?

9 I have some skepticism that what we  
10 call a risk premium in the auctions actually is  
11 just that. I think there may be something else  
12 going on, but I can't support that. That's only  
13 a hypothesis right now.

14 Q. Are you suggesting that there's some market power  
15 exercise?

16 A. (Vatter) I'm suggesting that that's a good  
17 question.

18 Q. Okay. And you mention OPEC and the power that  
19 OPEC has, I take it, over oil prices; is that --  
20 is that correct?

21 A. (Vatter) That is correct.

22 Q. But electric prices in New England and in other  
23 parts of the country are driven more by natural

1 gas prices; isn't that correct?

2 A. (Vatter) That is correct. And the relationship  
3 between natural gas prices and oil prices has  
4 been investigated. I've cited some thoroughgoing  
5 research by Ramberg and Parsons, and other  
6 testimony, but, generally speaking -- so, it is a  
7 complex relationship, because oil and gas are  
8 substitutes in consumption and complements in  
9 production. And -- and -- but, normally, the  
10 substitutability of consumption guides the  
11 relationship. The prices of substitutes move  
12 together, so when the price of oil goes up, the  
13 price of gas tends to go up.

14 The only time that that is reversed, I  
15 think, is when you have a lot of associated gas  
16 coming out at a time when the price of oil is  
17 high, and there's not enough conduit to get that  
18 associated gas to market.

19 So that's what happened in the spring  
20 of 2019 and 2020 in the Permian Basin. And so  
21 you had the prices of oil and gas moving in  
22 opposite directions, but that is the exception  
23 and not the rule. Normally, they move up and

1 down together. And that's certainly what we saw  
2 in 2022.

3 Q. And the substitution effect that you mentioned,  
4 that's overall gas versus oil market; is that  
5 correct? I mean, what I'm getting at is -- my  
6 understanding is currently there's very few  
7 oil-fired generation facilities operating on a  
8 regular basis in New England; would you agree  
9 with that?

10 A. (Vatter) Oh, certainly. But the frontier of  
11 substitutability between oil and gas runs through  
12 electrical now. It's about the electrification  
13 of transportation. For a long time, it was about  
14 heating fuel, right, where people were switching  
15 from oil-fired boilers for space heat to  
16 gas-fired furnaces, and the pace of that switch  
17 was -- was guided by the relationship between the  
18 prices of two fuels.

19 But that -- that decision of when to  
20 substitute gas for oil was on the margin for many  
21 years. And now we have the decision of whether  
22 to use oil for transportation or to substitute,  
23 effectively, natural gas for transportation.

1 Q. And have you done any specific analysis regarding  
2 those market price effects between those fuel  
3 substitutes, as you characterize them?

4 A. (Vatter) I would refer you to my testimony in  
5 DG 23-087. There's a graph and some discussion  
6 of the relationship between oil and gas prices.

7 Q. I'm not familiar with that. Is that a cost of  
8 gas docket?

9 A. (Vatter) No, it was the Empress capacity --  
10 Empress contracts docket with Unitil.

11 Q. Okay. Thank you. Well, this is fascinating, but  
12 I'll move on.

13 In terms of the volumes that the  
14 forward markets routinely handle, is it your  
15 understanding that the quantities that we're  
16 talking about here, such as those referenced by  
17 Mr. Littlehale, one to two million megawatt  
18 hours, let's say, over a six-month period, are  
19 the forward markets you reference in your  
20 testimony, are they able to handle that type of  
21 volume?

22 A. (Vatter) That's an excellent question. So we  
23 also use S&P Global, but we don't get the

1 volumes. So I'm assuming that they are. But if  
2 you find that the markets are not thick enough,  
3 that would be a very interesting point to bring  
4 into this discussion.

5 Q. And that leads to another question, which is, are  
6 you proposing that the Company would seek to meet  
7 all of its load obligations for a forward period,  
8 say, 2028 through --

9 A. (Vatter) This is the way I analyzed it, just to  
10 have a look at how -- what the effect would be.

11 But, no, I mean, what we proposed was  
12 whatever would have been procured on the spot  
13 market would be procured on the futures market.  
14 And, currently, that's 30 percent in your  
15 proposal, but we would suggest doing that on the  
16 future markets instead. That's what we put in  
17 the testimony -- or what I put in the testimony.

18 Q. And I think I heard you testify just a moment ago  
19 on direct that you would also propose, or at  
20 least suggest, that the Company consider making  
21 some forward market purchases for some portion of  
22 load prior to 2028, so that would be maybe one or  
23 two years out; is that --

1 A. (Vatter) I wouldn't rule it out, because --  
2 because the futures prices don't currently show a  
3 large price shock.

4 But what I'm proposing is something  
5 that would work over the long term. It's three  
6 years -- it's done three years in advance. And  
7 so what I proposed was to start in 2028, but  
8 there's no reason not to do it sooner.

9 Q. Okay. Thank you. You mentioned that at least  
10 some of these transactions would occur through  
11 brokers. And brokers, I take it, would charge  
12 their own fees for facilitating those  
13 transactions; is that fair to say?

14 A. (Vatter) Yeah.

15 Q. And do you have a sense of what those brokerage  
16 fees would constitute in a typical transaction as  
17 this?

18 A. (Vatter) I would have a sense they would be  
19 fairly small. I mean, if you're talking about  
20 large volumes, and someone whose contribution to  
21 the transaction is some facilitation and  
22 analysis, they wouldn't competitively be able to  
23 charge a large margin, but I think -- you know,

1 I'm not a trader, as Mr. Littlehale has  
2 experience doing, so I don't know.

3 Q. Thank you. And I will also ask, have you  
4 considered or performed any analysis on potential  
5 credit impacts involved in implementing a  
6 three-year forward bilateral purchase strategy?

7 A. (Vatter) I have not performed any analysis on  
8 that. I would -- I would say that Eversource/  
9 PSNH's allowed ROE is considerably higher than a  
10 risk-free rate, and so the cost of capital that  
11 it is allowed reflects assumption of significant  
12 risk of some kind.

13 Q. Okay. Thank you. I think we briefly covered  
14 this before, but let's talk about it some more.

15 So on Bates pages 17 to 18 of your  
16 testimony, you testified, and I think you  
17 confirmed earlier on the stand, that there's  
18 really only a beneficial economic result if there  
19 are future global price shocks, such as that  
20 which occurred in 2022 following the Ukraine  
21 invasion; is that correct?

22 A. (Vatter) That is correct.

23 Q. And in looking over the historical period, it

1           seems like you were focused on price shocks that  
2           were triggered by OPEC action.

3       A.    (Vatter) Well, I looked, again, at a ten-year  
4           period from 2013 to 2023, and there was one  
5           global fuel price shock during that time. If you  
6           take that one out, then, yes, this proposal does  
7           not work. However, if I were to have gone back  
8           an extra five years, I would have grabbed a  
9           couple of other global fuel price shocks.

10       Q.   And to be clear, when we talk about a price  
11           shock, that's different than price spike, right?  
12           I mean, a price spike could be three or four  
13           hours on a hot afternoon.

14       A.    (Vatter) Yeah.

15       Q.    The price shock you're talking about can be weeks  
16           or months in duration?

17       A.    (Vatter) Yeah. Again, I mean, there is -- I  
18           mean, there's a market monitor at the ISO for a  
19           reason. And -- and those kind of price spikes,  
20           which sometimes occur when, lo and behold, the  
21           market is already tight and there's a generator  
22           that needs unplanned maintenance. Those need to  
23           be looked at by the market monitor. But that's

1 at a different link in the supply chain than what  
2 I'm talking about here.

3 Q. And a shorter duration, typically?

4 A. (Vatter) Typically, a shorter duration. That's  
5 right.

6 Q. So I'll ask if you have quantitatively analyzed  
7 the relative costs and benefits over time under  
8 differing scenarios for forward market purchases,  
9 including at least one scenario where there is no  
10 future global price shock?

11 A. (Vatter) Well, I mean, that's the case I looked  
12 at where I removed 2022 from the historical  
13 period.

14 Q. And in that case, you don't find the same  
15 mutually beneficial benefits that you did with  
16 the price spike --

17 A. (Vatter) That's correct.

18 Q. -- or shock?

19 A. That's correct. You need these to happen for  
20 this idea to work. But I -- I come back with  
21 they do happen. They've been happening since  
22 '73. They are profitable to people who produce  
23 fuel, and people who produce fuel have market

1 power. They have the ability to effectuate these  
2 shocks. So we can expect them to do it again.  
3 We just don't know when.

4 Q. Now, I want to switch to the issue of cost  
5 recovery. Does your testimony specify how and  
6 when the utilities, such as Eversource, will  
7 recover the cost of the recommended forward  
8 market purchases through its rates charged to  
9 customers?

10 A. (Vatter) Well, I -- I mean, one of the nice  
11 things about this is -- is price certainty, or at  
12 least it would contribute to that, because if you  
13 procure on the futures market three years in  
14 advance, then you can put the price -- the start  
15 price for delivery into rates at the time of  
16 delivery. And so that's where the rates are set,  
17 at least for energy. And -- and customers know  
18 this ahead of time, and they like this.

19 Q. Are there upfront costs of entering into these  
20 types of transactions?

21 A. (Vatter) Well, I don't think anybody can walk  
22 into a futures market without putting up some  
23 kind of security and -- and trade futures. They

1           have to -- they have to have something there to  
2           cover bad positions.

3   Q.    So that's one cost.

4   A.    (Vatter)  Yes.

5   Q.    The security cost.  And there may also be  
6           brokerage fees in certain instances; is that fair  
7           to say?

8   A.    (Vatter)  I should think so.

9   Q.    And would you agree with me that, if the Company  
10          makes forward market purchases three years in  
11          advance, but does not recover any upfront cost or  
12          related costs of those purchases through customer  
13          rates for a significant period of time, that the  
14          Company should be permitted to include carrying  
15          charges on those upfront cost in its cost  
16          recovery?

17  A.    (Vatter)  I don't know why those costs would be  
18          disallowed, but I won't say any more than that.

19  Q.    But disallowed or not, there's a time value of  
20          money, I think, that --

21  A.    (Vatter)  Ah.  Yes.  Yes.

22  Q.    And that's what I'm talking about with carrying  
23          costs.

1 A. (Vatter) I see. Yeah, I mean, what's the  
2 appropriate carrying charge for the Company? I  
3 think it depends on whether it is lending to or  
4 borrowing from customers.

5 In this case, it's borrowing from  
6 customers, and so I think that should be --  
7 should be tied to customers' time value of money.

8 Q. Customers rather than the Company's?

9 A. (Vatter) I think so. If this is where the  
10 Company is borrowing from customers, which I -- I  
11 think that's right.

12 Q. Another approach to the upfront costs, I suppose,  
13 would be to include them currently in rates, even  
14 though they relate to purchases made to cover  
15 energy requirements for a future period; would  
16 you agree with that as --

17 A. (Vatter) I mean, that is another approach.

18 Q. And would there, then, be a mismatch between the  
19 timing of upfront cost recovery and energy  
20 delivery that would result in a temporal cost  
21 shift?

22 A. (Vatter) Yeah. I mean, but these -- these  
23 are -- I mean, these costs, if -- if they are

1           incurred upfront on a one-time basis, they're  
2           fixed at the time of delivery.  If they're  
3           incurred repeatedly, then you would, I think,  
4           want to attribute them to consumption at the time  
5           of delivery.

6    Q.    And you mentioned disallowance, so I think,  
7           obviously, it would be in the Company's interest  
8           to avoid any potential disallowance, and in order  
9           to avoid any determination of imprudency and  
10          disallowance that might follow, would you agree  
11          with me that it would make sense for the Company  
12          to seek prior Commission approval to enter into  
13          such forward contracts?

14   A.    (Vatter)  That sounds like a good idea.

15   Q.    Similar to how the Company seeks prior approval,  
16          as was testified earlier, to the wholesale --  
17          wholesale default service procurement contracts  
18          that it enters into under the current process?

19   A.    (Vatter)  Yeah.  I mean, if you -- if you -- if  
20          you ask the Commission ahead of time, that's  
21          probably a good plan, yeah.

22   Q.    And do you know if the forward futures market  
23          would accommodate the time needed to file such a

1 request for PUC approval or denial?

2 A. (Vatter) Well, I mean, if you're not starting  
3 delivery until 2028, I would think so.

4 Q. But so, I guess the question then would be: How  
5 long do marketers hold their futures prices, or  
6 is this a market that could change daily?

7 A. (Vatter) Of course, it changes daily, but you --  
8 I suppose, you can tether it to changes in the  
9 futures price between the time you ask and then  
10 the time you enter into the contract, something  
11 along those lines.

12 Q. But you haven't analyzed that specific timing  
13 issue in any detail, it sounds?

14 A. (Vatter) No. But at this stage, hopefully  
15 starting delivering in 2028 would be sufficient  
16 to work that out.

17 Q. And I just want to clarify, because there seemed  
18 to be some confusion earlier. On Bates pages 19  
19 to 20 of your testimony, you did assert that, if  
20 the utility's load forecasts, in fact,  
21 overestimate the amount of load required to be  
22 served during the delivery period, resulting in  
23 too much energy procured in advance, then any

1 losses due to spot market liquidation would be  
2 borne by shareholders and not customers; is  
3 that -- am I --

4 A. (Vatter) Yes. This is what we propose. That  
5 load risk is assumed by the Company. But, again,  
6 it's -- it's -- I mean, you can think of it is as  
7 price risk. I mean, are these futures -- these  
8 futures contracts will not be worthless. They  
9 can be liquidated.

10 I was really taken aback by that  
11 phrase that Mr. Littlehale used when he said  
12 could not be liquidated. I mean, if you have --  
13 if you have a commitment to deliver energy at  
14 some price in the future, and that's tradeable,  
15 then you can liquidate it. So it's -- the  
16 question is whether the price you've locked in  
17 for delivery is high or low relative to the  
18 market at that particular time.

19 And -- and, I mean, I just shared with  
20 you a characterization of the upside and downside  
21 of price risk. And the upside deviations in spot  
22 prices are larger than the downside deviations.  
23 So it just does not seem like an onerous burden

1 to have the Company assume that load risk.

2 Q. So a couple of things there. I mean,  
3 Mr. Littlehale did highlight the difference  
4 between the volume risk and the price risk. And  
5 I take it, the load forecasting goes more to the  
6 volume risk; is that correct?

7 A. (Vatter) Right. So you've got P times Q, right?  
8 And there's risk in P and risk in Q, but, you  
9 know, if you have -- if you have -- if Q is  
10 mis-specified, then how hard that hits you or how  
11 much money you make depends on the P that you  
12 multiply it by.

13 Q. And I guess I'm interpret --

14 A. (Vatter) I'm sorry. I would add that -- I mean,  
15 unless electric load disappears, there's a market  
16 for commitments to deliver electric energy.

17 Q. Meaning there's an opportunity to mitigate  
18 through liquidation --

19 A. (Vatter) Yeah. I mean, even if the load  
20 migrates away from Eversource, if it still  
21 exists, somebody has to get the energy to serve  
22 it.

23 Q. And then the price differential defines what the

1 loss would be.

2 A. (Vatter) But -- but the fact that that load  
3 still exists supports the price, right? And if  
4 the price is supported, then, yeah, the loss  
5 isn't so great.

6 Q. Even if the load is being served by someone else?

7 A. (Vatter) Yeah.

8 Q. Okay. But just to be clear, I think it is your  
9 proposal, in your testimony in those pages I  
10 referenced, that even if the Company made  
11 reasonable forecasts of its needed load for a  
12 three-year period in advance and took prudent  
13 steps to liquidate its position if it ended up in  
14 an excess volume situation, forward versus spot,  
15 that any loss it incurred should be borne by the  
16 utility shareholders rather than by its  
17 customers?

18 A. (Vatter) Yes. That is our proposal. It's a  
19 risk. We don't think it's too much to ask.

20 MR. WIESNER: I think that's all I  
21 have. Thank you.

22 CHAIRMAN GOLDNER: Thank you, Attorney  
23 Wiesner.

1           Let's turn now to the Department of  
2 Energy.

3           MR. YOUNG: Thank you, Mr. Chairman.  
4 The Department does not have any questions for  
5 Dr. Vatter at this time.

6           CHAIRMAN GOLDNER: Thank you.

7           And we'll turn to Commissioner  
8 Chattopadhyay next.

9           CMSR. CHATTOPADHYAY: I don't have any  
10 questions.

11          CHAIRMAN GOLDNER: All right. As  
12 Attorney Wiesner was very thorough, I have no  
13 questions either, so thank you, Attorney Wiesner.

14          And we can turn now to redirect and  
15 the Office of the Consumer Advocate and Attorney  
16 Kreis.

17          MR. KREIS: I have no questions on  
18 redirect. Mr. Vatter did a good job of his own  
19 auto-generated redirect.

20          CHAIRMAN GOLDNER: Thank you.

21          Okay. Thank you very much,  
22 Dr. Vatter. The witness is excused.

23          Hearing -- having no objections, the

1 Commission will now strike identification on  
2 Hearing Exhibits 4, 5, and 6, and enter them into  
3 evidence.

4 (Exhibits 4, 5, and 6 admitted.)

5 CHAIRMAN GOLDNER: We'll now invite  
6 the parties to make brief closing statements on  
7 the record, beginning with the Department.

8 MR. YOUNG: Thank you, Mr. Chairman.

9 The DOE does appreciate the  
10 opportunity to share its considerations with the  
11 Commission today and also in our position  
12 statement. We'd also like to thank the Company  
13 witnesses and Dr. Vatter as well. It's very  
14 clear that Dr. Vatter has spent quite a bit of  
15 time and thought into his testimony.

16 The Department would continue to  
17 recommend that the Commission proceed with  
18 caution in making changes to energy procurement  
19 for the state. As we heard here this afternoon,  
20 the Company has not had the chance to really look  
21 at anything get done in this arena to date, so  
22 building in some time for the Company and the  
23 parties to review the reconciliation figures,

1 working capital impacts we discussed today might  
2 be warranted. And I think also that a -- any  
3 review period would also likely provide an  
4 opportunity beyond the past week to delve into  
5 some of the futures market proposals discussed  
6 here today as well.

7 Thank you, Mr. Chairman.

8 CHAIRMAN GOLDNER: Thank you, Attorney  
9 Young.

10 We'll turn now to the Office of the  
11 Consumer Advocate.

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

13 The gist of the OCA's position, as it  
14 has been laid out in the testimony that  
15 Mr. Vatter just offered to you, is that to the  
16 extent that it is in the public interest for  
17 default service to be acquired by this utility,  
18 via a market mechanism rather than through  
19 requirements contracts, the right market to be  
20 explored is actually the futures market rather  
21 than the ISO New England spot market, by which I  
22 do mean the day-ahead and the realtime market,  
23 for the reasons that Dr. Vatter has offered.

1           And it's clear that the Company  
2 doesn't like that. It's clear through their  
3 cross-examination that they have correctly  
4 identified the fact that Mr. Vatter's proposal is  
5 not fully realized. But note that his testimony  
6 doesn't say that the Company should be ordered to  
7 move forward with a procurement plan like that  
8 next week or even in the next procurement period.  
9 He deliberately, in his testimony, allowed for  
10 those details to be worked out in time to allow  
11 for procurements of futures that would become  
12 due, I guess you would say, in August of 2028.  
13 There's plenty of time to do that.

14           In the meantime, what should the  
15 Commission do today? Well, I -- I guess what I  
16 would say, in particular, to both of the  
17 Commissioners who are up on the bench, is that  
18 both of you have been around for a year or two or  
19 three now in your present capacities, and you've  
20 probably noticed by now that very few people --  
21 very few entities that appear before the  
22 Commission want to do anything to annoy the  
23 regulator. And everybody in the room is aware

1 that what the Company is proposing here today is  
2 not the result of the Company's own initiative;  
3 it's a result of being told by the Commission to  
4 propose something. And the Company has done  
5 that.

6 But neither the Department, nor this  
7 utility, have the courage to go before you and  
8 say, don't do it.

9 I do. Don't do it.

10 The prudent course of action here is  
11 to let the results of this first six-month  
12 procurement play out. Take a look at how that  
13 modest reliance of 12.8 percent, for residential  
14 customers on the spot market, worked over the  
15 course of the six months that crosses both the  
16 warm weather months and the cold weather months,  
17 and then take a look at whether that achieved the  
18 intended effects.

19 And there's every reason to suppose  
20 that it might well, for the reasons that Chairman  
21 Goldner laid out, but it really is too soon to  
22 move even further into the spot market.

23 I really think that what the

1 Commission ought to do is tell this Company to  
2 gear up for another procurement period that looks  
3 a lot like the current one, and then take a  
4 look -- or give the OCA and all of the parties  
5 the opportunity to develop more of the details of  
6 what Mr. Vatter is proposing, so there will be  
7 fewer unanswered questions.

8 I think that's all I have to say.

9 CHAIRMAN GOLDNER: Thank you, Attorney  
10 Kreis.

11 We'll turn now to the Company.

12 MR. WIESNER: So I'll just emphasize  
13 that the Company's proposed expansion of direct  
14 wholesale market participation represents a  
15 reasonable and appropriate approach to meeting  
16 the Commission's directives in Order No. 27,022,  
17 to expand direct wholesale market procurement of  
18 power supply, to meet default service load  
19 requirements starting in February of next year.

20 Although the company's small and large  
21 customers will be exposed to additional market  
22 volatility risks as a result of that expansion,  
23 as we've noted, those risks must be balanced

1 against avoidance, in whole or in part, of the  
2 so-called risk premiums included by third-party  
3 wholesale suppliers in their competitive bids.

4 We believe the Company's proposal  
5 strikes an appropriate balance between risk and  
6 opportunity in view of current circumstances and  
7 what is known at this time. As was testified to  
8 earlier, we are early in the process of this  
9 12.5 percent experiment, and we'll know much more  
10 when the full six-month period has run, in  
11 particular, with the higher loads and prices that  
12 are typically seen in the winter months.

13 I -- I will say, with respect to the  
14 OCA's alternative proposal to engage with  
15 procurements with forward market purchases three  
16 years in advance, our preliminary position, as  
17 you've heard testified by Mr. Littlehale, is that  
18 we are not supportive of that approach, based on  
19 what we know, although we have not had sufficient  
20 time to properly evaluate all of its pros and  
21 cons, including the economic analysis offered to  
22 support it.

23 We are concerned that it would expose

1 customers to unacceptable risk while providing,  
2 at best, uncertain benefits. And we note, as  
3 Mr. Vatter recently confirmed, that the strategy  
4 would only have value in the case of a future  
5 dramatic price surge, such as occurred in 2022 in  
6 the wake of the Russian invasion of Ukraine. And  
7 any such forward purchases will come at their own  
8 cost, including the risk premium charged by  
9 futures market counterparties, all of which  
10 costs, ultimately, must be borne by customers.

11 The timing of cost recovery is also a  
12 significant issue that is left unaddressed by the  
13 OCA testimony. To be clear, in order to avoid  
14 any imprudence charge related to the decision to  
15 enter into forward purchases which may later be  
16 deemed unnecessary due to -- excuse me -- due to  
17 load migration or a drop in wholesale market  
18 prices, the Company would need assurance of cost  
19 recovery in advance of entering into those  
20 contracts. That might take the form of a request  
21 for prior Commission approval to enter into such  
22 forward contracts and approval of full cost  
23 recovery at the time the contracts were entered

1 into.

2           Also, the Company cannot be in a  
3 position where it must carry any upfront cost of  
4 such purchases, such as potential brokerage fees  
5 for three years without carrying charges, which  
6 will be passed through to customers, thereby  
7 decreasing the potential benefits of the forward  
8 purchases.

9           In the alternative, as conceded by the  
10 witness on cross-examination, if the upfront  
11 costs are collected from customers shortly  
12 following their occurrence, then a situation  
13 results where the current customers are paying,  
14 in part, for power that later customers will  
15 consume, with later recognition of the actual  
16 spot price of power during the future default  
17 service delivery period. That represents a  
18 temporal cost shift that seems unreasonable and  
19 unjustified under the circumstances.

20           And, finally, I have to say it's  
21 simply unreasonable and potentially confiscatory  
22 for the Consumer Advocate's witness to suggest  
23 that if forecasted load does not appear for any

1 reason, Eversource shareholders should bear the  
2 cost of any loss from forward market purchases  
3 that cannot be mitigated by liquidating the  
4 forward positions in the spot market at that time  
5 or the losses that would occur, notwithstanding  
6 mitigation, through such market liquidation.

7           That's not how public utility  
8 regulation works, and it's completely  
9 unreasonable, in particular, where the provision  
10 of default service is a legal requirement that is  
11 provided to customers on a purely passthrough  
12 basis.

13           So in closing, I will say that, as you  
14 noted earlier, Mr. Chairman, the Company needs  
15 sufficient time to prepare to implement the  
16 proposed expansion of direct market participation  
17 in conjunction with the competitive solicitation  
18 of third-party wholesale supply for the remaining  
19 tranches of its small customer group load; and,  
20 therefore, we would ask that the Commission  
21 review and approve this proposal in a timely  
22 manner, with a decision issued not later than  
23 October 15th. Thank you.

1                   CHAIRMAN GOLDNER: Thank you, Attorney  
2 Wiesner.

3                   Are there any other matters requiring  
4 our attention today?

5                   Okay. Seeing none. Thank you to all  
6 the witnesses today. The Commission will take  
7 the matter under advisement, render its ruling on  
8 the Company's proposal in advance of October  
9 15th. The hearing is adjourned. Thank you.

10                   (Whereupon, the proceeding  
11 was adjourned at 3:32 p.m.)

12

13

14

15

16

17

18

19

20

21

22

23

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

C E R T I F I C A T E

I, Nancy J. Theroux, LCR, RPR, do hereby certify that the foregoing transcript is a true and accurate transcription of the within proceedings, to the best of my knowledge, skill, ability and belief.

THE FOREGOING CERTIFICATION OF THIS TRANSCRIPT DOES NOT APPLY TO ANY REPRODUCTION OF THE SAME BY ANY MEANS UNLESS UNDER THE DIRECT CONTROL AND/OR DIRECTION OF THE CERTIFYING REPORTER.

*Nancy J. Theroux*



NANCY J. THEROUX  
Licensed Court Reporter  
NH LCR No. 100

<b>\$</b>	<b>2</b>	<b>40</b> 2:10	<b>acquired</b> 106:17	<b>ancillary</b> 83:14
<b>\$10</b> 47:13	<b>2</b> 70:19	<b>45</b> 43:3	<b>action</b> 56:14 94:2 108:10	<b>and/or</b> 21:9 38:3
<b>\$100</b> 48:23	<b>2.5</b> 45:14	<b>5</b>	<b>actions</b> 65:19,21 66:3	<b>announced</b> 21:4
<b>\$120</b> 37:3 47:16 79:12,13 80:1,3	<b>20</b> 39:3 42:9 59:23 100:19	<b>5</b> 3:5 6:7 9:16 19:17 35:8 38:21 39:12 70:9 71:7,8,13 105:2,4	<b>actual</b> 60:14 61:2,15 67:9 112:15	<b>announcement</b> 21:10 24:9
<b>\$150</b> 49:2,10	<b>2008</b> 74:1 78:12	<b>50</b> 34:23 47:2	<b>actuals</b> 26:20	<b>annoy</b> 107:22
<b>\$280</b> 47:4	<b>2009</b> 66:7	<b>58</b> 2:11	<b>add</b> 12:23 27:17 102:14	<b>annual</b> 67:1,2
<b>\$300</b> 47:4	<b>2011</b> 73:23 78:9	<b>6</b>	<b>additional</b> 13:13 18:16 37:13 109:21	<b>anomalies</b> 32:17
<b>\$400,000</b> 66:16	<b>2013</b> 94:4	<b>6</b> 2:4 6:10 7:3 9:17 105:2,4	<b>address</b> 5:8 7:9 8:12 29:19 43:1 63:16 79:3	<b>answers</b> 71:8,9
<b>\$400-something</b> 47:3	<b>2019</b> 77:3 88:20	<b>63</b> 2:8	<b>addressed</b> 55:15 82:9	<b>antenna</b> 28:16
<b>\$44</b> 66:17	<b>2020</b> 88:20	<b>69</b> 2:13	<b>addressing</b> 82:11	<b>anticipated</b> 60:21 81:20
<b>\$5.70</b> 86:2,4	<b>2021</b> 19:17 20:6	<b>7</b>	<b>adjustment</b> 15:18 22:6 23:4	<b>anticipating</b> 86:8
<b>\$59</b> 77:11	<b>2022</b> 19:18 20:6 53:3 71:18 72:15 73:6,8, 13 77:3 85:22 86:5,6 89:2 93:20 95:12 111:5	<b>7</b> 43:23	<b>administrative</b> 27:14	<b>anytime</b> 58:2 85:6
<b>\$60</b> 36:16 37:1 48:19 49:9 77:12	<b>2023</b> 36:18,23 53:9 94:4	<b>7/30/2024</b> 3:4	<b>admitted</b> 105:4	<b>Apparently</b> 10:4
<b>\$884</b> 46:17	<b>2024</b> 4:6,13 18:21 21:4 45:13 77:11	<b>70</b> 2:14 19:2 44:4 49:5,10	<b>adopt</b> 5:23 16:5 17:8 33:23 71:13	<b>appearances</b> 2:4 6:13,17
<b>\$98</b> 66:12	<b>2025</b> 18:22,23 45:20	<b>73</b> 95:22	<b>advance</b> 19:11 22:12 36:20 37:18 65:16 73:16 76:15 79:13 86:15 92:6 96:14 97:11 100:23 103:12 110:16 111:19	<b>applied</b> 87:4
<b>0</b>	<b>2028</b> 36:15 76:22 77:22 78:1 91:8,22 92:7 100:3,15 107:12	<b>8</b>	<b>administrative</b> 27:14	<b>apply</b> 22:16
<b>008</b> 71:4	<b>2029</b> 36:15	<b>8</b> 43:23	<b>admitted</b> 105:4	<b>approach</b> 6:1 98:12, 17 109:15 110:18
<b>016</b> 71:1	<b>21</b> 47:12	<b>8.4</b> 19:20,22 20:8	<b>adopt</b> 5:23 16:5 17:8 33:23 71:13	<b>approval</b> 38:17 53:6 64:21 99:12,15 100:1 111:21,22
<b>1</b>	<b>22</b> 47:12	<b>82</b> 2:14	<b>advance</b> 19:11 22:12 36:20 37:18 65:16 73:16 76:15 79:13 86:15 92:6 96:14 97:11 100:23 103:12 110:16 111:19	<b>approve</b> 11:13 29:8,9 113:21
<b>1</b> 42:10	<b>23</b> 2:7	<b>9</b>	<b>advantage</b> 7:23	<b>approved</b> 23:7 29:16 49:14 50:13
<b>1.2</b> 66:11	<b>23-087</b> 90:5	<b>9.4</b> 19:20	<b>Advocate</b> 9:11,14 11:11 28:9 43:13 57:4 70:7 104:15 106:11	<b>approves</b> 54:8
<b>1.5</b> 46:2	<b>23rd</b> 4:13	<b>9/10/2024</b> 3:6	<b>Advocate's</b> 23:13 112:22	<b>approximately</b> 37:1 43:3 45:4
<b>10</b> 19:17 42:9 43:1	<b>24-046</b> 4:8	<b>9/13/2024</b> 3:5	<b>advocates</b> 55:23	<b>Arabia</b> 75:8,13
<b>10-121</b> 66:10	<b>24th</b> 21:4	<b>A</b>	<b>afternoon</b> 4:3 5:8 6:21 51:13 70:4 94:13 105:19	<b>arena</b> 105:21
<b>100</b> 17:21 46:14 48:10	<b>25</b> 69:4,11	<b>aback</b> 101:10	<b>art</b> 75:2	<b>argument's</b> 60:19
<b>105</b> 2:17 3:3,5,6	<b>27,022</b> 4:5 18:3 109:16	<b>abated</b> 55:20	<b>articulately</b> 79:1	<b>ARGUMENTS</b> 2:16
<b>106</b> 2:17	<b>28</b> 2:8	<b>ability</b> 48:14 49:4,16 96:1	<b>assert</b> 100:19	<b>arisen</b> 52:6
<b>109</b> 2:18	<b>28th</b> 4:15	<b>absence</b> 64:7	<b>art</b> 75:2	<b>art</b> 75:2
<b>10th</b> 5:1 6:11 41:13 46:6 59:14	<b>29</b> 61:7,8	<b>absolutely</b> 8:23	<b>aggregate</b> 72:2	<b>articulately</b> 79:1
<b>12.5</b> 18:7,14,20 31:9, 13 33:19 42:17 44:2, 7,10,14 110:9	<b>3</b>	<b>accept</b> 51:8,23 54:1	<b>aggregation</b> 38:4	<b>assert</b> 100:19
<b>12.8</b> 108:13	<b>3</b> 36:18	<b>acceptable</b> 38:6 48:21	<b>aggregators</b> 80:21	<b>assign</b> 6:9
<b>13th</b> 5:3,5	<b>30</b> 17:20 18:1,2,22 22:19 33:19,21 34:4, 14 42:12,18 45:19 47:3 60:13,15 61:1,8 91:14	<b>accepted</b> 19:19 48:4 50:7 51:7 53:5 64:13	<b>agree</b> 39:9 47:9 54:11 55:18 58:12 62:13 83:3 84:12,19 85:5 89:8 97:9 98:16 99:10	<b>assume</b> 11:4 85:14 102:1
<b>14</b> 2:6,7 19:5 44:3,7 71:4	<b>30th</b> 4:6,13,15 5:20 15:19 16:22 25:6 28:21 34:17 43:1 61:10	<b>accepting</b> 50:3	<b>aggregate</b> 72:2	<b>assumed</b> 101:5
<b>15</b> 71:1	<b>31</b> 60:15	<b>accessed</b> 24:6	<b>aggregation</b> 38:4	<b>assuming</b> 39:8 76:8 91:1
<b>15th</b> 5:8,9 113:23	<b>38.67</b> 77:16	<b>accommodate</b> 9:4 99:23	<b>aggregators</b> 80:21	<b>assumption</b> 93:11
<b>16th</b> 6:2,8	<b>4</b>	<b>account</b> 65:20	<b>agree</b> 39:9 47:9 54:11 55:18 58:12 62:13 83:3 84:12,19 85:5 89:8 97:9 98:16 99:10	<b>assurance</b> 111:18
<b>17</b> 93:15	<b>4</b> 2:3 3:3 6:7 9:16 15:20 16:23 43:22 45:12 46:5 47:6 105:2,4	<b>accumulate</b> 18:16	<b>ahead</b> 27:20 41:11 76:23 96:18 99:20	<b>attached</b> 70:11
<b>18</b> 59:22 93:15		<b>accurate</b> 62:21	<b>allowed</b> 40:4 93:9,11 107:9	<b>attention</b> 70:8
<b>18.39</b> 77:15		<b>achieved</b> 108:17	<b>allowing</b> 18:15	<b>attorney</b> 5:4 8:7 9:20 11:16 12:14 13:15 28:7 39:5,17,21 40:12 55:11 58:8 63:12 69:1,7 76:3 103:22 104:12,13,15 106:8 109:9
<b>18th</b> 4:16		<b>achieves</b> 19:1	<b>alluded</b> 40:8	<b>attractive</b> 72:16
<b>19</b> 39:3 59:22 100:18		<b>acquire</b> 77:23	<b>alternative</b> 10:20 21:9,11 24:11,19 35:12 110:14 112:9	<b>attribute</b> 99:4
<b>1973</b> 72:23 76:1			<b>Amerex</b> 21:10	<b>auctions</b> 87:4,10
<b>1st</b> 32:21 58:12,16 59:21			<b>amount</b> 37:5 42:11 79:22 100:21	<b>August</b> 4:13,15 18:21 19:17 20:5 21:4 32:14,17,21

36:15 47:12 58:12, 16 59:22 76:22 77:22 78:1 107:12	57:1 60:9,12,16 61:7 63:21 64:4,17,18	83:14 90:9	43:21 66:22 67:5,8, 15,20 68:11,16,20	101:13
<b>auto-generated</b> 104:19	<b>bidder</b> 64:20	<b>capital</b> 22:14,23 25:1,21 26:7 42:3,8, 10,14,17,20 43:9,13, 19 67:4 93:10 106:1	<b>choice</b> 38:2	<b>commitments</b> 5:10 102:16
<b>average</b> 20:18,19 66:11,17 77:10,14, 16 86:2,3,5	<b>bidders</b> 48:20	<b>care</b> 57:17	<b>circumstances</b> 57:13 59:2 66:2 110:6 112:19	<b>commodity</b> 76:14 79:13 80:10
<b>averaged</b> 20:23 36:16	<b>bidding</b> 84:23	<b>carefully</b> 10:2	<b>cited</b> 88:4	<b>community</b> 38:4 45:11
<b>avoid</b> 63:18 99:8,9 111:13	<b>bids</b> 49:2,9,21 50:4, 7,18,20 51:6,21 52:14 53:1,23 54:13 56:2 57:5 110:3	<b>carry</b> 112:3	<b>clarifications</b> 69:1	<b>companies</b> 84:22
<b>avoidance</b> 110:1	<b>big</b> 80:16	<b>carrying</b> 97:14,22 98:2 112:5	<b>clarify</b> 44:13 67:22 100:17	<b>Company</b> 4:20 5:6 6:2,3,18,23 15:8 16:17 18:1,12 20:11 21:15,18,22 22:19, 20 23:2 25:2,7,16 26:1,12 27:7 29:8 36:19 37:10 38:12 39:13 40:9 43:14,17, 18 44:1,6 48:7,9,22 49:3,5 50:17,22 52:14,15 54:8 64:1, 2,9,17,19 65:15,20 66:15 68:7 76:13 77:21,23 78:19 79:20,22 80:7,13 82:3 83:1 86:20 91:6,20 97:9,14 98:2,10 99:11,15 101:5 102:1 103:10 105:12,20,22 107:1, 6 108:1,4 109:1,11 111:18 112:2 113:14
<b>aware</b> 24:15,19 40:8 74:14 107:23	<b>bigger</b> 80:5	<b>case</b> 5:11 64:16 72:5 95:11,14 98:5 111:4	<b>clear</b> 73:21 79:11 94:10 103:8 105:14 107:1,2 111:13	<b>Company's</b> 4:21 6:8, 10 7:9 17:13 22:10, 14 23:12 25:1,21 38:7 42:14,19 47:11 48:21 50:14 52:16 65:8 66:23 67:3 68:1 84:23 98:8 99:7 108:2 109:13,20 110:4
<hr/> <b>B</b> <hr/>	<b>billion</b> 46:16,22	<b>cash</b> 22:23 25:1,21 26:7 67:3	<b>clean</b> 46:6 75:5	<b>comparable</b> 10:18
<b>back</b> 7:16 12:11 17:11 32:11 42:5 43:22 50:10,12 51:12 54:2,7,9 66:7 69:13 73:22 75:4 78:10 94:7 95:20	<b>bills</b> 71:22	<b>catches</b> 55:5	<b>clear</b> 73:21 79:11 94:10 103:8 105:14 107:1,2 111:13	<b>compare</b> 27:1,22
<b>backward</b> 47:23	<b>bit</b> 25:14 26:4 56:10 57:21 58:21 74:19 75:4 84:11 105:14	<b>caution</b> 105:18	<b>cleared</b> 62:22	<b>compares</b> 86:19
<b>bad</b> 97:2	<b>blends</b> 31:23	<b>ceiling</b> 50:1	<b>clearing</b> 36:3	<b>comparing</b> 26:20 63:6
<b>badger</b> 33:12	<b>boilers</b> 89:15	<b>cells</b> 70:23	<b>close</b> 77:12	<b>compensation</b> 83:20
<b>baked</b> 78:4	<b>borne</b> 36:5 83:17 101:2 103:15 111:10	<b>cents</b> 19:20,22 20:8	<b>closing</b> 2:16 5:21 105:6 113:13	<b>competes</b> 81:6
<b>balance</b> 22:5 110:5	<b>borrowing</b> 98:4,5,10	<b>certainty</b> 96:11	<b>Cmsr</b> 2:11 40:18 58:10 63:9 104:9	<b>competitive</b> 15:12 19:4 38:3 80:21 81:1 82:18 110:3 113:17
<b>balanced</b> 109:23	<b>bought</b> 61:9 62:15	<b>cetera</b> 83:14	<b>cold</b> 74:18 108:16	<b>competitively</b> 92:22
<b>balloon</b> 11:5,6	<b>boy</b> 82:10	<b>chain</b> 95:1	<b>collected</b> 22:3,5 112:11	<b>complements</b> 88:8
<b>based</b> 8:15 19:23 20:6 27:23 43:10,15 47:6 65:16 110:18	<b>break</b> 49:4,11 69:4, 10	<b>Chairman</b> 2:3,10 4:2 6:22 7:5,22 8:14,22 9:5,13 11:14 12:1,7 13:8,11,18,21 14:6, 12,16,17,19 23:16, 17,20 28:5,7,10 40:15,20 56:12,19 57:16,20 58:6 63:11 68:22,23 69:13,18, 21,22 70:1 82:2,4 103:22 104:3,6,11, 20 105:5,8 106:7,8, 12 108:20 109:9 113:14	<b>colleagues</b> 27:1	<b>completely</b> 113:8
<b>basically</b> 35:1	<b>briefly</b> 20:11 26:10 71:16 73:2 76:11 93:13	<b>change</b> 8:17 25:2 105:20	<b>collectively</b> 54:22	<b>completion</b> 31:12
<b>Basin</b> 88:20	<b>bring</b> 91:3	<b>change</b> 18:7,10 23:6 26:12 36:14 43:2,18 64:15 100:6	<b>college</b> 76:7,9	<b>complex</b> 37:15 88:7
<b>basis</b> 21:1 33:11 37:6 67:3 84:2,21 89:8 99:1 113:12	<b>bringing</b> 12:11	<b>changed</b> 70:21	<b>colloquy</b> 9:19	<b>complied</b> 18:3
<b>Bates</b> 39:2 43:1,23 71:1,4 93:15 100:18	<b>brokerage</b> 92:15 97:6 112:4	<b>changing</b> 30:13 51:16	<b>column</b> 70:19,20 77:9	<b>complies</b> 34:18
<b>bear</b> 38:10,15,22 113:1	<b>brokers</b> 84:17 92:11	<b>characterization</b> 83:4 101:20	<b>combination</b> 58:22	<b>comply</b> 34:12
<b>began</b> 45:20	<b>brought</b> 59:1 64:21	<b>characterize</b> 90:3	<b>comfortable</b> 82:14	<b>components</b> 83:17
<b>begin</b> 82:3,7,22	<b>building</b> 55:4,5 105:22	<b>charge</b> 22:21 23:5 29:12 68:1,2,10 92:11,23 98:2 111:14	<b>comment</b> 10:3,6 12:14 14:5 35:6	<b>conceded</b> 112:9
<b>beginning</b> 6:18 23:18 40:16 59:22 76:22 105:7	<b>built</b> 85:16	<b>charged</b> 86:17 96:8 111:8	<b>commenting</b> 58:7	<b>conceivably</b> 61:18 65:5
<b>begins</b> 45:20	<b>bunch</b> 76:9	<b>charges</b> 23:4 26:5 97:15 112:5	<b>comments</b> 2:3 9:19	<b>concept</b> 12:19
<b>behalf</b> 9:14 13:22 39:11 66:20	<b>burden</b> 101:23	<b>charging</b> 21:23	<b>Commission</b> 2:9 4:4, 12,15,19,23 5:6,10, 13 6:9,12 10:12,22, 23 11:7,12 12:20 15:16 16:19 17:16 20:8,16 22:18 23:1 24:16 26:8 29:8,9 34:3,13,19 38:17 39:9 42:22 45:18 49:14 50:13 51:4,14 53:6 54:3,8 56:9 59:17 63:22 64:21 65:1 68:7,13 70:5,17 71:16 76:12 80:20 99:12,20 105:1,11, 17 107:15,22 108:3 109:1 111:21 113:20	<b>concern</b> 43:12,14 56:8
<b>behold</b> 94:20	<b>business</b> 7:1 52:23	<b>Chattopadhyay</b> 2:11 4:10 6:22 40:17,18 58:9,10 63:9 104:8,9	<b>Commission's</b> 29:5 109:16	<b>concerned</b> 55:17,21 110:23
<b>believes</b> 18:12 22:18, 20	<b>buy</b> 87:7	<b>check</b> 42:5	<b>Commissioner</b> 4:9, 10 6:22 40:16,17 58:8 104:7	<b>concerns</b> 10:14 25:12,15
<b>bells</b> 57:21	<b>buying</b> 79:12 81:2,5	<b>Chen</b> 2:5 3:3 6:3 14:10,14 16:8,11,14, 20 17:1,4,7,10 21:14,18 23:9 24:21 25:5,14 26:2,9,17 27:17 28:15,20 29:3, 15 30:7,12 42:21	<b>Commissioners</b> 8:4 107:17	
<b>belong</b> 56:6	<hr/> <b>C</b> <hr/>		<b>commitment</b> 36:19, 23 83:19 87:1	
<b>bench</b> 11:18 107:17	<b>calculate</b> 20:17 21:1 46:15,20			
<b>beneficial</b> 93:18 95:15	<b>calculation</b> 16:16 20:13 29:17 30:14 31:22 43:19 46:10, 19 77:7 79:15			
<b>benefit</b> 27:10	<b>calculations</b> 42:8,16 43:10,16 46:23			
<b>benefits</b> 18:18 80:14 95:7,15 111:2 112:7	<b>calendar</b> 67:9 73:10			
<b>bid</b> 49:8 50:17 51:11, 21 52:16 53:4,5,22 54:5,14,22 55:14	<b>call</b> 8:16 41:2 47:21 57:12 87:10			
	<b>calls</b> 34:22			
	<b>candidates</b> 80:22			
	<b>capability</b> 48:10			
	<b>capacities</b> 107:19			
	<b>capacity</b> 32:14 74:8			

<b>conduct</b> 11:1	<b>cost</b> 19:13 21:19 22:3,4 23:5 27:1 38:10 68:10 70:21, 22 72:16 74:9 83:16 84:3 85:2 90:7 93:10 96:4,7 97:3,5,11,15 98:19,20 111:8,11, 18,22 112:3,18 113:2	<b>data</b> 6:10 18:16 21:6, 7,11 24:3,7,11 31:17 32:9 33:9 46:10 47:11,22 59:13,16, 21 60:10 62:10 77:4, 15	5 100:3,22 101:17 112:17	<b>disappears</b> 102:15
<b>conduit</b> 88:17	<b>cost-effective</b> 72:3	<b>date</b> 4:17 5:18 25:12 31:16 105:21	<b>delve</b> 106:4	<b>disappointing</b> 81:13
<b>confess</b> 73:12	<b>costly</b> 72:2	<b>dated</b> 3:4,5	<b>demand</b> 37:10 66:15 75:11	<b>discontinued</b> 21:5 24:10
<b>confident</b> 44:11	<b>costs</b> 18:18 19:10 20:4 21:16,22 22:1 26:22 31:18 33:8 39:15 48:2 74:11 84:3 95:7 96:19 97:12,17,23 98:12, 23 111:10 112:11	<b>David</b> 6:22	<b>denial</b> 100:1	<b>discovery</b> 11:2 39:20 40:7,10 41:12
<b>confidential</b> 5:1	<b>counterparties</b> 84:14 111:9	<b>day</b> 33:1 49:8 51:11, 21 52:1,16 53:22 54:5,6,14,22 55:14 57:1 60:22 63:3,8,21 64:4	<b>Department</b> 13:16, 20,23 15:6 23:19 25:19 28:6 43:12 52:2 54:19 56:9 104:1,4 105:7,16 108:6	<b>discrete</b> 5:19
<b>confirm</b> 48:8	<b>country</b> 87:23	<b>day-ahead</b> 41:2,7,8, 14 58:14,20 59:4 60:9,16,17 61:4,9,23 62:15,20 63:6 76:19 106:22	<b>depending</b> 26:2,8 54:4	<b>discuss</b> 57:4
<b>confirmed</b> 93:17 111:3	<b>couple</b> 54:21 64:2 94:9 102:2	<b>days</b> 43:3 51:15 64:21	<b>depends</b> 60:6 98:3 102:11	<b>discussed</b> 5:17 26:10 28:22 29:1,4 106:1,5
<b>confiscatory</b> 112:21	<b>courage</b> 108:7	<b>DE</b> 66:10	<b>describe</b> 20:11 21:15 76:5,11	<b>discussing</b> 55:18
<b>confusion</b> 27:18 100:18	<b>cover</b> 30:6 74:9,11 83:6 97:2 98:14	<b>deal</b> 54:22	<b>describing</b> 38:23	<b>discussion</b> 23:10 32:8 41:14 48:17 51:5 52:8 53:21 55:3 56:10 63:20 90:5 91:4
<b>conjunction</b> 113:17	<b>covered</b> 48:7 93:13	<b>dealing</b> 34:10	<b>DESCRIPTION</b> 3:2	<b>disruptions</b> 75:12
<b>Connecticut</b> 57:1,2 58:4	<b>covering</b> 71:22	<b>December</b> 53:2,3	<b>detail</b> 25:7 100:13	<b>distinct</b> 78:18
<b>connection</b> 66:23	<b>crappy</b> 79:18	<b>decide</b> 65:10	<b>detailed</b> 42:16	<b>distinction</b> 11:15,22 12:12,22
<b>cons</b> 110:21	<b>creating</b> 34:13	<b>decided</b> 10:19 64:17 68:17,18 71:17	<b>details</b> 107:10 109:5	<b>distinguish</b> 41:17
<b>consensus</b> 57:8	<b>credit</b> 93:5	<b>decision</b> 5:7,19 45:3 53:22 54:4,6 57:7,9 65:10 68:6,14 89:19, 21 111:14 113:22	<b>determination</b> 99:9	<b>distinguished</b> 79:2
<b>considerably</b> 93:9	<b>cross</b> 2:7,8,14 9:6 11:19 23:18 28:9 82:3	<b>decision-making</b> 64:3 65:9	<b>determine</b> 52:14 67:3	<b>distribution</b> 80:4
<b>consideration</b> 10:16	<b>cross-examination</b> 8:21 23:21 28:13 82:1,5 107:3 112:10	<b>decisions</b> 56:2,6 63:21,23	<b>develop</b> 49:23 109:5	<b>Division</b> 14:2
<b>considerations</b> 105:10	<b>crosses</b> 108:15	<b>declined</b> 53:10	<b>developed</b> 17:17 23:7	<b>docket</b> 4:8 12:17 28:22 29:1 37:14 40:10 42:4 43:23 44:3 68:18 70:12 90:8,10
<b>considered</b> 4:7 26:13 56:23 93:4	<b>crucial</b> 73:14	<b>decrease</b> 43:2	<b>deviation</b> 62:7,16 77:14,16	<b>dockets</b> 15:18 16:21 42:7
<b>Consistent</b> 23:10	<b>current</b> 21:19,21 30:20 33:19 46:13 64:16 99:18 109:3 110:6 112:13	<b>decreasing</b> 112:7	<b>deviations</b> 80:5,6 101:21,22	<b>document</b> 37:15 39:19
<b>constantly</b> 27:22	<b>curve</b> 78:4	<b>deem</b> 40:1	<b>DG</b> 90:5	<b>documented</b> 75:8 80:18
<b>constitute</b> 92:16	<b>customer</b> 17:21,22 18:2,7,21 19:3 20:14,15 27:19 31:10,14 34:22 37:10 44:2 48:12,15 51:21 53:1,15 66:15 72:1 97:12 113:19	<b>deemed</b> 51:22 111:16	<b>difference</b> 42:17 102:3	<b>documents</b> 70:16 71:23
<b>consume</b> 112:15	<b>customers</b> 9:15 18:6 19:14 21:23 22:7 27:10,19 29:13 30:5, 11 32:4 34:15 37:21 38:1,5 46:11 65:20 66:20 68:3 71:19 72:21 81:9,10 96:9, 17 98:4,6,8,10 101:2 103:17 108:14 109:21 111:1,10 112:6,11,13,14 113:11	<b>deeper</b> 8:18	<b>differences</b> 27:14 41:15 67:16	<b>DOE</b> 5:3,17 52:8,9,17 57:17 64:3 105:9
<b>Consumer</b> 9:11,13 11:10 23:13 28:9 43:13 57:4 70:7 104:15 106:11 112:22	<b>customers'</b> 98:7	<b>deeply</b> 73:2	<b>differential</b> 61:6 102:23	<b>dollars</b> 31:14 32:3 36:1 46:16,22 77:11
<b>consumption</b> 88:8, 10 99:4	<b>cycle</b> 52:13 77:5	<b>default</b> 4:6 7:11 10:20 17:19 19:22 29:11,14,16,23 30:2, 13 31:1 32:18 33:16 35:12,19 36:17,22 37:18 72:8,12 76:17 81:7 83:1 84:23 86:21 99:17 106:17 109:18 112:16 113:10	<b>differing</b> 95:8	<b>Donald</b> 9:13
<b>context</b> 36:17		<b>deficiency</b> 32:14	<b>direct</b> 2:7,14 3:5 7:10 11:19 14:18,21 17:14,17 18:8 23:16 28:16 30:18 67:12, 23 69:23 70:2,10 91:19 109:13,17 113:16	<b>downside</b> 79:17 80:6 101:20,22
<b>continue</b> 73:4 75:23 85:12 86:13 105:16		<b>define</b> 25:14	<b>directed</b> 17:16 20:7, 16 23:2 33:20 45:18	<b>downward</b> 77:14
<b>contract</b> 49:17 64:19, 20 100:10		<b>defines</b> 102:23	<b>direction</b> 15:23 17:6 47:15	<b>dragged</b> 56:1
<b>contracts</b> 48:9 49:4, 12,13 76:15 77:21 83:11 90:10 99:13, 17 101:8 106:19 111:20,22,23		<b>degree</b> 62:21	<b>directionally</b> 42:15	<b>dramatic</b> 111:5
<b>contribute</b> 96:12		<b>deleted</b> 70:20 71:3	<b>directions</b> 88:22	<b>drawing</b> 70:8
<b>contribution</b> 92:20		<b>deliberately</b> 107:9	<b>directive</b> 4:4 42:21	<b>driven</b> 87:23
<b>conversation</b> 8:18 44:9		<b>deliver</b> 101:13 102:16	<b>directives</b> 109:16	<b>drives</b> 77:6
<b>conversations</b> 57:20		<b>delivering</b> 100:15	<b>directly</b> 17:23 54:14 65:3	<b>drop</b> 111:17
<b>coordination</b> 16:14		<b>delivery</b> 76:22 77:22 96:15,16 98:20 99:2, 5 100:3,22 101:17 112:17	<b>Director</b> 14:1 16:12 70:6	<b>due</b> 5:10 22:15 23:8 101:1 107:12 111:16
<b>correct</b> 7:4,5 8:14 24:4 40:6 42:15 58:15 64:6,8,12,23 65:12 66:5 67:5,8, 15,20 68:19,20 83:15 85:19 87:20, 21 88:1,2 89:5 93:21,22 95:17,19 102:6		<b>delivered</b> 100:15	<b>disadvantaged</b> 81:3	<b>duly</b> 14:15 69:20
<b>corrected</b> 71:9		<b>delivered</b> 100:15	<b>disagree</b> 58:1	<b>duration</b> 94:16 95:3, 4
<b>corrections</b> 70:15		<b>delivered</b> 100:15	<b>disallowance</b> 99:6,8, 10	<b>dynamic</b> 19:16
<b>correctly</b> 107:3		<b>delivered</b> 100:15	<b>disallowed</b> 97:18,19	
<b>corresponds</b> 73:10		<b>delivered</b> 100:15		<b>earlier</b> 22:9 26:6
	<b>D</b>			<b>E</b>
	<b>daily</b> 36:14 100:6,7			



109:9	<b>hearings</b> 10:17 18:4		<b>interchangeably</b> 41:23	106:12 109:10
<b>good</b> 4:2 6:21 9:8,12 63:11 70:4 72:23 80:12 81:9 87:16 99:14,21 104:18	<b>heat</b> 89:15	<hr/> <b>I</b> <hr/>	<b>interest</b> 33:22 39:1 82:16 99:7 106:16	<hr/> <b>L</b> <hr/>
<b>grabbed</b> 73:23 74:1 94:8	<b>heating</b> 89:14	<b>idea</b> 35:4 40:3 44:23 73:15 80:12,22 81:9, 14 95:20 99:14	<b>interested</b> 4:18 25:20	<b>labeled</b> 70:19
<b>graders</b> 76:6	<b>hedge</b> 35:2 66:19 72:3	<b>identification</b> 15:20 16:23 35:8 70:9 105:1	<b>interesting</b> 32:12 85:20 91:3	<b>lack</b> 64:15
<b>gradual</b> 18:15 33:17	<b>hedging</b> 38:2 72:19 73:15,16 84:13	<b>identified</b> 107:4	<b>internal</b> 49:8,22 50:4	<b>laid</b> 106:14 108:21
<b>gradually</b> 34:1	<b>height</b> 44:20 45:8	<b>impact</b> 25:1 30:4,10 42:9,14 43:17	<b>internally</b> 50:6	<b>large</b> 17:22 20:15 22:7,9 53:1,15 84:6 92:3,20,23 109:20
<b>granted</b> 4:17,20 53:7	<b>held</b> 53:8,11 78:10	<b>impacted</b> 58:13 60:5	<b>interpret</b> 102:13	<b>largely</b> 76:20
<b>graph</b> 90:5	<b>helped</b> 45:6,7	<b>impacting</b> 25:21 62:16	<b>intervals</b> 59:10	<b>larger</b> 101:22
<b>great</b> 103:5	<b>helpful</b> 54:16 69:2	<b>impacts</b> 18:10 24:22 25:3 31:2,5 82:18 93:5 106:1	<b>intervene</b> 4:21	<b>late</b> 7:21
<b>greatest</b> 47:17	<b>high</b> 42:23 50:19 51:1,22 54:10 58:13 59:8 61:13 64:18 71:20,22 74:11 77:17 88:17 101:17	<b>implement</b> 27:5 40:2 113:15	<b>intriguing</b> 58:5	<b>law</b> 40:6
<b>Gross</b> 70:21	<b>higher</b> 19:10,18 33:8 37:23 49:2 58:21 60:21 79:16 86:3 87:4 93:9 110:11	<b>implementation</b> 16:15	<b>INTRODUCTORY</b> 2:3	<b>lead</b> 32:17
<b>group</b> 17:21,22 18:8, 21 19:3 20:15 44:2 48:12 113:19	<b>higher-priced</b> 31:23 32:7	<b>implemented</b> 64:11	<b>invasion</b> 93:21 111:6	<b>lead-lag</b> 67:2,10,11, 19
<b>guess</b> 9:21 12:5 13:9 24:23 25:11,16,19, 22 26:16 29:21 32:15 43:15 47:5 51:17 100:4 102:13 107:12,15	<b>highest</b> 47:17,20	<b>implementing</b> 93:5	<b>inversion</b> 47:13	<b>leads</b> 91:5
<b>guidance</b> 53:20	<b>highlight</b> 102:3	<b>importance</b> 73:7 74:4	<b>investigated</b> 88:4	<b>learned</b> 76:4
<b>guided</b> 89:17	<b>highlights</b> 35:15 37:19 73:5	<b>important</b> 19:7 31:20 82:21	<b>invite</b> 105:5	<b>leave</b> 4:18 10:12,21 62:12 63:10 82:10
<b>guides</b> 88:10	<b>highly</b> 19:8	<b>impression</b> 78:19,21 81:19	<b>involve</b> 64:3	<b>led</b> 58:23
<hr/> <b>H</b> <hr/>	<b>historical</b> 66:18 77:4, 8 84:2 85:22 93:23 95:12	<b>imprudently</b> 111:14	<b>involved</b> 56:15 85:4 93:5	<b>left</b> 28:11 78:18 111:12
<b>half</b> 47:2 78:14	<b>history</b> 50:10 73:18 74:19	<b>imprudence</b> 111:14	<b>ironed</b> 53:18	<b>legal</b> 82:17 113:10
<b>Hampshire</b> 7:1 13:19 16:12 20:20 23:18 50:15 52:4,21 57:11 58:4	<b>hits</b> 102:10	<b>imprudency</b> 99:9	<b>ISO</b> 17:15,18,23 18:4, 8,13,19 20:19,22 21:6 22:17 24:23 25:19 26:5 43:4 58:18 59:18 63:2 67:17 74:6,14 94:18 106:21	<b>lending</b> 98:3
<b>hand</b> 69:19	<b>hold</b> 8:6 53:6 54:15 75:4 100:5	<b>include</b> 67:11 97:14 98:13	<b>issue</b> 26:19 27:7 30:3,10,15 40:23 42:3 68:17 79:3 96:4 100:13 111:12	<b>lengthy</b> 37:14
<b>handle</b> 11:23 46:1 90:14,20	<b>holds</b> 68:15	<b>included</b> 110:2	<b>issued</b> 4:12,14,19 113:22	<b>letter</b> 80:19
<b>handled</b> 52:5 71:20	<b>honestly</b> 50:23	<b>including</b> 4:23 15:11 21:6 22:22 65:9 95:9 110:21 111:8	<b>issues</b> 25:23 82:17	<b>level</b> 42:23 43:17 48:11 63:19 76:7
<b>hands</b> 14:13	<b>hook</b> 39:15	<b>income</b> 71:20	<hr/> <b>J</b> <hr/>	<b>Liberty</b> 13:6 34:20 35:5
<b>happen</b> 33:4 51:11 59:8,10 62:14 95:19, 21	<b>hope</b> 75:20 79:10 82:7	<b>increase</b> 17:14 18:13 22:14 42:11,13 43:9 45:17	<b>January</b> 18:22 19:17 20:6 36:15 47:12 53:9 68:14	<b>Libya</b> 78:10
<b>happened</b> 33:2 52:21 58:11 59:9 60:3 88:19	<b>hopeful</b> 7:19	<b>increased</b> 24:22 44:7,20	<b>job</b> 104:18	<b>life</b> 65:6
<b>happening</b> 18:9 95:21	<b>hoping</b> 34:7	<b>increases</b> 22:13	<b>jobs</b> 71:20	<b>light</b> 5:23 76:2
<b>happy</b> 11:23 81:23	<b>hot</b> 94:13	<b>incremental</b> 19:1	<b>joined</b> 4:10	<b>lightning-round</b> 53:12
<b>hard</b> 46:20 50:1 86:8 102:10	<b>hour</b> 19:20,22 36:1, 16 47:14,16 48:19 49:1,9,10 60:23 66:12,17 86:4	<b>incurred</b> 99:1,3 103:15	<b>July</b> 4:5 5:20 15:19 16:22 18:23 25:6 28:21 34:17 43:1	<b>limited</b> 30:23
<b>harming</b> 27:9	<b>hourly</b> 59:16,20 63:1 44:22 45:10,12,14, 15,17,23 59:22 60:13,15,16 66:11, 14,16 90:18 94:13	<b>individual</b> 44:16 45:2	<b>justified</b> 35:1	<b>limits</b> 12:12
<b>head</b> 32:6	<b>hours</b> 35:17 36:18,21 44:22 45:10,12,14, 15,17,23 59:22 60:13,15,16 66:11, 14,16 90:18 94:13	<b>information</b> 58:17 59:19	<b>justify</b> 34:15	<b>lines</b> 100:11
<b>heading</b> 70:21	<b>Hub</b> 73:9 76:15 77:6, 11	<b>initial</b> 18:6	<hr/> <b>K</b> <hr/>	<b>link</b> 95:1
<b>hear</b> 5:14 6:3 9:6 58:3	<b>hypothesis</b> 87:13	<b>initially</b> 68:13	<b>key</b> 62:19	<b>liquidate</b> 37:11 39:14 79:8 101:15 103:13
<b>heard</b> 13:5 28:15 34:20 43:12 44:10 91:18 105:19 110:17	<b>hypothetical</b> 34:2,6 39:18 40:4 51:18 63:18 65:14	<b>initiative</b> 108:2	<b>kilowatt</b> 19:20,22	<b>liquidated</b> 101:9,12
<b>hearing</b> 4:3,16 5:9,14 6:9 7:17,18,23 9:21 10:17 23:11 25:9 26:3 29:3 35:5 44:1 48:18 69:6 71:11 76:3 104:23 105:2	<b>hypothetically</b> 65:1	<b>input</b> 43:15	<b>kind</b> 11:11 25:3 51:1 72:17 81:5 93:12 94:19 96:23	<b>liquidating</b> 38:11 66:4 113:3

56:17,21 58:15 59:7, 12 60:8 61:5,18 62:9,18 63:16 64:6, 12,23 65:5,12,23 66:5 78:19,22 80:20 81:13,19,22 82:23 90:17 93:1 101:11 102:3 110:17	<b>makes</b> 29:10 33:11 97:10	<b>medium</b> 87:5	<b>month</b> 25:17	<b>NYMEX</b> 21:3,11 24:2, 7,9,17
<b>LITTLHALE</b> 14:15	<b>making</b> 11:15 12:22 29:15 33:17,22 34:18 45:22 56:2 76:16 91:20 105:18	<b>meet</b> 31:1 91:6 109:18	<b>monthly</b> 20:23 27:11, 12 77:15	<hr/> <b>O</b> <hr/>
<b>live</b> 71:7	<b>management</b> 56:7	<b>meeting</b> 109:15	<b>months</b> 10:13 18:10 31:23 32:1,7 48:18 94:16 108:15,16 110:12	<b>objections</b> 6:15,19 9:15,17 14:3 104:23
<b>living</b> 70:5	<b>manager</b> 15:5 57:3	<b>megawatt</b> 35:17 36:1,16,18,21 44:22 45:10,12,14,15,17, 23 47:14,16 48:19 49:1,9,10 60:13,15, 20,21,22 61:10,11 66:11,12,16,17 86:4 90:17	<b>morning</b> 8:1,19 9:12 12:16 13:6 34:20	<b>objective</b> 19:1
<b>LMPS</b> 77:6	<b>manager's</b> 57:9	<b>mention</b> 79:23 87:18	<b>morning's</b> 9:21	<b>obligated</b> 49:5
<b>lo</b> 94:20	<b>manner</b> 18:15 33:18 34:1 113:22	<b>mentioned</b> 7:7 18:3 20:10 24:1 30:19,22 72:14 77:13,20 84:9 89:3 92:9 99:6	<b>motion</b> 4:21 11:9	<b>obligation</b> 36:10 84:4
<b>load</b> 17:22 18:2,8,21 19:3 20:3,15,20 22:10 31:2 35:19 36:17,22 38:8 42:9 60:15,21 61:2,8,15, 23 65:17 79:2,3 81:7 83:16,18 84:3,23 91:7,22 100:20,21 101:5 102:1,5,15,19 103:2,6,11 109:18 111:17 112:23 113:19	<b>Marc</b> 2:12 3:5 5:2 69:17,20	<b>mentioning</b> 19:21 21:3 24:14	<b>motivated</b> 73:16	<b>obligations</b> 15:10,14 91:7
<b>load-following</b> 37:7 83:3,8	<b>margin</b> 85:16 89:20 92:23	<b>methods</b> 21:20	<b>move</b> 9:10 13:16,19 14:7 23:18 28:8 40:15 44:23 51:1 54:14 58:6 74:12 88:11,23 90:12 107:7 108:22	<b>observed</b> 73:7
<b>load-weighted</b> 21:1	<b>marked</b> 15:20 16:23 35:8 70:9	<b>migrate</b> 34:21	<b>moves</b> 74:6	<b>obtain</b> 53:14
<b>loads</b> 110:11	<b>market</b> 7:10 17:19 18:8 19:18 20:4,20 21:6,7,12 22:11,13, 20 27:22 31:1,9,18 32:18 33:8 34:23 36:2 37:23 38:10,12 41:1,2,3,7,8,10,14, 15,18,19 43:4 45:7, 16 46:1,14 47:8 48:2,10 53:10 58:20 59:3,4,5 60:10,16,17 61:21 62:2,5,16,20, 23 63:5 65:4 66:4 67:12 74:12 75:3 76:21,22 77:2 82:18 83:19 85:18 86:7,14 87:5,8,14 88:18 89:4 90:2 91:13,21 94:18, 21,23 95:8,23 96:8, 13,22 97:10 99:22 100:6 101:1,18 102:15 106:5,18,19, 20,21,22 108:14,22 109:14,17,21 110:15 111:9,17 113:2,4,6, 16	<b>migrated</b> 45:10	<b>moving</b> 18:19 24:20 25:22 33:18 68:8 88:21	<b>obtained</b> 52:1
<b>locked</b> 101:16	<b>market-based</b> 4:6 18:5,13,19 19:10 20:17	<b>migrates</b> 102:20	<b>multiple</b> 28:22 29:2	<b>obvious</b> 31:4 72:5
<b>locks</b> 62:20	<b>marketers</b> 84:16,21 85:3 86:17 100:5	<b>migration</b> 111:17	<b>mutually</b> 95:15	<b>OCA</b> 3:5 4:17 5:2 6:6 8:13 11:17 38:7,14 40:10 52:7,9,17 54:18,20 55:22 56:14,15 64:3 69:15 81:8 109:4 111:13
<b>logic</b> 35:2	<b>markets</b> 17:15 19:9 22:17 41:4 74:7 75:10 83:6,12,13 90:14,19 91:2,16	<b>million</b> 36:18,21 37:1,3 45:12,14 46:17 47:3,4,5 66:11 79:12,14 80:1,3 90:17	<hr/> <b>N</b> <hr/>	<b>OCA's</b> 7:14 8:3 36:6 37:19 38:18 106:13 110:14
<b>long</b> 25:4 56:16 74:17 86:11,12 89:13 92:5 100:5	<b>Mass</b> 73:9 76:15 77:6,10	<b>mind</b> 27:6 63:17 74:18 87:7	<b>natural</b> 77:5 87:23 88:3 89:23	<b>occur</b> 65:5 73:19 75:18 78:5,8 86:14 92:10 94:20 113:5
<b>long-run</b> 81:6	<b>Massachusetts</b> 49:19 51:20 52:2	<b>minutes</b> 59:6 78:16	<b>necessarily</b> 20:1 33:5 49:23	<b>occurrence</b> 112:12
<b>longer</b> 24:2,10	<b>material</b> 43:17	<b>mis-specified</b> 102:10	<b>necessitate</b> 19:13	<b>occurring</b> 72:23
<b>looked</b> 36:13 73:13, 21 94:3,23 95:11	<b>math</b> 45:22 46:14 47:1 48:22	<b>mismatch</b> 98:18	<b>needed</b> 99:23 103:11	<b>October</b> 5:7,9 113:23
<b>lopsided</b> 77:17	<b>matter</b> 4:17 40:5	<b>misremembered</b> 56:13	<b>negative</b> 62:3 71:2	<b>offended</b> 82:12
<b>loss</b> 38:10 65:19 103:1,4,15 113:2	<b>matters</b> 5:5	<b>misremembering</b> 56:16	<b>net</b> 70:20 83:19	<b>offer</b> 56:18 70:16 71:17 85:10
<b>losses</b> 101:1 113:5	<b>Matthew</b> 13:22	<b>mistake</b> 79:7	<b>nice</b> 96:10	<b>offered</b> 106:15,23 110:21
<b>lot</b> 10:8 13:4 50:12 51:10 59:10 60:5 61:16 62:7 77:17 88:15 109:3	<b>meaning</b> 8:16 60:20 102:17	<b>mitigate</b> 26:16 39:14 102:17	<b>Nixon</b> 14:1	<b>Office</b> 9:10 11:10 28:8 70:7 104:15 106:10
<b>low</b> 60:1 101:17	<b>means</b> 32:3 73:20	<b>mitigated</b> 38:11 113:3	<b>nomenclature</b> 40:22 41:18	<b>offline</b> 78:10
<b>lower</b> 20:9 31:19 37:20 48:4 61:3,15	<b>meantime</b> 107:14	<b>mitigating</b> 65:18,21 66:3	<b>non-byassable</b> 22:21 28:17 29:12 30:1 68:1,2	<b>oil</b> 87:19 88:3,7,12, 16,21 89:4,11,20,22 90:6
<b>lower-priced</b> 32:1	<b>mechanism</b> 29:10 106:18	<b>mitigation</b> 113:6	<b>non-recovery</b> 38:16	<b>oil-fired</b> 89:7,15
<hr/> <b>M</b> <hr/>		<b>mode</b> 46:13	<b>nonetheless</b> 64:20	<b>on-peak</b> 66:16 77:10
<b>made</b> 4:4 5:19 7:19 45:3 57:7 63:22 64:1,10 65:10 70:22 79:15 98:14 103:10		<b>model</b> 24:5 25:16 34:22	<b>normal</b> 11:22 12:10	<b>on-peak</b> 66:16 77:10
<b>main</b> 35:15		<b>modest</b> 73:20 108:13	<b>notably</b> 57:1	<b>one-day</b> 33:6,9
<b>maintenance</b> 94:22		<b>modifications</b> 21:19 29:15	<b>note</b> 6:7 19:8 22:12 31:20 81:17 107:5 111:2	<b>one-for-one</b> 35:2
<b>major</b> 35:22		<b>moment</b> 39:7 42:3 43:7 73:4 84:10 91:18	<b>noted</b> 22:8 25:5 26:6 29:20 109:23 113:14	<b>one-time</b> 99:1
<b>make</b> 7:8 12:8 16:2 17:2 29:7 48:7 53:22 54:6 56:6 61:16 75:15 81:23 99:11 102:11 105:6		<b>momentarily</b> 6:14	<b>noteworthy</b> 87:2	<b>onerous</b> 80:6 101:23
		<b>money</b> 37:5,21 61:17 97:20 98:7 102:11	<b>Notice</b> 4:11	<b>OP4</b> 32:14
		<b>monitor</b> 94:18,23	<b>noticed</b> 107:20	<b>OPEC</b> 74:23 78:9 86:9 87:18,19 94:2
			<b>notwithstanding</b> 64:15 113:5	<b>OPEC's</b> 75:7
			<b>November</b> 23:8 68:13	<b>open</b> 57:6
			<b>NRG</b> 4:21 9:8,9	<b>opening</b> 11:9
			<b>number</b> 16:20 39:20 43:6 44:20	<b>operating</b> 89:7
			<b>numbers</b> 60:12	<b>opinion</b> 32:10 34:16 35:11 38:17 41:8 49:21
				<b>opportunism</b> 75:7

<b>opportunistic</b> 75:1	67:17	<b>position</b> 5:4,17 10:3,5 37:11 38:12,15 39:10,19 65:16 66:4 85:4,7 103:13 105:11 106:13 110:16 112:3	14 87:5 88:12,13,16 90:2 92:3 93:19 94:1,5,9,10,11,12,15,19 95:10,16 96:11,14,15 100:9 101:7,14,16,21 102:4,23 103:3,4 111:5 112:16	<b>properly</b> 110:20
<b>opportunity</b> 35:7 40:9 63:23 102:17 105:10 106:4 109:5 110:6	<b>payments</b> 25:17,18	<b>positions</b> 39:14 71:5 79:9 84:20 85:11 86:18 97:2 113:4	<b>priced</b> 85:9	<b>proposal</b> 4:4 5:7,9 7:9,14,16 8:3,13,16 10:11 12:18 13:3 17:13,17 23:3,13 34:4,14,21 35:20 36:7 38:18 39:12,23 55:10,13 56:22 64:9 68:12 69:7 72:15 77:20 78:20 79:1 91:15 94:6 103:9,18 107:4 110:4,14 113:21
<b>opposed</b> 12:10	<b>peak</b> 66:9,11 77:9	<b>positive</b> 62:3 85:21	<b>prices</b> 19:18 20:10,12,20,21,23 21:12 24:9 26:15 36:13,14 37:20,21,22 53:10 58:13,14 59:5,9,20,21 60:1,14,17 61:1 63:1,4 65:9 72:10 73:9,18 74:11 77:3,5,8,9,10,18 80:4 85:10 87:19,22 88:1,3,11,21 89:18 90:6 92:2 100:5 101:22 110:11 111:18	<b>proposals</b> 5:19 106:5
<b>opposite</b> 32:15 37:22 88:22	<b>people</b> 56:3 71:19,21 73:20 75:19 82:13 89:14 95:22,23 107:20	<b>possibilities</b> 81:8	<b>pricing</b> 21:7 33:6 59:19 63:6 85:16	<b>propose</b> 21:18 33:21 72:20 76:13 91:19 101:4 108:4
<b>order</b> 4:5,11 6:1 7:7 18:3 23:1 24:16 26:15 29:5 34:13,19 99:8 109:16 111:13	<b>people's</b> 86:23	<b>possibility</b> 51:15 55:19 78:7	<b>primary</b> 45:11 59:1	<b>proposed</b> 6:7,16,19 8:2 10:14 14:4 33:18 38:14 49:4 52:4 64:2,14 80:12 83:21 91:11 92:7 109:13 113:16
<b>ordered</b> 26:8 27:4 34:3 107:6	<b>percent</b> 17:21 18:1,2,7,14,20,22 19:2,6 22:19 31:9 33:19,21 34:5,14,23 42:9,10,12,18 44:2,3,4,7,10,14 45:19 46:2,14 47:2,4 48:10 49:5,10 91:14 108:13 110:9	<b>potential</b> 22:9 79:16,17 93:4 99:8 112:4,7	<b>prior</b> 5:9 15:17 25:7 67:9 69:7 91:22 99:12,15 111:21	<b>proposes</b> 38:21 72:2
<b>orders</b> 4:14 25:10	<b>percentage</b> 34:16 62:15,17	<b>potentially</b> 11:8 43:8 56:5 112:21	<b>problem</b> 71:19 72:1 73:19	<b>proposition</b> 79:19 86:10
<b>OTC</b> 21:9	<b>performances</b> 67:9	<b>power</b> 15:5,10,12 21:5,12 45:11 81:2,5 84:16,21 86:17 87:14,18 96:1 109:18 112:14,16	<b>procedural</b> 4:14	<b>propounded</b> 4:20
<b>outage</b> 63:7	<b>performed</b> 93:4,7	<b>pre-file</b> 28:18 70:10	<b>procedure</b> 52:20 55:7	<b>pros</b> 110:20
<b>outlined</b> 40:2 41:6	<b>period</b> 18:23 19:12,15,18 20:22 30:21,22 31:13 35:19 36:4,15 37:18,20 45:20 47:10,12,16 48:11 67:12 73:6,22 77:1 83:19 90:18 91:7 93:23 94:4 95:13 97:13 98:15 100:22 103:12 106:3 107:8 109:2 110:10 112:17	<b>pre-conditions</b> 38:16	<b>proceed</b> 105:17	<b>provide</b> 17:12 48:1 83:7 106:3
<b>outset</b> 23:11	<b>periods</b> 26:12 37:2,8 46:9	<b>prefer</b> 82:9,10	<b>proceeding</b> 4:12,19 11:9 71:14	<b>provided</b> 113:11
<b>over-</b> 22:4,22 68:3,8	<b>Permian</b> 88:20	<b>preference</b> 7:13 68:2	<b>process</b> 12:9 15:9 19:5 50:17 52:16 53:17 56:1 57:10 64:16 68:15 99:18 110:8	<b>provider</b> 21:12 24:20
<b>over-collection</b> 26:16 32:3	<b>permission</b> 52:1	<b>preliminaries</b> 14:20	<b>procure</b> 17:20 33:16 37:2,6 96:13	<b>providers</b> 24:12
<b>over-forecasted</b> 62:4	<b>permitted</b> 97:14	<b>preliminary</b> 13:2,3 23:12 37:16 110:16	<b>procured</b> 35:17 91:12,13 100:23	<b>providing</b> 21:22 25:17 83:2 111:1
<b>over-recoveries</b> 30:3	<b>perspective</b> 35:14,16 38:1,7 45:5 53:21 79:20 80:2 81:20	<b>premature</b> 10:15 32:9	<b>procurement</b> 4:7 7:11 10:15 15:12 17:13,20 18:5 20:18 21:17 22:1,4 26:21 30:21,22 35:13 48:11 57:3,9 76:17,23 77:1 80:19 83:11 86:21 99:17 105:18 107:7,8 108:12 109:2,17	<b>provision</b> 113:9
<b>overestimate</b> 100:21	<b>phase</b> 4:11	<b>premium</b> 47:19 72:21 84:10 85:15,19,21 87:3,10 111:8	<b>procure</b> 17:20 33:16 37:2,6 96:13	<b>proxy</b> 19:11 20:2,7,10,12,17,23 21:2 22:11 24:17 31:19,21 33:9 48:18 49:3,9,23 50:4,7 65:9
<b>oversee</b> 15:9	<b>phone</b> 57:2	<b>premiums</b> 86:16,20 110:2	<b>procurer</b> 75:9	<b>prudent</b> 18:15 19:1 33:18 34:1 103:12 108:10
<b>overseeing</b> 15:11	<b>phrase</b> 79:5,7 101:11	<b>prepare</b> 20:12 23:2 75:19 113:15	<b>producing</b> 85:2	<b>PSNH</b> 15:11 36:17 45:10 66:8 80:17 81:2,6
	<b>pick</b> 28:11	<b>prepared</b> 8:20 13:1 15:22 17:5 67:2 70:12	<b>production</b> 75:14 78:10 88:9	<b>PSNH's</b> 93:9
<b>P</b>	<b>place</b> 32:21 40:12 52:20	<b>preparing</b> 66:6	<b>products</b> 83:7,19	<b>public</b> 6:23 52:2 106:16 113:7
<b>pace</b> 89:16	<b>plan</b> 55:4 99:21 107:7	<b>present</b> 10:12 107:19	<b>profit</b> 85:16	<b>publicly</b> 24:2
<b>pages</b> 39:3 43:23 93:15 100:18 103:9	<b>planning</b> 10:6	<b>presentation</b> 5:12 69:9	<b>profitable</b> 75:17,18 95:22	<b>published</b> 58:18
<b>paid</b> 29:12 38:13 60:16 62:7	<b>plans</b> 20:11 21:15	<b>presented</b> 4:5 5:4 6:1,8 10:11 66:2	<b>programs</b> 38:4	<b>publishing</b> 21:5 24:2
<b>panel</b> 6:3	<b>play</b> 76:20 108:12	<b>presents</b> 35:12	<b>prompted</b> 74:7,12	<b>PUC</b> 64:3 100:1
<b>paper</b> 39:23	<b>played</b> 57:22	<b>pressure</b> 32:18 43:8		<b>purchase</b> 35:23 36:11,20 37:12,17 76:14 93:6
<b>Parker</b> 2:5 3:3 14:11,15 15:4 77:12	<b>pleasure</b> 12:1	<b>pretty</b> 61:13 73:8 77:12		<b>purchased</b> 61:3 66:10
<b>Parsons</b> 88:5	<b>plenty</b> 107:13	<b>previous</b> 18:4 25:16 68:6		<b>purchases</b> 22:13 37:12 38:11,13 67:12 76:16,19 83:22,23 91:21 95:8 96:8 97:10,12 98:14 110:15 111:7,15
<b>part</b> 24:13 32:18 49:19 110:1 112:14	<b>point</b> 8:8 11:15 33:10 45:9 47:5 49:6,12 50:8 51:16 54:11,13 62:19 69:8 74:6 91:3	<b>previously</b> 15:15 16:18 29:3 54:19		
<b>participants</b> 63:5	<b>points</b> 5:17 18:16 24:3 34:18 82:21	<b>price</b> 20:17 21:2 22:11 24:17 32:23 35:22,23 36:3 49:3,9,23 50:4 59:1,2 60:18 61:9,11,13 62:5 66:12,17 71:18 72:6,7,11,14 73:17 74:8,20,23 75:3,5,17 77:2 78:4,7 79:2 85:1,17 86:2,4,5,9,		
<b>participation</b> 7:10 17:14,18 18:9 109:14 113:16	<b>poor</b> 71:21 79:19			
<b>parties</b> 4:18 5:21 6:14,18 8:17 11:1,7 12:20 47:20 51:6 54:4,9 105:6,23 109:4	<b>pop</b> 76:7			
<b>partly</b> 45:21,22	<b>portfolio</b> 15:14			
<b>parts</b> 87:23	<b>portion</b> 20:14,18 91:21			
<b>party</b> 6:14	<b>pose</b> 40:9			
<b>passed</b> 72:10 112:6				
<b>passthrough</b> 80:11 113:11				
<b>past</b> 24:13 33:3 48:1 50:7,13 51:20 52:6 106:4				
<b>pay</b> 72:21				
<b>paying</b> 112:13				
<b>payment</b> 22:16 26:4				

112:4,8 113:2	<b>realized</b> 107:5	<b>red</b> 25:12	<b>request</b> 4:20 6:10 7:4 8:7 26:14 46:4,5 47:6 59:14,15 100:1 111:20	19 79:2,4,14,22 80:2,6 84:9 85:4,8,9, 15,19,21 86:16,19 87:3,10 93:12 101:5, 7,21 102:1,4,6,8 103:19 110:2,5 111:1,8
<b>purchasing</b> 83:11	<b>realtime</b> 41:1,8,15 58:13 59:3,5,21 60:3,7,23 61:11,12, 13 62:2,5,23 76:20 106:22	<b>redirect</b> 2:8 63:12,13 104:14,18,19	<b>requests</b> 4:23 5:6	<b>risk-free</b> 93:10
<b>pure</b> 85:17	<b>reap</b> 80:13	<b>reduce</b> 65:19 75:14	<b>required</b> 15:9 26:4 67:17 100:21	<b>risks</b> 35:15 36:5,7 38:22 109:22,23
<b>purely</b> 113:11	<b>reason</b> 38:9 57:23 75:22 77:23 78:3,12 86:7 92:8 94:19 108:19 113:1	<b>reducing</b> 44:21	<b>requirement</b> 15:10 37:17 113:10	<b>risky</b> 86:10
<b>purpose</b> 51:14	<b>reasonable</b> 53:23 65:2,11,21 78:7 103:11 109:15	<b>refer</b> 41:3 50:1 90:4	<b>requirements</b> 16:12, 15 17:22 19:23 22:15,23 26:7 37:7 48:9 67:4 83:2,8 98:15 106:19 109:19	<b>ROE</b> 93:9
<b>pursuant</b> 4:4	<b>reasonableness</b> 50:2 64:18	<b>reference</b> 67:23 68:6 79:8 90:19	<b>resale</b> 80:19	<b>role</b> 15:2,7 16:10,13 76:20
<b>push</b> 32:11	<b>reasons</b> 72:23 75:16 106:23 108:20	<b>referenced</b> 24:17,21 29:6,18 90:16 103:10	<b>rescheduled</b> 4:16	<b>rolling</b> 20:19
<b>put</b> 12:19 52:11 59:13 82:12 83:23 91:16,17 96:14	<b>recall</b> 9:21 42:13 44:18 52:22 55:1 58:11 82:22	<b>referring</b> 53:12 82:23	<b>research</b> 88:5	<b>roof</b> 75:5
<b>putting</b> 80:1 96:22	<b>recalling</b> 42:6	<b>reflected</b> 32:20 35:9 43:22 83:13	<b>resell</b> 61:6	<b>room</b> 48:18 69:6 76:3,6 107:23
<hr/> <b>Q</b> <hr/>	<b>receive</b> 53:1	<b>reflect</b> 85:2	<b>residential</b> 9:14 46:12 71:19 72:21 81:10 108:13	<b>roughly</b> 31:17 36:22 45:12 46:1 47:4 66:16
<b>quantitatively</b> 84:6 95:6	<b>received</b> 42:21 49:20 51:21 53:4 57:5 59:17 64:10	<b>reflected</b> 67:18 72:7, 11 76:12	<b>resolution</b> 56:11	<b>round</b> 8:2 9:1 60:12
<b>quantities</b> 90:15	<b>recent</b> 21:10 23:1	<b>reflects</b> 22:1 25:15 43:4 93:11	<b>resolved</b> 55:19	<b>routinely</b> 90:14
<b>question</b> 7:3 10:7 23:23 26:17 27:4 30:8 31:4,11 34:2,6 39:18 49:7 52:12 59:16 62:11 75:21 81:18 82:7 85:13 87:6,17 90:22 91:5 100:4 101:16	<b>recently</b> 21:4 24:8 76:4 111:3	<b>reforms</b> 4:7	<b>respect</b> 20:13 39:10 40:7 81:22 86:16 110:13	<b>RR-003</b> 59:15
<b>questioned</b> 82:20	<b>recess</b> 6:4 69:12	<b>regard</b> 52:10	<b>respective</b> 41:4	<b>RR-004</b> 3:7
<b>questions</b> 2:9 12:13 23:12,14,16 39:20 40:5,8,10,14,16,19 41:12 52:9 58:9 63:15,18 71:7 81:21 104:4,10,13,17 109:7	<b>recognition</b> 112:15	<b>regular</b> 89:8	<b>respond</b> 75:9	<b>RR-0304</b> 19:16
<b>quick</b> 48:16	<b>recognize</b> 33:1	<b>regulation</b> 113:8	<b>responding</b> 81:22	<b>rule</b> 80:23 88:23 92:1
<b>quote/unquote</b> 30:9 41:9 62:2	<b>recollection</b> 42:4 56:18 57:17 59:11 64:6	<b>regulator</b> 55:23 107:23	<b>responds</b> 75:13	<b>run</b> 110:10
<b>quoted</b> 20:9	<b>recommend</b> 50:19 51:1 84:14 105:17	<b>regulators</b> 65:8	<b>response</b> 3:7 9:23 56:2 81:18	<b>runs</b> 89:11
<hr/> <b>R</b> <hr/>	<b>recommendation</b> 57:13	<b>regulatory</b> 16:16	<b>responses</b> 4:22 6:11 7:4	<b>Russian</b> 111:6
<b>raise</b> 14:12 69:19 74:6 87:6	<b>recommendations</b> 5:16 50:14 51:3 76:11	<b>rehearing</b> 11:10	<b>respectively</b> 15:7 16:13	<hr/> <b>S</b> <hr/>
<b>raised</b> 25:11	<b>recommended</b> 36:11 56:14 57:10 96:7	<b>reject</b> 49:17 54:1,13	<b>responsible</b> 16:14	<b>S&amp;p</b> 24:8 90:23
<b>Ramberg</b> 88:5	<b>recommending</b> 76:10	<b>rejected</b> 51:23 57:14	<b>responsive</b> 59:16	<b>safeguard</b> 65:7
<b>ran</b> 52:23	<b>reconciled</b> 61:22 62:2,22	<b>relate</b> 51:19 98:14	<b>result</b> 19:12 22:10 93:18 98:20 108:2,3 109:22	<b>sake</b> 60:20
<b>range</b> 37:3 48:21	<b>reconciliation</b> 19:15 22:6 23:3 26:10,11, 13,18,23 67:1 105:23	<b>related</b> 15:14 22:14 97:12 111:14	<b>resulting</b> 100:22	<b>same-day</b> 56:14
<b>rate</b> 15:18 18:23 19:11,12,14,18,19, 23 20:2,5,7,13 21:23 28:1 29:17 31:13,19, 21 33:9 35:19 36:3 37:2 45:19 48:4 54:8 67:2,14 68:5,9 93:10	<b>reconciliations</b> 68:4	<b>relationship</b> 88:2,7, 11 89:17 90:6	<b>results</b> 108:11 112:13	<b>satisfy</b> 74:9
<b>ratepayers</b> 46:12 54:3 60:4	<b>record</b> 3:7 4:19,23 14:9 15:3 16:9 46:4, 5 47:6 59:14,15 69:11,14,16 82:8 105:7	<b>relative</b> 95:7 101:17	<b>response</b> 3:7 9:23 56:2 81:18	<b>satisfying</b> 37:9
<b>rates</b> 22:12 27:18 47:18 48:20 96:8,15, 16 97:13 98:13	<b>recover</b> 21:15 39:16 68:3 96:7 97:11	<b>relevant</b> 36:3	<b>responses</b> 4:22 6:11 7:4	<b>Saudi</b> 75:8,13
<b>rational</b> 55:10	<b>recoverable</b> 29:11	<b>reliance</b> 34:23 108:13	<b>responsibilities</b> 15:7 16:13	<b>saves</b> 31:14
<b>rationale</b> 49:20	<b>recovers</b> 21:22	<b>reluctant</b> 56:1	<b>responsible</b> 16:14	<b>saving</b> 37:21
<b>reach</b> 52:17	<b>recovery</b> 19:14 21:20 23:5,6 29:10,22 68:10 96:5 97:16 98:19 111:11,19,23	<b>relying</b> 30:23 31:8	<b>result</b> 19:12 22:10 93:18 98:20 108:2,3 109:22	<b>savings</b> 46:15,21 47:5,7
<b>reaction</b> 13:2		<b>remain</b> 19:9	<b>resulting</b> 100:22	<b>scale</b> 80:16,19
<b>read</b> 10:2 25:8 32:9 46:6		<b>remaining</b> 19:2 44:4 113:18	<b>retail</b> 4:21	<b>scenario</b> 50:16,21 55:17 95:9
<b>ready</b> 14:18 69:23		<b>remember</b> 42:6 44:8 52:7 56:9,11 57:22 59:8	<b>return</b> 42:2	<b>scenarios</b> 51:9 95:8
		<b>removed</b> 95:12	<b>returned</b> 32:4	<b>schedule</b> 27:21 43:5
		<b>rendering</b> 5:18	<b>returning</b> 69:4,11	<b>scheduled</b> 58:20
		<b>renewable</b> 15:14	<b>revenue</b> 16:12,15 22:2 26:21 74:8	<b>schedules</b> 5:1
		<b>reoccur</b> 73:1	<b>reverse</b> 71:5	<b>scheduling</b> 5:10
		<b>repeat</b> 54:2	<b>reversed</b> 88:14	<b>scope</b> 5:21
		<b>repeatedly</b> 99:3	<b>review</b> 25:7 35:7 51:15 63:23 105:23 106:3 113:21	<b>SCRC</b> 23:5
		<b>replicate</b> 56:22	<b>reviewing</b> 36:8	<b>seasonal</b> 74:7,12
		<b>reply</b> 14:13	<b>RFP</b> 48:8,13 49:19,20 51:13 52:23 53:7,8, 13 54:15	<b>secure</b> 71:20
		<b>represent</b> 84:3	<b>ringing</b> 57:21	<b>security</b> 96:23 97:5
		<b>representatives</b> 57:3	<b>ripe</b> 10:16	<b>seek</b> 43:18 91:6 99:12
		<b>representing</b> 6:23	<b>risk</b> 18:5 35:16,22 38:13,15 45:1 47:17 72:3,20 74:13 77:17,	<b>seeks</b> 99:15
		<b>represents</b> 109:14 112:17		

<b>selected</b> 19:4 34:15	<b>shortages</b> 59:1	<b>spelled</b> 66:10	<b>submit</b> 10:19	<b>switching</b> 89:14
<b>self-supplied</b> 19:11 20:2,14 21:2	<b>shorter</b> 22:15 87:1 95:3,4	<b>spent</b> 105:14	<b>submitted</b> 25:6 28:21	<b>sworn</b> 2:6,13 14:15 69:21 71:13
<b>self-supply</b> 20:5,7 31:14,19,21 33:9 34:4,5,13 45:19 48:14 52:3,22 54:14	<b>shortly</b> 112:11	<b>spike</b> 32:23 33:6 59:1 61:14 62:5 94:11,12 95:16	<b>subscription-based</b> 24:5	<b>symmetrical</b> 77:19
<b>self-supplying</b> 44:15	<b>show</b> 59:3 92:2	<b>spiked</b> 59:21 60:14	<b>subsequent</b> 4:14 25:10	<hr/> <b>T</b> <hr/>
<b>sell</b> 61:5,8,10 62:8 66:15	<b>shown</b> 75:12	<b>spikes</b> 59:3 60:3,18 62:14 94:19	<b>substance</b> 5:16	<b>table</b> 20:9 70:19
<b>seller</b> 81:10	<b>shrugs</b> 11:11	<b>spot</b> 19:10,18 20:4 22:11,13,20 31:1,9 34:23 36:2 37:21,23 38:12 41:1,7,9,18 46:13 47:8 66:4 72:10 73:9 74:11 76:16,19,21 77:8,9, 10,18 82:13 83:22 85:17 86:2,5 91:12 101:1,21 103:14 106:21 108:14,22 112:16 113:4	<b>substantial</b> 37:5	<b>takes</b> 40:12 80:13
<b>sellers</b> 84:20	<b>side</b> 77:17 84:15	<b>spreadsheet</b> 46:20 70:23	<b>substantive</b> 10:9 30:4,10	<b>taking</b> 29:13 73:8 79:22 80:22 85:3,8
<b>selling</b> 70:5	<b>significant</b> 45:9 47:7 93:11 97:13 111:12	<b>spreadsheets</b> 70:11	<b>substitutability</b> 88:10 89:11	<b>talk</b> 79:21 84:9 93:14 94:10
<b>sense</b> 7:8,19 33:11 84:4 92:15,18 99:11	<b>significantly</b> 49:2	<b>spring</b> 67:6 88:19	<b>substitute</b> 89:20,22	<b>talked</b> 8:19 74:19 80:20
<b>September</b> 4:16 5:1, 3,5 6:2,8,11 41:13 46:5 59:14	<b>similar</b> 7:23 13:6 57:10 76:4 99:15	<b>stabilize</b> 45:7	<b>substitutes</b> 88:8,11 90:3	<b>talking</b> 37:3 51:18 58:11 72:6 74:15,16, 17 76:6,8 79:12 90:16 92:19 94:15 95:2 97:22
<b>serve</b> 22:19 102:21	<b>simple</b> 6:13 46:10,15	<b>stage</b> 100:14	<b>substituting</b> 76:21 83:22	<b>temperatures</b> 58:21
<b>served</b> 45:2 100:22 103:6	<b>simply</b> 29:19 63:6 112:21	<b>stakeholders</b> 18:17 24:14 57:15 64:13	<b>substitution</b> 89:3	<b>temporal</b> 98:20 112:18
<b>serves</b> 62:20	<b>single</b> 21:1	<b>stand</b> 5:15 6:5 7:13 11:17 93:17	<b>successive</b> 19:14	<b>ten</b> 46:8 48:3
<b>service</b> 4:6 6:23 7:11 10:21 15:13,18 16:17 17:19 19:23 20:13,22 21:16,20, 23 22:2 29:11,14,17, 23 30:2,14 31:2 32:19 33:17 35:12, 19 36:17,22 37:18 45:11 67:1,13 68:5,9 72:12 81:7 83:1,3,8 84:23 86:21 99:17 106:17 109:18 112:17 113:10	<b>sir</b> 70:14	<b>standard</b> 15:14	<b>suddenly</b> 56:5	<b>ten-minute</b> 69:4
<b>services</b> 72:8 83:14	<b>sitting</b> 78:16	<b>standing</b> 84:19 86:17	<b>sufficient</b> 100:15 110:19 113:15	<b>ten-year</b> 73:6,22 94:3
<b>servicing</b> 18:7 20:3 45:12,14,23 83:18	<b>situation</b> 61:19 103:14 112:12	<b>start</b> 14:23 40:23 70:4 92:7 96:14	<b>suggest</b> 32:15 38:8 39:2 78:6 80:15 91:15,20 112:22	<b>tend</b> 22:13 80:23
<b>set</b> 19:11 22:12 28:1 59:5 96:16	<b>situations</b> 51:18 52:6	<b>started</b> 26:1	<b>suggested</b> 13:5	<b>term</b> 54:5 86:11,12 87:1,5 92:5
<b>sets</b> 28:15	<b>six-month</b> 20:21 30:20 31:13,22 37:2 48:11 90:18 108:11 110:10	<b>starting</b> 22:10 77:22 100:2,15 109:19	<b>suggesting</b> 12:9 85:23 87:14,16	<b>terminology</b> 53:13
<b>settings</b> 28:23 29:2	<b>sixth</b> 76:6	<b>state</b> 14:8 15:1 16:9 38:5 54:22 69:15 81:4 82:8 105:19	<b>suggestion</b> 11:16,18 68:7	<b>terms</b> 26:18 51:13 73:9 90:13
<b>settlement</b> 22:16 43:5	<b>size</b> 44:12,15	<b>stated</b> 78:22	<b>summary</b> 17:12 47:21 48:5	<b>testified</b> 15:15,17 16:18,20 33:13,15 64:8 68:12 93:16 99:16 110:7,17
<b>settlements</b> 24:23	<b>skepticism</b> 87:9	<b>starting</b> 22:10 77:22 100:2,15 109:19	<b>summer</b> 78:12	<b>testify</b> 64:1 78:18 91:18
<b>share</b> 57:17 77:7 82:18 105:10	<b>skewed</b> 80:4	<b>state</b> 14:8 15:1 16:9 38:5 54:22 69:15 81:4 82:8 105:19	<b>supervising</b> 15:13	<b>testimony</b> 3:3,5 4:18 5:2 9:23 10:19,22 11:19,21 12:4,16 13:13 15:19,22 16:5, 22 17:3,5,8 18:4 25:6 26:6 28:16,18, 20 29:18 30:19 33:3 34:17,20 35:9,15 36:9,12 37:15,19 39:12 42:23 66:6 70:10 71:10,14,17, 23 73:2,3,5 75:8 76:12 80:10 82:20 84:10 88:6 90:4,20 91:17 93:16 96:5 100:19 103:9 105:15 106:14 107:5,9 111:13
<b>shared</b> 79:16 101:19	<b>slight</b> 45:16 47:13	<b>states</b> 57:1 64:4	<b>supplement</b> 24:13	<b>tether</b> 100:8
<b>shareholders</b> 38:9, 22 101:2 103:16 113:1	<b>small</b> 17:21 18:2,7,20 19:2 20:14 22:6 31:10 34:14,22 42:11,14,19 43:11 44:2 46:11 48:12,14 62:17 92:19 109:20 113:19	<b>stay</b> 69:6	<b>Supplemental</b> 4:11	<b>theoretically</b> 62:6
<b>shift</b> 98:21 112:18	<b>so-called</b> 87:3 110:2	<b>steps</b> 103:13	<b>supplied</b> 19:3	<b>theory</b> 82:19
<b>shifted</b> 36:7	<b>solicitation</b> 19:5 113:17	<b>stop</b> 55:9 75:21	<b>supplier</b> 24:7 25:17 36:8 38:1,3	<b>thick</b> 91:2
<b>shifts</b> 18:5	<b>solicitations</b> 15:11	<b>story</b> 48:1	<b>suppliers</b> 18:6 19:4, 19 20:1 27:23 36:6 45:1 48:4 51:12 67:18 80:21 81:1 82:23 110:3	<b>thing</b> 36:9 85:20
<b>shock</b> 71:18 72:4,14, 17,19 73:6,7,10,13, 23 74:1,23 75:3 77:3 78:4,8,9,11 92:3 94:5,11,15 95:10,18	<b>solution</b> 53:16	<b>straight</b> 80:10	<b>supply</b> 15:5,6,10 17:14,19 21:16 66:14 67:13 75:11, 12,13 95:1 109:18 113:18	<b>things</b> 33:2,4 41:19, 20 45:6 58:22 75:23 96:11 102:2
<b>shocks</b> 72:6,22 73:17 74:20 75:17 86:9,13 93:19 94:1,9 96:2	<b>sooner</b> 92:8	<b>stranded</b> 23:5 68:9	<b>support</b> 37:16 87:12 110:22	<b>third-party</b> 20:1 24:7 110:2 113:18
<b>short</b> 37:9,13 60:20 86:11	<b>sort</b> 7:17 8:15 11:5 13:2 35:1 44:11,13 74:3	<b>strategies</b> 38:3	<b>supported</b> 103:4	<b>thoroughgoing</b> 88:4
<b>shortage</b> 58:16	<b>sorted</b> 63:3	<b>strategy</b> 72:20 74:4 84:13 86:21 93:6 111:3	<b>supportive</b> 110:18	
	<b>sound</b> 65:14	<b>stream</b> 74:8	<b>supports</b> 103:3	
	<b>sounds</b> 10:7 99:14 100:13	<b>strike</b> 105:1	<b>suppose</b> 98:12 100:8 108:19	
	<b>source</b> 67:13	<b>strikes</b> 110:5	<b>surge</b> 111:5	
	<b>sources</b> 21:9	<b>strongest</b> 51:2	<b>surprise</b> 46:18,21 75:19	
	<b>space</b> 89:15	<b>students</b> 76:9	<b>surprised</b> 12:5	
	<b>speak</b> 7:16 60:11	<b>study</b> 67:2,10,11,19	<b>swing</b> 75:9	
	<b>speaking</b> 88:6	<b>subject</b> 33:12 60:17 71:6	<b>switch</b> 30:16 89:16 96:4	
	<b>speaks</b> 47:22			
	<b>specific</b> 12:18 43:6 90:1 100:12			
	<b>specifically</b> 24:17			
	<b>specificity</b> 12:15,21			

<b>thought</b> 7:8 32:16 56:13 65:2,7 87:2 105:15	<b>troublesome</b> 28:2	<b>unnecessary</b> 8:2 11:19 111:16	<b>volatile</b> 19:9 57:12	<b>worth</b> 11:15 13:7 19:21 21:3 24:14 31:17 72:20 79:13
<b>thoughtful</b> 28:4	<b>true</b> 37:22 55:15	<b>unplanned</b> 94:22	<b>volatility</b> 44:20 45:8 109:22	<b>worthless</b> 101:8
<b>thoughts</b> 13:3	<b>true-ups</b> 30:2	<b>unpredictable</b> 19:8	<b>volume</b> 35:16 90:21 102:4,6 103:14	<b>wrap</b> 8:10
<b>threat</b> 55:20	<b>trust</b> 47:1	<b>unreasonable</b> 38:19 40:1 49:1,21 51:23 112:18,21 113:9	<b>volumes</b> 90:13 91:1 92:20	<b>wrapping</b> 48:6
<b>three-</b> 53:10,11	<b>tune</b> 31:9	<b>upcoming</b> 20:21	<hr/> <b>W</b> <hr/>	<b>writings</b> 73:3
<b>three-year</b> 36:11 77:5 93:6 103:12	<b>turn</b> 17:11 21:14 63:12 66:21 104:1,7, 14 106:10 109:11	<b>update</b> 67:10	<b>wait</b> 75:3	<b>written</b> 16:6 17:9 70:10 71:8
<b>threshold</b> 50:5	<b>turned</b> 61:14 66:13	<b>updated</b> 67:11,18 71:9	<b>wake</b> 111:6	<b>wrong</b> 55:12 81:15
<b>tied</b> 98:7	<b>turning</b> 16:8 54:7	<b>updates</b> 16:2 17:2 70:15	<b>walk</b> 96:21	<hr/> <b>Y</b> <hr/>
<b>tight</b> 75:3,9 94:21	<b>turns</b> 61:3	<b>upfront</b> 96:19 97:11, 15 98:12,19 99:1 112:3,10	<b>wanted</b> 12:8,19	<b>year</b> 23:8 26:15 67:7, 9,19 73:8,10 107:18 109:19
<b>time</b> 7:11 11:1 13:4 14:8,13 16:3 18:16 27:20 39:1 44:9 45:9 46:9 47:10,12 52:21 56:16 57:21,23 66:8 67:12 68:18 69:5,11 70:18 73:14 74:17 77:11 82:17 86:8,11 88:14,16 89:13 94:5 95:7 96:15,18 97:13, 19 98:7 99:2,4,20,23 100:9,10 101:18 104:5 105:15,22 107:10,13 110:7,20 111:23 113:4,15	<b>type</b> 27:14 90:20	<b>upside</b> 79:16 80:5 101:20,21	<b>warm</b> 108:16	<b>years</b> 35:21 36:20 37:17 45:4 46:9,16 48:2 54:21 64:2 65:16 73:15 74:13 76:14,23 78:11,13, 14 79:13 85:18 86:15 89:21 91:23 92:6 94:8 96:13 97:10 110:16 112:5
<b>timeframes</b> 22:16	<b>types</b> 38:2 52:5 96:20	<b>upward</b> 32:18 43:8 77:16	<b>warranted</b> 106:2	<b>Yi-an</b> 2:5 3:3 14:10, 14 16:11
<b>timely</b> 113:21	<b>typical</b> 72:1 84:14 92:16	<b>usual</b> 68:15	<b>ways</b> 30:20 41:6	<b>Young</b> 2:7,17 5:4 13:21,22 23:20,22 28:3,8 57:19 104:3 105:8 106:9
<b>times</b> 48:3 102:7	<b>typically</b> 36:5 59:12 67:6 95:3,4 110:12	<b>utilities</b> 10:18 34:21 36:8 52:2 83:2 96:6	<b>weather</b> 108:16	<hr/> <b>Z</b> <hr/>
<b>timing</b> 26:19 27:7 30:3,9,15 67:16 98:19 100:12 111:11	<hr/> <b>U</b> <hr/>	<b>utility</b> 9:15,22 10:10 55:22 56:7 71:22 103:16 106:17 108:7 113:7	<b>week</b> 25:18 36:14 70:12 106:4 107:8	<b>zone</b> 20:20 50:1 52:15 64:18
<b>title</b> 15:2 16:10	<b>Ukraine</b> 93:20 111:6	<b>utility's</b> 100:20	<b>weeks</b> 32:4,9 94:15	
<b>today</b> 4:10 5:12 8:13 9:6,8,9 16:5 17:8 29:9,17 30:14 34:18 43:12 53:18 58:1 71:7,17 105:11 106:1,6 107:15 108:1	<b>ultimate</b> 35:18 36:2 65:19 68:14	<b>utilized</b> 20:3 22:21 68:3	<b>weeks'</b> 31:17	
<b>today's</b> 4:17 5:14 66:6 71:11	<b>ultimately</b> 26:19 27:6,9 37:20 39:9 57:8 58:23 84:17 85:1 111:10	<b>utilizing</b> 31:13	<b>weighted-average</b> 31:21	
<b>told</b> 10:5,13 108:3	<b>unacceptable</b> 111:1	<hr/> <b>V</b> <hr/>	<b>wholesale</b> 7:10 15:5 17:15,18 18:6 19:3 31:18 33:7 36:6 41:2,18 46:13 47:8, 18 48:2 65:4 67:17 83:16 84:3,16 86:21 99:16,17 109:14,17 110:3 111:17 113:18	
<b>topic</b> 55:2,9 57:18	<b>unaddressed</b> 111:12	<b>variability</b> 47:18	<b>Wiesner</b> 2:7,8,14,18 6:21,23 7:6 8:7,11, 20 9:3,20 10:4 12:23 13:9 14:19,22 23:15 39:1,5,21 63:12,14 68:21 69:1 82:4,6 103:20,23 104:12,13 109:12	
<b>total</b> 44:4	<b>unanswered</b> 109:7	<b>Vatter</b> 2:12 3:5 5:2,14 6:5 7:12 8:10 12:15, 19 36:12 38:21 39:22 69:17,20 70:4, 6,14,17 71:12,15,18 72:9,19 74:16,22 76:13 78:2,22 80:9 82:1,10 83:5,9,15,21 84:5,17 85:1,6,12,19 86:22 87:16,21 88:2 89:10 90:4,9,22 91:9 92:1,14,18 93:7,22 94:3,14,17 95:4,11, 17 96:10,21 97:4,8, 17,21 98:1,9,17,22 99:14,19 100:2,7,14 101:4 102:7,14,19 103:2,7,18 104:5,18, 22 105:13,14 106:15,23 109:6 111:3	<b>Wiesner's</b> 11:16 69:7	
<b>track</b> 45:13 50:5	<b>uncertain</b> 111:2	<b>Vatter's</b> 5:16 9:23 11:21 12:4 35:9,15, 20 69:9 107:4	<b>window</b> 85:22	
<b>trade</b> 96:23	<b>uncover</b> 66:7	<b>vernacular</b> 41:5	<b>winter</b> 32:6 72:15 110:12	
<b>tradeable</b> 101:14	<b>under-</b> 26:16 30:2	<b>versus</b> 19:20 26:20 67:17 89:4 103:14	<b>wishes</b> 6:9	
<b>trader</b> 93:1	<b>under-collection</b> 19:13	<b>vet</b> 8:18	<b>withstand</b> 45:16	
<b>tranche</b> 44:12,16,22 45:2,17 46:2 51:22 53:14	<b>under-collections</b> 22:22	<b>viable</b> 35:12	<b>witnesses</b> 2:5,6 6:1 7:7,9,15 8:9,12 9:2, 22 10:5,9 11:17 12:3,11 13:1 14:7,18 69:5,6 78:17 105:13	
<b>tranches</b> 19:5 44:4, 19,21 53:4 113:19	<b>under-recovered</b> 22:5	<b>view</b> 41:9 110:6	<b>wondering</b> 32:16	
<b>transaction</b> 84:15 92:16,21	<b>under-recoveries</b> 29:23 30:6 68:4,8	<b>views</b> 23:13	<b>word</b> 28:15,17 33:15	
<b>transactions</b> 66:9 92:10,13 96:20	<b>under-recovery</b> 22:9 29:11	<b>vocabulary</b> 41:21	<b>words</b> 31:6 39:23 71:2,5	
<b>transportation</b> 89:13,22,23	<b>underlying</b> 31:18 33:7 48:2		<b>work</b> 45:22 46:7 52:18 66:20 92:5 94:7 95:20 100:16	
<b>rending</b> 32:2	<b>understand</b> 8:5 18:17 24:15 29:7 30:1 41:15,20 49:7 62:14		<b>worked</b> 45:5 107:10 108:14	
<b>trial</b> 11:5,6	<b>understanding</b> 25:20 26:2 29:22 40:11 54:17 58:17 89:6 90:15		<b>working</b> 22:14,23 25:1,21 26:7 42:3,7, 10,14,17,20 43:8,13, 19 67:3 106:1	
<b>triggered</b> 94:2	<b>understating</b> 74:3		<b>works</b> 57:11 113:8	
<b>trouble</b> 29:21 71:22	<b>understood</b> 30:8			
	<b>undertake</b> 39:13			
	<b>unemployed</b> 71:21			
	<b>unfeasible</b> 38:18 40:1			
	<b>uniform</b> 31:22			
	<b>Unitil</b> 90:10			
	<b>unjustified</b> 112:19			