STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

June 25, 2024 - 9:02 a.m.
21 South Fruit Street
Suite 10
Concord, NH

[Hearing also conducted via Webex]

RE: **DE 24-061**
LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY UTILITIES:
2024 Default Service Solicitations.
(Hearing regarding the Solicitation Period from August 1, 2024 through January 31, 2025.)

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

Alexander Speidel, Esq./*PUC Legal Advisor*

Doreen Borden, Clerk & PUC Hybrid Hearing Host

APPEARANCES: **Reptg. Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities:**
Michael J. Sheehan, Esq.

Reptg. Residential Ratepayers:
Michael Crouse, Esq.
Marc H. Vatter, Dir./Economics
Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:
Matthew C. Young, Esq.
Stephen Eckberg, Electric Division
(Regulatory Support Division)

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

I N D E X

I N D E X *(continued)*

E X H I B I T S

P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning. I'm Chairman Goldner. I'm here today with Commission Simpson and Commissioner Chattopadhyay. This is the hearing for the August to January procurement cycle for Default Service in Docket Number DE 24-061, the Liberty - Electric Default Service procurement review proceeding.

This hearing was scheduled pursuant to an Order of Notice issued by the Commission on May 9th, 2024, following Liberty's request for the launch of its Default Service process filed on April 11th, 2024. The Office of the Consumer Advocate filed a letter of participation in this proceeding on April 16th, 2024.

On June 20th, 2024, Liberty filed its Petition for approval of the results of its August to January Default Service procurement, as modified with an ISO-New England 20 percent market-based procurement tranche for its Small Customer Group load, as established pursuant to a Commission directive in Order Numbers 26,913 and 26,984. Both of these orders were issued in

Liberty's previous Default Service docket, DE 23-044.

Liberty also filed its proposed service -- proposed energy service reconciliation into this docket on May 28th, 2024, which was corrected by the Company on May 29th with the inclusion of omitted testimony. Liberty relies on Puc Rule 201.06(a)(15), and 201.06 and 201.07 generally, for the confidential treatment of certain material filed with its June 20th filing.

There are no intervenors in this docket, and I don't see any members of the public here today. In light of this, when confidential information is implicated in the hearing today, we ask the parties indicate this for the benefit of the court reporter.

Liberty has proposed a Witness and Exhibit List for today's hearing, with a panel of four Company witnesses, three of whom are attending remotely from Missouri, and four Company exhibits.

When we take appearances today, we'll invite the Company, the OCA, and the Department of Energy to make brief opening statements, and confirm whether the OCA and DOE have any objections to the proposed exhibits. We also ask that the OCA and DOE indicate whether they intend to call any witnesses today.

If there are no other preliminary matters, we'll now take appearances and take brief opening statements, starting with the Company.

MR. SHEEHAN: Thank you. Good morning, Commissioners. Mike Sheehan, for Liberty Utilities (Granite State Electric) Corp.

As far as an opening, I can offer the following: The solicitation itself, you will hear, went normally. Participation was not great, but sufficient, and the bids that came in were very close to the forecasts. So, the Company is comfortable with the numbers that came through the bids.

Second, you will hear that the Company is prepared to provide the 20 percent self-supply. This has been discussed several times in the last docket, and I don't think anything has changed, as far as the mechanics, that the Company will follow for that 20 percent.

During testimony, there will be a few points to be made. First, the Company has changed the bad debt formula used in its calculation. You will hear that, in preparing the schedules, there was a reference, a source for the bad debt calculation in prior filings going back several years that, frankly, didn't make any sense. That the reference was to a 1995 rate case order, and that rate case order didn't even talk about "bad debt".

So, the Company has updated that calculation with a better way to calculate and include a bad debt figure that Mr. Garcia will explain.

The second adjustment was to the lead/lag number. In the retail rates docket, the audit found a discrepancy in that number, and that happened after the initial filing in this docket, and thus we updated it with the filing last week. So, it's got an updated lead/lag number that my understanding is all parties agree with.

And, last, a change we are requesting going forward is the -- the reconciliation has always been an annual topic. And, in the winter energy service filing, we didn't touch it. This year, we're proposing that the Commission give the opportunity to come in as part of the other solicitation filing to look at the reconciliation. With the self-supply, there's a chance numbers go funny, like they did, if you recall, when we did self-supply, the proposed rate turned out to be far higher than the actual rates, and we ended up with a pretty significant over-collection. And, if something like that would happen, it would be good to be able to adjust reconciliation partway through the year. So, that's a procedural ask that we will make that the Commission afford that opportunity.

With that, we have rates to propose, and questions we're happy to ancillary. So, thank you.

CHAIRMAN GOLDNER: Thank you. We'll turn now to the Office of the Consumer Advocate.

MR. CROUSE: Good morning, Commissioners. I will try to answer your questions in the order presented, but please remind me if I forget any.

We have no objections to the exhibits presented. We're fine with them being entered.

With respect to witnesses, we're not planning to call any. But joining me today in support is our Director of Economics, Marc Vatter.

With respect to the next procurement cycle, I know the Commission has currently looked into assessing potential improvements to the proxy price development methodology, and what additional market tranches might look like. And the OCA is intending to offer a witness at that next procurement cycle. Just as a heads up, the OCA has been looking into options, such as considering futures markets to complement spot market purchases. So, that's just some of the recommendations that we're exploring internally at this time.

But, presently, we have no objections to the relief the Company is seeking.

If I've forgotten anything, please feel free to remind me. Thank you.

CHAIRMAN GOLDNER: I think you captured everything. Thank you, Attorney Crouse.

And we'll turn now to the New Hampshire Department of Energy.

MR. YOUNG: Good morning, Mr. Chairman and Commissioners. Matthew Young, on behalf of the Department of Energy. With me today is Stephen Eckberg, who is a Analyst in the Electric Division.

We have no objection to the witnesses offered by the -- or, I'm sorry, the exhibits offered by the Company today. And we do not plan to offer any witnesses.

I don't have much in terms of an opening statement. But look forward to asking some questions of the witnesses on cross.

CHAIRMAN GOLDNER: Okay. Thank you, Attorney Young.

Okay. Let's turn now to the Liberty witnesses. Mr. Patnaude, would you please swear in the Liberty witnesses.

(Whereupon ***ADAM R. M. YUSUF, ROBERT GARCIA, CHRISTOPHER GREEN,*** *and* ***AARON J. DOLL*** *were duly sworn by the Court Reporter.)*

CHAIRMAN GOLDNER: Did we get all "I

do's" there, Attorney Sheehan?

MR. SHEEHAN: I think so.

CHAIRMAN GOLDNER: Okay. All right. Attorney Sheehan represents that we heard "I do's" from everyone. So, we can move forward. Thank you, Mr. Patnaude.

Let's turn now to direct, and Attorney Sheehan.

MR. SHEEHAN: Thank you.

First, Mr. Yusuf, did you -- were you able to pull up the documents that you need to?

WITNESS YUSUF: I have them. I just don't have internet.

MR. SHEEHAN: Okay.

ADAM R. M. YUSUF, SWORN

ROBERT GARCIA, SWORN

CHRISTOPHER GREEN, SWORN

AARON J. DOLL, SWORN

DIRECT EXAMINATION

BY MR. SHEEHAN:

Q Mr. Yusuf, please introduce yourself and your title with Liberty?

A (Yusuf) My name is Adam Yusuf. I am an Analyst I for Liberty in the Rates and Regulatory Affairs

Department.

Q Mr. Yusuf, did you along with Mr. Garcia, prepare the testimony and supporting schedules that we have marked as confidential "Exhibit 1" and redacted "Exhibit 2"?

A (Yusuf) We did.

Q Do you have any corrections or updates to make to those documents this morning?

A (Yusuf) Not at this time. Or, no.

Q Thank you. Why don't I go to Mr. Garcia, and then I can ask both of you the questions.

Mr. Garcia, please introduce yourself and your position with Liberty?

A (Garcia) Good morning, everyone. Robert Garcia, I'm the Manager of Rates and Regulatory Affairs for Liberty.

Q Mr. Garcia, did you, along with Mr. Yusuf, prepare the testimony and exhibits that have been marked as "Exhibits 1" and "2"?

A (Garcia) We did.

Q Do you have any corrections or updates to make to those documents this morning?

A (Garcia) No, sir.

Q Why don't we start with the bottom line, and either Mr. Yusuf or Mr. Garcia, point the Commission to where in the Exhibit 1 we use, for today's purposes, the Commission can find the rates that the Company is proposing to implement beginning August 1?

A (Garcia) Certainly. Sorry, Mr. Sheehan, you're a little garbled on my end. I'm not sure if it's my computer or not. I believe you're asking about where to find the rates that we were seeking approval of.

Q Correct.

A (Garcia) The main -- is that correct?

Q Correct.

A (Garcia) Okay. The main supply rates that we are seeking approval can be found in Section V of our testimony, beginning at Bates Page 080. It contains our proposed rates for the Small and Large Customer Groups, including the time-of-use rates. And it can also be found on Schedule 1 and Schedule 2 of our attachments.

The reconciliations that we're proposing that are part of that calculation can be found in Section IV of our testimony, and it's also on Page 1 of both Schedule 3 and Schedule 4, for the ESAF and the ESCRAF, respectively.

Q And, Mr. Garcia, can you tell us what types of dollars are in those two reconciling charges, the ESAF and the ESCRAF?

A (Garcia) The ESAF largely reconciles the supply costs themselves. The ESCRAF is largely administrative. It also includes -- sorry, I'm drawing a blank. It's the administrative costs and -- oh, bad debt, excuse me.

Q Mr. Garcia, you heard in my opening that there has been a change in the bad debt number. Can you please explain that?

A (Garcia) Yes, sir. As Attorney Sheehan had explained in his opening remarks, in preparing for the May filing of the initial calculation of the reconciliations, we had seen in the models that had been previously used and accepted a reference to a '95 docket, which I believe was a rate case, as the basis for the allocation factor between the Large and the Small Customer Groups, as there are separate ESCRAFs for the two, and there have been historically.

When we researched that issue, we couldn't quite figure out what the basis of the cite was. In addition, looking at the numbers, it appeared to be over-allocating costs to the Large Customer segment, for a couple of reasons. One, the bad debt rates of larger customers, relative to residential or the Small Customer Group, would seem to be much lower. And, when you couple that with switching levels, the numbers just, resulting from that allocation factor, seem to be off.

So, since they had been previously accepted, we went ahead and submitted that with our initial May reconciliation filing. And, in the interim period since then, we worked with our Accounting Staff to develop a -- it's sort of a direct assignment approach, where we rely on the historic bad debt rates -- pardon me -- the historic write-offs for the rolling 12-month period, of both the Large and Small Groups, respectively. So, it's a little truer allocation to costs, and, therefore, follows cost causation.

Q And is that -- those allocation percentages, factors, will they remain static or will they be adjusted each year, based on the recent history?

A (Garcia) Well, assuming it's approved, yes. It would actually change every month. It's a monthly calculation. So, every month of the coming period, starting in August, there would be a rolling twelve-month look at the write-offs for both the Large and Small Groups, respectively, and the bad debt costs, if approved here, would be allocated that way in next year's reconciliation filing.

Q And, if the Commission chose not to approve the new method, would the Company just revert to the formula that has been used in recent years?

A (Garcia) I'm sorry, Mr. Sheehan, I didn't quite hear the last part of that question.

Q If the Commission chooses not to approve your proposed new bad debt allocation, would the Company simply revert to the allocation factors that have been used in recent years?

A (Garcia) That's a very good question. I suppose we could. But, again, I can't testify in support of that, as there didn't seem to be any basis for the citation or the methodology that had been employed.

So, we could, or we could utilize a different methodology, if one is proposed.

Q Okay. The other update I mentioned in the opening was the lead/lag figure. Can you please explain that?

A (Garcia) Oh, certainly. And just to correct one thing on the -- in your opening remarks, Mr. Sheehan. We actually caught and updated the lead/lag study prior to the May filing. So, it's not an update between the May and the June filing. It was presented in the May filing.

But the rest of your explanation is absolutely correct. The issue with data that we received for updating the calculation was erroneous, just using the wrong data. During the course of the retail rates audit, one accounting group realized it, from what another accounting group -- another accounting group had provided us, and we were able to correct that through the retail rates audit. And that's what we utilized in our May filing.

Q So, that lead/lag is used -- was used in the retail rates filing, and it's the same that's used here?

A (Garcia) Well, technically, no. We still, per the Audit Report, we still need to submit formally the updated schedules for that docket. However, per our discussions in the retail rate docket, per the direction in the Audit Report in the retail rates docket, we met with the DOE, and I can't remember if OCA was able to make it that day, to discuss the impact of the Audit Report, and what should be the next steps. So, we have not yet officially filed. We're awaiting a response from DOE on that.

Q Okay. But the expectation --

A (Garcia) And OCA, I guess, yes.

Q The expectation is that the revised lead/lag will be incorporated into the retail rates filing as the parties deem appropriate?

A (Garcia) Correct. Correct. And I think, currently, they're just reviewing the supporting work, the source documents for the data change in the calculation.

Q Excuse me. Last, Mr. Garcia, I mentioned the Company's request to be able to update the reconciliation in the December filing. Can you please confirm that and explain why we're making that request?

A (Garcia) Yes. It's really out of an excess of caution and awareness, in light of the movement of supply to a 20 percent direct-market purchase. And, currently, you know, that amount is unhedged. So, there's an element of risk that the forecasts that Mr. Green prepared, with all due respect, are going to be over or under.

So, in an effort to minimize any variances, so we're not carrying balances in one direction or the other too long, we did request the opportunity to update the -- particularly, the ESAF, it could also be the ESCRAF, since we're at it, but it's really focused on the ESAF, which reconciles the supply costs, as a part of our December filing. It's already provided for in the tariff. But I don't believe the Company, from our looking into it, has exercised that, that right to update it. So, it's -- it's within our current authority, but it's something we wanted to just bring to everyone's attention.

Q Thank you. Mr. Yusuf, could you show us where in the filing the bill impact calculations are?

A (Yusuf) So, they will be on Schedule 5 and 6. Exhibit 1, they are Bates Page 108 and 109.

Q And could you articulate the -- speak to the bill

impacts for the residential customers?
A (Yusuf) So, on -- from July 1st, 2024, to August 1st, 2024, there would be a bill increase of $7.92, or 5.21 percent. And, going back to August 1st of 2023, to August 1 of 2024, on the Energy Service, it's solely the Energy Service, it's a decrease of $10.63, or 12.97 percent.
Q So, that's telling us the proposed rate today is lower than a year ago, but higher than current?
A (Yusuf) Correct. Yes.
Q Okay. Mr. Green, I'll turn to you now. Could you please introduce yourself and your position with Liberty?
A (Green) Yes. Chris Green, Manager of Energy Market Operations. I currently run the Default Service Program for the Company out in New Hampshire.
Q Mr. Green, nice and slow, and loud, for Mr. Patnaude.
Did you prepare the testimony and attachments that we've marked as confidential "Exhibit 3" and redacted "Exhibit 4"?
A (Green) Yes, sir. I did.
Q Do you have any changes or corrections to make to

those testimony and attachments this morning?

A (Green) No, sir.

Q And can you briefly describe the Default Service solicitation process that you manage, to the extent it was normal, abnormal results, *et cetera*?

A (Green) Sure. Consistent with the last several Default Service procurement solicitations, we went out for procurement -- for solicitations on 5/1. Got a handful of bidders. We did have one who decided to drop out in the final round, leaving us with one less bid across customer groups. We had one elect not to provide a bid on the Small Customer Group.

But, other than that, it was very consistent with normal default service solicitations, where suppliers were hesitant to provide bids, based largely on the community aggregation issue that's going on, and portfolio constraints was another one that was voiced.

But, as we compared the bids that we did get on each customer group, they were in line with what we forecasted, and there was a clustering to give us -- so, they were competitive, in our opinion.

Q And, Mr. Green, what was the -- where can we find the proposed Energy Service portion of the rate that is being proposed here today, absent the reconciliation?

A (Green) I missed that question.

Q Pardon?

A *[No response]*.

Q Okay. You didn't hear me. I will try again. Where can we find the Energy Service rate that you provided to Mr. Garcia and Mr. Yusuf for calculation, the bottom-line number?

A (Green) I believe that's Bates 066, and the weighted Small Customer Group rate.

Q And that is?

A (Green) I'm going to break it out, to give you an independent weighted average rate, I think that's in their schedules.

Q Okay. Mr. Green, the upcoming period, beginning August 1, is the first time the Company will be doing the 20 percent self-supply/80 percent contracted supply. Is the Company prepared to go forward with that process beginning August 1?

A (Green) Yes. I believe that the Company and myself are prepared to start that self-supply tranche, with the intention of doing it consistently with how we operated February 2023 through April 2023.

Q Are there any material changes from what you did last year, in '23, to what you proposed to do this fall?

A (Green) No material changes, outside of maybe the forecasting methodology that was used and approved --

Q And how did that --

A (Green) -- for the 20 percent.

Q And how will that change?

A (Green) You know, I don't know how we forecasted the rate last time. And that this time it's largely based on that wholesale loss comparison report as part of 23-044.

Q Okay. You know, I don't think I asked any of the witness to formally adopt their testimony. So, I'll run through that rigmarole.

Mr. Yusuf, do you adopt Exhibit 1 and 3 as your sworn -- 1 and 2 as your sworn testimony this morning?

A (Yusuf) I do.

Q And, Mr. Garcia, the same question, as to Exhibits 1 and 2?
A (Garcia) I do.
Q And, Mr. Green, do you adopt Exhibits 3 and 4 as your sworn testimony this morning?
A (Green) I do.
MR. SHEEHAN: Thank you. That's all I have.
CHAIRMAN GOLDNER: Thank you. We'll turn now to cross, and the New Hampshire Department of Energy.
MR. YOUNG: Thank you, Mr. Chairman.
So, I think, Mr. Green, I'll start my questioning with you. Apologies, I'll try to look in the camera here right in front of me.

CROSS-EXAMINATION

BY MR. YOUNG:
Q So, I think, first, I just have a few questions about the energy and the RPS procurement information that you provided.
So, I think, broadly, in your testimony, on Bates Page 007 to 009, you describe the results of the energy RFP solicitation. And the Company's position is that the results of

that solicitation were competitive, and the pricing is reflective of market conditions. Is that accurate?

A (Green) Yes, sir.

Q And could you talk a little bit about how the Company makes that determination? Maybe what factors you look at when evaluating the RFP and the responses from suppliers?

A (Green) Sure. We base our forecasts -- we produce forecasts based on NYMEX forwards, with anticipated capacity and other ancillary services, and other things that ISO is going to charge us for. And, then, we use that as a baseline to compare that against the supplier bids that are provided.

Q Okay. Thank you. And I believe you also mentioned, too, in your direct testimony, the Company does use indicative bids prior to receiving final bids.

A (Green) Sure.

Q That's correct, right?

A *[No response]*.

Q I'm sorry, did you hear that question?

A (Green) I said "yes."

Q Okay.

A (Green) I'm sorry.

Q Perfect. Sorry. And you also mentioned that there was one bidder who participated in that indicative bid stage, that then did not submit a bid in the final stage. And just to, I guess, carry that forward, you also mentioned that the reasons for them not participating in the final bid stage was because of "portfolio constraints and community aggregation", is that accurate?

A (Green) Yes, sir. That's correct.

Q Could you, I guess, first describe what you mean by "portfolio constraints"?

A (Green) That's a good question. And it would be me just trying to assume what they mean by the "portfolio constraints". The first -- the one that gave me the "portfolio constraints", the supplier that did that, they failed to bid on the Small Customer Group for both rounds. So, I'm assuming they're a little bit of a smaller shop, and they didn't have the kind of supply to go out and -- they may have extended and passed their risk tolerance. And that's something I plan on following up with them about on what they're seeing as far as the portfolio constraints.

But it's not -- it's not an inconsistent reason for suppliers failing to bid or participate in our solicitations. It's been from a different supplier last time, I believe, as well. So, --

Q Okay. So, that's, I guess, a reason that you've heard before from somebody not participating?

A (Green) Yes.

Q Okay.

A (Green) Yes.

Q That is helpful. You also talk about, in your testimony and in your direct examination here today, talked about how the Company will procure 20 percent of the Small Customer Group load through the ISO-New England Market. You also mentioned, you pointed out in Exhibit 3, Bates Page 066. And I'm wondering if we could just turn there quickly?

A (Green) Sure.

Q And I guess my question regarding this Bates Page 066, in Exhibit 3, is sort of broadly, if you're able to walk through this a little bit, and just sort of help us understand how the

Company will determine a price for customers for that 20 percent load, and how the Company will blend that price with the other 80 percent load derived from the winning RFP?

A (Green) Sure. We started with the NYMEX forwards, on- and off-peak. And, then, we layered in those different costs that they're also seeing in that wholesale loss comparison report that we do each month and provide the Commission with that. So, those costs should look similar. Those are a thirteen-month ended average. So, not to get too complicated with that.

We then apply what percentage of the month is expected is going to be on-peak, and we apply that factor to it, to give us, basically, a self-supply cost with all the adders.

And, then, to get to the weighted Small Customer Group, it's pretty straightforward. We just apply -- we just weight the 20 percent self-supply, and then the 80 percent of the full service requirement winning bids for the Small Customer Group.

Q Great. Thank you. Since we're on the topic of the -- I guess the 20 percent self-supply load, my next question is really, it's not necessarily pertaining to the -- to your testimony, but is -- are you aware of the price spikes in the ISO-New England Market that happened last week during the "heatwave", I guess we could call it?

A (Green) You know, I'm not. I'm not intimately aware of it, no.

Q So, I guess, theoretically, if there's a price spike, which, you know, did happen last week, I think briefly the Real-Time Market went up to roughly $1,900 per megawatt-hour. I guess I'm curious how that is -- how will that impact the ISO-New England settlement with the Company? How will that impact how the Company settles with ISO? Does that happen -- is it in every five minutes? Is it an hourly settlement? If you could shed any light on that, that would be helpful?

A (Green) So, the ISO is going to bill us twice a week, on Mondays and Wednesdays, and those settlements will come through there. I would imagine that, unless that was an elongated price spike, it's going to come out in the wash, so to

speak. It's probably going to aggregate out to somewhere in the $80 to $90 range, just a guess, if it was just for a single five-minute interval. It could -- I mean, I guess it could be 200. But, over the 744 intervals of a month, I would expect it to be -- to bring that cost down of that price spike.
Q So, what's an "elongated price spike" that you mentioned?
A (Green) It would have to sustain it for quite a while to pull up a monthly cost.
Q Okay. Thank you. That's helpful. And I know that was sort of outside a little bit of --
A (Green) Sure.
Q -- your testimony. So, turning back to that testimony now, on Bates Page 009, in Exhibit 3, there's a table in the center of that page. And I will give everybody a moment to get there.
A (Green) I think I'm there. Are you referring to the RPS table?
Q Yes. Correct.
A (Green) Okay.
Q So, that table there, I believe, shows the 2023 and 2024 RPS requirements, by class, for each

year. And it looks like there's one significant difference between the yearly requirements in the Class III requirements. For 2023, the table shows a requirement of "0.5 percent", and, for 2024, that Class III requirement is "8 percent".

It's correct that that 2023 requirement was originally higher than the "0.5 percent" shown there, right?

A (Green) Yes, sir.

Q And the Department of Energy has the authority to review and adjust that Class III requirement annually, based on an assessment that it does, and the anticipated Class III RECs to be available in the market, is that correct?

A (Green) That's correct.

Q Your table doesn't show the 2025 RPS requirements. But is it also true that those 2025 RPS requirements are relevant to the Energy Service prices that are developed here in this filing?

A (Green) Can you restate that? I'm sorry.

Q So, this table here shows the 2023 and 2024 RPS requirements. But the 2025 RPS requirements are also relevant to the Energy Service prices that

are in the filing and presented to the Commission today, right?
A (Green) Sure.
Q And I guess I would ask, if the schedule, I guess, CG-2, on Bates Page 050, is that where those 2025 RPS requirements would be relevant?
A (Green) Yes, sir. That's correct.
Q Thank you. So, apologies for jumping around, but back to Bates Page 010, in Lines 13 to 17, there is detail provided that the updated forward-looking estimate of RPS costs that you include in the Default Service rate is 0.88 cents, is that correct?
A (Green) That's correct.
Q And that takes into account the 2024 and 2025 RPS requirements for energy delivered in the six-month period beginning August '24, right?
A (Green) That's correct.
Q And that price reflects the Class III requirement of 8 percent that we discussed?
A (Green) Yes, sir.
Q Because, and that makes sense that it's included here, because that statutory Class III requirement is in effect, I guess, until and

unless the Department reviews and adjusts that requirement, right?
A (Green) Yes, sir. That's correct.
Q Okay. Thank you. And is it also correct that the Company does reconcile these RPS costs, so that, I guess, ultimately, the customers pay only the actual costs of complying with the RPS?
A (Green) Did you ask if we reconcile those costs?
Q Yes.
A (Green) Yes, sir. We do.
Q So, for example, while this RPS cost estimate does include the 8 percent Class III requirement, if that is then reduced, the customers only ultimately pay an RPS cost that reflects that reduced Class III requirement, right?
A (Green) Correct.
Q Thank you. Thank you, Mr. Green. Turning now, I think, to the testimony of Mr. Garcia and Mr. Yusuf, sort of sticking with the RPS reconciliation.

Exhibit 1, I think Bates Page 089. So, here, on Bates Page 089, on Line 3, we see an "RPS Over- and Under-Collection", which, in Column (c), for the Small Customer Group, shows an over-collection of, I believe, "$610,164". Do you see that?

A (Garcia) I do.

Q And the subsequent pages of this, then Schedule 3, provide additional detail. But is this first page -- is this first page a summary of that information, is that correct?

A (Garcia) I'm sorry, Mr. Young, did you ask "if the first page was a summary page?"

Q Yes.

A (Garcia) Yes, that's correct. The actual math, to your point, is in the following pages of the schedule regarding the RPS reconciliation of expense and revenues.

Q Thank you. So, I believe Bates Page 092 shows the details of that reconciliation. And in Column (e) of that page, we do see a total "RPS Expense" in Row -- Line 13 of "1,323,527". And the difference --

A (Garcia) That's correct.

Q So, the difference of that number, and the number in Column (c), would then be reflected back on Bates Page 089. And that's the 610,000 number that I referenced earlier, is that correct?

A (Garcia) That's correct.

Q Okay.

A (Garcia) The reconciliation is aggregating all the relevant costs in one big calculation. The RPS component is not broken -- the reconciliation component is not broken out separately. It's presented that way on Page 1, basically, for that purpose.

Q And, then, on that Bates Page 089, in Line 7, we see an estimated energy service kilowatt-hour over which that over-collection will be returned, is that correct?

A (Garcia) Correct.

Q Okay. So, if we were to divide that RPS over-collection amount by the total number of kilowatt-hours over which it will be returned to the Small Customer Group, we do get a credit of 0.253 cents per kilowatt-hour. Does that math sound correct to you?

A (Garcia) It does.

Q Thank you. And, then, this RPS, I guess, reconciliation credit that we just sort of laid out of 0.253 cents per kilowatt-hour, in effect, is a credit against the forward RPS costs of

0.88 cents per kilowatt-hour we see in Mr. Green's testimony, is that correct?
A (Garcia) Yes. His forecasted costs for the coming year, yes.
Q So, Mr. Garcia, in Exhibit 1, on Bates Page 075 and 076, you describe the Company's reconciliation process for Default Service and RPS, and then present some details of the costs and expenses. You describe a proposed change in the reconciliation process that the Company is making, and I do believe you touched on this briefly in the direct examination. But I'm wondering if you could just describe that proposed change for us a little bit?
A (Garcia) Certainly. You're talking about Bates 075, the Q&A beginning at Line 14?
Q That's correct.
A (Garcia) Oh, okay. Yes, I mean, basically, we are continuing the practice of establishing separate reconciliation factors for the Large and Small Customer Group. I believe it was a practice that began, oh, roughly last year or so, in light of what occurred with the -- I believe it was the procurement in December of '22, for

the Winter of '23, and the issues with fully subscribing three months of that solicitation for the Large Group, the Company begin separating the Large and Small cost streams. And, in light of the requirement to begin purchasing directly from the market for the Small Customer Group coming out of Docket 23-044, we thought it best to continue that practice.

Furthermore, it's, from a ratemaking perspective, it's a good practice, because where you can separate costs, you know, fairly easily, it's better, cost-based rates, it follows cost causation a little better. So, it's a practice we're looking to continue.

Q Thank you for that summary. One final question, again, for Mr. Garcia and Mr. Yusuf.

Turning to, again, to Exhibit 1, on Bates Page 108 and 109. I believe this is Schedule 5 and 6. Could you describe these schedules for us please?

A (Garcia) Yes. Mr. Yusuf, would you like to take that?

A (Yusuf) Sure.

CHAIRMAN GOLDNER: Mr. Yusuf, if you

could just check to make sure your microphone is on, the red light.

WITNESS YUSUF: Yes.

CHAIRMAN GOLDNER: And, then, make sure you're close to the microphone please. Thank you.

BY THE WITNESS:

A (Yusuf) All right. So, for Schedule 5, it's a comparison of the rates that would take effect on July 1st of 2024, and then the proposed August 1st, 2024, rates, with the Energy Service rate that we are proposing, versus what's in effect.

And, on Line 9, you see the comparison. And, then, Lines 11 and 12 give you the difference. And it is up a little bit, compared to the rates that are in effect. But you see the monthly increase of the 7.92, and then the percentage of 5 percent, of the Energy Service rate.

And, then, Schedule 6 takes a look back at last year at this time. And primarily concerned with this filing is Line 9, and then Lines 13 and 14, to show that the rate has decreased at this point by $10.63, and 12.97 percent, strictly on the Energy Service side.

And, then, Lines 11 and 12 are basically just illustrative, to show you that, the decrease overall in the total bill, including all the rates at that point.

BY MR. YOUNG:

Q And I may have misheard, but just to clarify. The rates proposed today would go into effect August 1st, 2024, is that correct?

A (Yusuf) Correct.

MR. YOUNG: Just one minute.

[Atty. Young and Mr. Eckberg conferring.]

BY MR. YOUNG:

Q And would you agree that Schedule 6 also does show, I guess, the other rate changes that have happened over the past year, not just Energy Service?

A (Yusuf) Correct.

MR. YOUNG: Okay. I do believe those are all the questions that I have, Mr. Chairman.

CHAIRMAN GOLDNER: Attorney Young, just a question for you, before we move to the OCA.

MR. YOUNG: Sure.

CHAIRMAN GOLDNER: You were talking about, on Bates Page 009 of Mr. Green's testimony, this issue of the Class III RECs going from 0.5 percent in 2023, to 8 percent in 2024. Can you share with the Commission and the parties the Department's plans for the 2024 rate, or the timeline on which the Department plans on making a decision on that rate?

It's a big increase that's being laid into rates here.

MR. YOUNG: So, sure. So, what's shown here, 2023 to 2024, by "big increase", are you talking about the "7.5" that we see here?

CHAIRMAN GOLDNER: Yes.

MR. YOUNG: So, the statutory requirement for Class III RECs is set at 8 percent, right? So, that's what it is now. The Department has, we mentioned this, is statutorily authorized to perform that review. And the way that that review works is, beginning roughly in January of every year, the Department receives -- starts to gather the available data from the previous year's energy production. And

Department staff analyzes that energy production to see how many Class III RECs are likely available in the market.

Due to reporting lags, the Department receives the Q4 information from the previous year. So, you're now using 2023 and 2024 would be the Q3 -- Q4 2023 information, roughly at the end of the January, don't quote me on that. So, the Department then reviews that information for the whole year, and then determines where to set that Class III level. So, it's not necessarily that there's a huge jump. That level is set based on the energy that was produced, thus the Class III RECs that are available.

Is that helpful? Does that answer your question?

CHAIRMAN GOLDNER: It does. And my recollection is, if we go back to prior years, 2022 to 2021, that the Department for some time has been going through the process, and reducing the percentage from 8 percent, to roughly half a percent, maybe it was 1 percent or something in there, too.

So, I guess my question would be, does

the Department have a position on the right assumption to use for 2024 for the Company's ratemaking? They're assuming 8 percent, so they're charging ratepayers accordingly. But it seems likely that the Department will significantly reduce that rate, though we don't know exactly to what.

MR. YOUNG: Sure. And --

[Atty. Young and Mr. Eckberg conferring.]

MR. YOUNG: And I think, for reconciliation purposes and forecasting, that 8 percent is the right number to use. I think that would be what the Company is required to use. So, --

[Atty. Young and Mr. Eckberg conferring.]

MR. YOUNG: Yes. Sorry, I'm conferring with my colleague.

That 8 percent, I believe, is consistent with what the Company has used in past -- past year default service rates. So, I think that's the right number.

CHAIRMAN GOLDNER: And I would assume

that there's a -- it's a rolling correction. So, last year, it was 8 percent. The Department cut it to half a percent. It was reconciled somewhere in this proceeding. We would probably have to look through the numbers to see it.

But I think that you're saying is, every year it starts at 8 percent, for the last few years, and it gets cut to half a percent, it's reconciled. So, it's kind of this rolling process that corrects itself over time?

MR. YOUNG: Yes. I think that's right. And I think an important sort of note on just the timeline of everything, too, is that, you know, the Department reviews the 2023 energy production. And, like as I mentioned, we get that Q4 data. You know, Q4 ends, you know, end of December, we don't get it till the end of January. But the compliance period for that 2023 runs until July 1st of 2024. So, in terms of, you know, Q4 of that compliance period is really the spring of that next year, if that makes sense?

So, you know, there's just a bit of a lag there that I think is also a consideration.

CHAIRMAN GOLDNER: Okay. Thank you. That's helpful.

We'll turn now to the Office of the Consumer Advocate for cross. And, if the Consumer Advocate has a thought or a position on the Class III RECs, that would also be welcome.

MR. CROUSE: Thank you. The OCA does not have any cross questions at this time.

With respect to the Class III RECs, I appreciate the Chairman's line of questioning. That isn't one that we've significantly dived into, but we'll explore.

Thank you.

CHAIRMAN GOLDNER: Thank you, Attorney Crouse.

Let's turn now to Commissioner questions, beginning with Commissioner Simpson.

CMSR. SIMPSON: Thank you. So, I'll open the questions up.

Can the folks online hear me clearly?

[All of the witnesses appearing via Webex remote indicating in the affirmative.]

CMSR. SIMPSON: Okay. Thank you.

BY CMSR. SIMPSON:
Q So, one of the risk elements I heard noted by suppliers pertain to attrition to community aggregation. And I'm hoping that one of the witnesses could speak to the delta with respect to the customers served by utility default service, to community aggregation, in this cycle?
A (Green) Sure. We've had, I think -- I believe it's four towns that have either -- they're in various states of that process, those, which represent, roughly, 10ish percent of our remaining Default Service load. The big one that keeps coming up is Salem. We've had questions along that town. If that town were to go, that's another 30 percent of what we have remaining under default service, 30 to 35ish percent. If that one would goes -- if that one goes community aggregation, which I believe they go to vote March of 2025. So, it's a little ways out. It's in the next solicitation window, which I expect to have similar, if not increased, hesitation from suppliers.
Q Okay. Thank you, Mr. Green. I'm looking at Exhibit 1, Bates Page 088. And, on Line 7,

Line 4, Line 7, there's a figure presented of "59.14 percent", identified as "Percentage of Residential and Small C&I Energy Service kWhs to Total"". Do you see that figure?

A (Green) I do.

Q Okay. So, does that figure represent your incumbent customers in the Residential and Small C&I Groups on a kilowatt-hour basis who are taking service from the Company, supply service from the Company?

A (Garcia) Right. As of the March billing period.

Q And do you have a sense, Mr. Garcia, what that figure was in the last Default Service solicitation?

Essentially, how much has migrated away from the utility to either competitive or community aggregation supply?

A (Garcia) I believe it's a little bit lower than it was. I would have to pull up the filing from last year, which I think I can do.

Q Okay. The Chairman handed me the sheet from last year, the same schedule. Would you accept that that figure is "89.92 percent", from Docket DE 22-024?

A (Garcia) I would.
Q So, we're seeing significant migration, 30 percent, since the August 2022-January 2023 time period.
A *[Witness Garcia indicating in the affirmative]*.
Q And, Mr. Green, you mentioned "Salem". Can you refresh my memory, what percentage of load would that represent for Granite State?
A (Green) That's roughly 30 to 35 percent.
Q Okay. So, it's foreseeable that, within the next year, the Company would only be serving approximately a quarter, and possibly less, for energy supply service of your load?
A (Green) That's certainly -- certainly a potential, yes.
Q Okay. And how does that shape supplier participation?
I know that you've mentioned that the portfolio risk and community aggregation. Buff can you contextualize for us the relative size of Granite State, and the opportunity that suppliers perceive by bidding on your solicitations?
A (Green) Sure. The other two utilities are much, much bigger than us. I would -- our Small

Customer Group, let me pull up my numbers real quick for you.

Our Small Customer Group has like a capacity tag of roughly 68 to 70 megawatts. If we lose Salem, that drops it considerably, to where our cap would be roughly -- roughly, 40 to 45.

Q Okay. Thank you. That's helpful. And can you speak to the trend that Attorney Sheehan outlined for us at the beginning, that this rate is considerably lower than a year ago, it's slightly higher than rates currently, and can you weave that into your discussion on hedging, and what you view as the future trend, based on the futures, the NYMEX futures that you have examined, --

A (Green) Sure.

Q -- just in your professional opinion?

A (Green) So, can you restate that one more time for me? I apologize.

Q I'm just -- I'm curious if you have a professional opinion on what we can expect in the future, given that you review these markets all the time, nationally, and for New Hampshire?

A (Green) Sure. I would expect that suppliers start seeing -- well, I guess not "start", continue seeing Granite State as a risk, as far as community aggregation goes, with how much supply they're going out to procure for us.

So, I would imagine that our premium, as compared to NYMEX forwards, increases, rather than decreases, in the future, just based on the community aggregation piece of what remaining load we will have.

Q Okay. Thank you for that. And, in terms of pure administration, have you faced any challenges in this past cycle interfacing with the ISO-New England Settlement System, and ISO-New England as an entity generally?

A (Green) No, sir.

Q Okay.

A (Green) No issues communicating with ISO at all. Their Settlements System is fairly -- fairly simple to work with.

CMSR. SIMPSON: Okay. Thank you. I think that's all that I have at this time. And appreciate you all being present, either electronically or in person.

WITNESS GREEN: Thank you.

CHAIRMAN GOLDNER: Thank you. We'll turn now to questions from Commissioner Chattopadhyay.

CMSR. CHATTOPADHYAY: Good morning. I may be going through the testimonies and the supporting documents, but it's possible that the responses may come from not the witnesses that have provided their testimony. So, feel free to jump in as appropriate.

BY CMSR. CHATTOPADHYAY:

Q I would first go to Bates Page 080, and let me go there first, of -- this would be Exhibit 1. I just want to make sure I'm understanding the calculations.

So, if you look at Bates Page 080, Exhibit 1, Lines 11 through 15, you talked about "20 percent direct market procurements and the monthly bid prices for the 80 percent supplied through the RFP."

I just want to make sure, when we go to Bates Page 088, let me go there.

[Sound emanating through the speaker system.]

MR. SHEEHAN: Mr. Garcia, we're hearing your wheel spin. If you could mute?

CMSR. CHATTOPADHYAY: I thought somebody was laughing.

[Laughter.]

BY CMSR. CHATTOPADHYAY:

Q So, I'm at Bates Page 088.

A (Garcia) Yes.

Q You said "Line 12 and 13", they go through the steps. I'm assuming Line 12 is the Wholesale Contract Price that's applicable for the entire 100 percent?

A (Garcia) That is correct.

Q So, it includes 80 percent of the contracted price and 20 percent estimate of the market price?

A (Yusuf) Correct.

A (Garcia) That's correct. That comes from Mr. Green's testimony.

Q Okay. And what were the market prices? Where are they?

A (Garcia) In Mr. Green's testimony. I'm sorry, the forecast of the 20 percent, or the RFP results? Well, both are in Mr. Green's

testimony. They're inputs to our model there on Exhibit 1.
Q So, I just want to know where the 20 percent piece is being covered?
A (Garcia) I'm sorry, I'm not sure if Mr. Yusuf was answering. I couldn't quite hear the question, Commissioner.
Q As I said, Line 12 captures the weighted average of the 20 percent market purchase -- I'm sorry, purchase, and 80 percent of the contracted price, or the -- you know, right?
A (Garcia) That's correct.
Q So, I'm just trying to understand where -- where does the 20 percent price estimate reside?
And I'm just going to probably help, maybe not, but let's go to Exhibit -- Exhibit 3, and Bates Page 052. Can I assume that the market piece is being captured through the "Electric Future Price June 18, 2024 dollars per megawatt-hours", and the hourly weighted average there is "64.01"?
Or, so, I just want to know where -- how did you get the 20 percent estimates? Because, when I look at the Excel file, you

simply have the numbers there. I don't know how you got them. So, that 20/80 --

A (Garcia) The weight -- oh, I'm sorry.

Q And this is --

A (Garcia) I'm sorry, Commissioner, I thought you were talking. Yes. The weighted average of the 80 percent RFP results/20 percent market forecast comes from Mr. Green's testimony. I believe it's CG -- Schedule CG-9. And that's the calculation he provides -- he provided to us.

Q Can you provide the Bates Page?

A (Yusuf) Sixty-six (66).

Q Sixty-six. Sixty-six. Okay, hold on. That's going to be --

CHAIRMAN GOLDNER: It's the last page of Mr. Green's testimony.

CMSR. CHATTOPADHYAY: So, that's Exhibit 3?

WITNESS YUSUF: Yes.

CHAIRMAN GOLDNER: Yes.

BY CMSR. CHATTOPADHYAY:

Q Okay. I think it is -- so, it's the same average that appears in the Bates page, I referenced that. So, I just wanted to make sure. I was a little confused about that.

Would -- if the Commission, you know, not this time around, but in the future, they decided to go, for example, 30 percent, so, it's -- in this example, it would be simply, you know, applying 30 percent of the prices that you have here, and 70 percent of the -- sorry, the contract price. If you were -- if the Commission was requiring you to go to 30 percent, let's say, in the future, is that a difficult thing to do at your end?

A (Green) No. Mechanically, it's the same.

Q Okay. There was some discussion about the opportunity to "reconcile every six months", so that was the proposal. You are -- are you saying that you're going to be reconciling over six months, or are you saying you're going to -- you will have the -- you'll provide a reconciliation, but it will be still based on an annual calculation?

A (Garcia) Yes. We would rec -- we would look to reconcile it in a six-month period, if we saw material variances in the recoveries versus the costs.

Q And my question is, will that be implemented over the next twelve months, every six months, or would it -- you would like to recover everything over six months?
A (Garcia) Well, as we would envision it today -- let me start from the beginning. So, the reconciliations that we file every May and every June are a combination of actuals that are on our books, plus three or, now, two months of forecasts. So, the reconciliation would basically pick up June and July, and probably run through October, to be the basis of that assessment as to whether or not it's materially over or under what we're expecting.
I think, if we experience, to Mr. Young's point earlier, if we saw some very, you know, prolonged price spikes in the market that we thought were driving our supply costs up materially from the forecast, we would probably look to try and get that reconciled. And, if we did the -- and this is really speaking more to the ESAF, which reconciles the supply costs. If we were going to do that, we would, obviously, have to look at the ESCRAF to see where it is on

balance, and make a decision based on that -- on that outcome.

So, it's not a prediction. It's just more of making everyone aware of that possible intention as we go forward, to exercise, again, what's already in the tariff.

Q Okay.

A (Garcia) To keep the balances, you know, in check.

Q Understood. My last question is, I just want to get a sense of, you know, going back to, let's say, Bates Page 066. Once you're there, let me frame this.

A (Green) Yes, sir. I'm there.

Q Have you -- have you calculated what the average difference is between the market, you know, the direct wholesale market price, versus what the contracted price would be only for the energy component?

A (Green) No, I haven't. It's hard to strip out the -- because the suppliers don't itemize their bids, so, it's hard to strip out the energy component and attribute anything specifically to energy. So, I haven't done that kind of

calculation.
Q Okay. I guess one could do it simply looking at the last two rows, and what the averages are for those two rows. Correct?
A (Green) Was there a question there? I'm sorry.
Q Yes. I'm asking, the last row in that Bates page is the 20/80, you know, calculation, right?
A (Green) Yes, sir. That's the weighted calculation.
Q Twenty percent weight and the 80 percent weight. I'm just trying to get a sense of what the average would be over the six months, relative to what the average is for the Small Customer Group winning bids, on average?
A (Green) Okay. So, the average is $4.71 lower.
Q Overall? Total, for six months?
A *[Witness Green indicating in the affirmative]*.

CMSR. CHATTOPADHYAY: Okay. Thank you. That's all I have. Thanks.

CHAIRMAN GOLDNER: Okay. I'll pick up now. We'll go till around 10:30, and then take a break.

And, first, I'd like to say "thank you" to Mr. Doll for coming at the request of the

Commission today. And I promise to have some questions, so that you don't waste your time this morning.

And I would like to direct this first question to Mr. Doll.

BY CHAIRMAN GOLDNER:

Q Is it more or less difficult to purchase for large customers and small customers in the ISO Market? Do you differentiate between the Large Customer and Small Customer process? Or is it -- is it sort of all the same from your perspective?

A (Doll) I would say, mechanically, from our process, it's the same. I would say the difference is the Large Customer Groups, typically C&I, tend to have a flatter load shape. They have less of a weather response than residential. So, that impacts our ability to forecast, which then impacts how we offer bid load into the market.

But, mechanically, just market to market from that point forward, there's no difference to us.

Q And, if the loads do get smaller, both for the Large and Small Customer Groups, would it be --

would there be any advantage to just sort of combining up all of your loads to purchase them in the wholesale market? Or, would that be something you would always want to keep separate?

A (Doll) No. Honestly, I think, if -- although we've only done the Large Customer procurement through the market, and now we're working through the Small Customer, combining the two load shapes into one load shape and offering to the market, would not present any difficulty. And, in fact, it would probably apply a certain amount of hedge characteristics to the load shape. Just extreme weather, weather-sensitive classes from the Small Customer can have your load shape move around a little bit more.

So, yes, preferential. It would be better for us. We would have probably more accurate time forecasting load if we had a composite of both the Small and Large Customer.

Q Okay. Thank you. And I was thinking of the procurement into the ISO-New England Market, as opposed to the third-party process. Are we -- I just want to make sure we're talking about the same thing?

A (Doll) Yes, sir.
Q Okay. Thank you. Okay. And this one is just sort of checking my facts. So, maybe an easier question.
But, you know, if I look at the data that the companies gather, that you send to us in these monthly reports, it looks like the prior year period, the third-party process yielded a rate of about $121 per megawatt-hour, versus, had we been 100 percent in the wholesale market at that time, it would have been about $51 per megawatt-hour. And, in the current period, the current period is not over yet, but it was -- it's $95 a megawatt-hour for the third-party process, versus $39 a megawatt-hour to date.
So, if we looked at the data for just the last year, it looks like the wholesale option is much, much cheaper. And I just wanted to validate that, and see if that was -- if that was an accurate assessment over the last year?
A (Green) That is accurate.
Q Okay.
A (Green) And that's what we've seen.
Q Thank you, Mr. Green. So, we'll have some

further hearings on this in the coming months. So, all the parties will have an opportunity to weigh in.

But I wanted to get a preliminary view from the Company. If the Commission went to 50 percent, 70 percent, 100 percent of the load, and I'm thinking here of both Small and Large Customers, would the Company have any concerns with that approach?

A (Doll) You're saying, of the -- to the extent the Default Service preferred method is to take some portion greater than the 20 percent, 50 percent, 70 percent, up to 100 percent to the market, would we have any concern with that?

Q Correct. I do have some questions coming on the Tyr Report, if one of you can speak to that.

A (Doll) Sure.

Q But, yes, if you prefer, that would be the first question.

A (Doll) Yes. I think, and I'm glad we'll get into the Tyr Report, I don't think we have any concern if we're doing a blended option of, let's just say, 50 percent to the market/50 percent fixed. I think that provides a certain amount of hedge characteristics to the residual load.

I think, if we were to go completely 100 percent to the market, that's where I think we would recommend continued discussion with the stakeholders, to evaluate some sort of agreeable hedging property, to make sure that we don't have total exposure to a sustained market price spike.

Q Okay. Thank you. So, in the Eversource and Unitil dockets, we had asked for a proposal for the next cycle, in terms of the proxy price, about being an average between -- an average of the four-year rolling ISO-New England Market prices and the NYMEX forecast. Does the Company have any concerns with that approach, in terms of determining the proxy price?

A (Green) No. I think that can be done, if that's the direction we want to go with the methodology.

Q Okay. Thank you. And I wanted to get either Mr. Green or Mr. Doll's thoughts, or both, on the NYMEX future price itself. Because what we're really doing, I think, is we're forecasting ahead, you know, seven months. So, you take a snapshot now, and you have to -- you have to have data all the way through the end of January.

And I suppose that the farther out in time you go, the more variable or more risky the forecast gets. Is that the right way to think about it? Or would you encourage the Commission to think about the NYMEX forecast or future prices in a different way?

A (Doll) So, the way I think about the NYMEX futures, they should be the composite of any kind of fixed price deals through certain periods. And, so, the further -- the further you are out from the current operational period, the less liquidity you would have in that. So, I would -- I would equate that to a higher level of risk of uncertainty that's going to be baked into some of those.

Q Thank you. We'll go into the Tyr Report when we come back from break, to add a level of excitement to this hearing. And we'll take a break here in a couple of minutes.

But I do have some questions for you, Mr. Green, very tactically, on Bates Page 045.

A (Green) Okay. I'm there.

Q Thank you. When I look at the price difference between the bidders, I won't use any numbers until the one that I have to, to minimize the amount of work for Mr. Sheehan and the court reporter.

But Block C looks pretty tight. Block A looks pretty tight. But, Block B, there's a large difference, I won't use the number for now, between the top two bidders.

Is that -- I'd like you to kind of walk through the Company's position on why the Block B bid is something that the Company would like to accept, and why we wouldn't go to sort of a direct-purchase process for Block B?

A (Green) Sure. And you're referring to Block B, the difference between the selected bidder, which I think is in line with where I'd expect it to be, and then the next closest, is that right?

Q Exactly. So, usually, your groupings are pretty good. And, in this one, the group -- the delta is quite wide between Bidders A, B, C.

A (Green) Yes. And I did notice that. Bidder A is where I thought the prices would come in. It did come in a little higher than the other two. I think it's largely just to the seasonality of that block, as it covers November through

January.

And, if you look at the winning bid from Bidder A, compared to the Small Customer Group in that same period, I think it's in line, which led to me accepting the bid from Bidder A.

Q And I know this is a hypothetical, but what kind of spread would cause you to say that -- that "it's not good", "it's not good enough, we don't accept the bid"?

Is there any spread there that would make you think that? Or, as long as it comes in on your estimate, you would accept the bid?

A (Green) Yes, that's a good question. And I'm assuming you're referring just to the grouping aspect of that?

Q Yes.

A (Green) Yes. And I don't know what the hypothetical number is there. So, yes, --

Q Would this be -- would this be close? Did you look at this and think "Boy, this really gives me pause"? Or did you look at this and say "Well, it really hit my estimated number. The grouping at this point, or the concentration of the bids is -- doesn't matter that much, because it was close to my estimate"?

A (Green) Yes, it did give me pause. But, like I mentioned, the Bidder A was what I would consider a "good bid", and the reason why we went ahead and accepted that one.

CHAIRMAN GOLDNER: Okay. Okay, thank you.

Okay. It's 10:30. Let's take a fifteen-minute break, returning at a quarter of. Off the record.

(Recess taken at 10:30 a.m., and the hearing reconvened at 10:47 a.m.)

CHAIRMAN GOLDNER: Okay. We'll go back on the record, with some questions relative to the Tyr Energy Report.

MR. YOUNG: Mr. Chairman, if I could?

CHAIRMAN GOLDNER: Yes.

MR. YOUNG: Briefly. I guess a point of order, I guess I'll call it, regarding this Tyr Energy Report.

This was filed in Docket 23-044, and I don't believe it was filed as an exhibit here today.

CHAIRMAN GOLDNER: That's correct. It

was filed as "Exhibit 17", in 23-044. So, you correctly anticipated my next remark, which was to take administrative notice of it here, so we can discuss it.

And, perhaps, Attorney Sheehan, if you're okay, file it in this docket as well, just so that we have it on the record?

MR. SHEEHAN: Sure. So, that would be "Exhibit 5".

CHAIRMAN GOLDNER: Thank you.

MR. SHEEHAN: Okay. Will do.

MR. YOUNG: Thank you, Mr. Chairman.

*[**Exhibit 5** reserved.]*

CHAIRMAN GOLDNER: Okay. Very good. So, I think, you know, -- excuse me, just a moment.

[Chairman Goldner and Atty. Speidel conferring.]

CHAIRMAN GOLDNER: Is everyone's Internet working or are there problems?

WITNESS YUSUF: I have not had Internet all day. Oops. I haven't been able to get on all day.

CHAIRMAN GOLDNER: Okay.

MR. YOUNG: I've had some issues as well.

MR. CROUSE: If it's helpful to the Commission, the OCA has been made aware that the Department of Information and Technology did a server upgrade on Saturday. It's affected our phone lines, and our staff Internet as well.

However, I've noticed, as of today, I am now connecting to what's called "SONH Enhanced Wi-Fi", as opposed to the "Staff Wi-Fi".

Not sure if that helps the Commission, but that's what I'm able to access.

CHAIRMAN GOLDNER: Thank you. I'm good, from my point of view. But, if anyone needs access, we can pause the hearing and get some help from IT. If everyone's okay with proceeding, we can just move along. Everyone's okay?

[Multiple parties indicating in the affirmative.]

CHAIRMAN GOLDNER: Okay. Very good.

BY CHAIRMAN GOLDNER:

Q So, the first question on the Tyr Energy Report would be just in terms of understanding what it's telling us. And I'll direct this question, I guess, at whoever from the Company is in the best position to answer.

And, if we look at it in dollars per megawatt-hour, the first question really is, how much would it cost for the recommended $100 per megawatt-hour out-of-the-money call option that the Tyr Energy Report recommends?

And I'll just add to that, that my understanding was that they requested -- or, recommended, rather, for the current cycle, it would be November '24 through January '25, in the hypothetical, which was what they were asked to do, for that 20 percent tranche. Can you translate that into dollars per megawatt-hour, so the Commission and the parties can understand how much money we would be talking about to take up Tyr Energy on their recommendation?

A (Doll) Sure. And I want to make sure that I'm answering it correctly.

So, for the period that, and they kind of outlined this on Page 8 of Exhibit 17, of some of the potential option premiums. They do have a dollar per megawatt-hour by the different counterparties. So, it looks like, for the Winter Period of '24-'25, at the $100 strike price at Mass Hub, it was $27; for the Summer Period it was $16.50. Those are both dollar per megawatt-hours. That's for Counterparty 1.

Counterparty 2, $28 for the Winter; and then $14 for the Summer.

Q Okay. And there was something in the Report that, in the conclusion, that they talk about only performing the option from November '24 through January '25, in the current six-month tranche, and then they had a recommendation, I think beginning in February, for the next tranche. Is that -- was that your understanding as well? Were they recommending just certain months, or are they recommending really the entire six-month period?

A (Doll) Right. And I had some discussions with them. Originally, the thought was, if you procure for a longer period, including periods where you don't have as much seasonality, you can lower the premium paid for the instrument.

And, so, the comparison that they did was "What would the premium be for these six-month windows, if we were to execute these different strike price options for all six months?" And, then, they juxtaposed that with "What is it if we just look at the months where we see quite a bit of seasonality in it?"

And, so, after they analyze it, and, you know, through their simulation modeling, determined that the around-the-clock call at $100, $125, and $150 per megawatt-hour wasn't called on during the spring and fall. Their comparison was, and I think they included, in their White Paper, that the additional premium paid to just cover some of the certain months that have the express seasonality was *de minimus*, compared to avoiding the premium for those other months.

So, the recommendation was that, essentially, it was not smoothing the cost out and lowering the cost enough to deploy some of those instruments in some of the non-seasonal months for the gain that you would have got for that protection.

Q So, just checking my understanding, and as I'm looking at that same Table 3, in Exhibit 17, on

Bates Page 008, it looks like the premium in that, under the "$100 Strike" price, is "27.06" for the three months that we're talking about. And I guess it would be zero for the other three months. So, roughly speaking, is it true that we're really talking about, I know it's a weighted average, so it's kind of hard to get the exact number, but would we be talking about something like $15 a megawatt-hour for the six-month period?

A (Doll) You're saying, if you just executed, I want to make sure it's clear, if you're saying you just executed the 27.06 for three months, and you left the other three months uncovered?

Q Yes, because I think that was the recommendation from you and from Tyr. Yes.

A (Doll) The only -- the only thing I would say to that is the "27.06" was quoted for that period of the November through March. So, to the extent that you shorten that to just the few months of coverage, I think that would be a reasonable estimation of what it would cost.

Q Okay. Okay. That's just, I'm trying to clarify for the Commission and the parties, we're talking, I think, about something like $15 a megawatt-hour for the $100 -- for the $100 out-of-the-money call option, just to see if it's bigger than a breadbox. So, that's what it would have had this cycle had we gone and done it.

And, Mr. Doll, would that be for the -- is that $15 or so, roughly, is that for the 20 percent tranche? Or is that, if we were 100 percent, you know, the entirety of the load was being purchased from the ISO-New England Market?

A (Doll) That's really going to be your dollar per megawatt that you're looking at for your periods. I think they provide in the paper what they would recommend, as far as somewhere in the 30 to 40 megawatts.

I think, if you were to apply that to just the 20 percent tranche, the concern would be "Could you get that same amount of liquidity from counterparties for such a small amount of load?"

So, in my mind, when I reviewed this White Paper, I think this is an interesting option to continue discussions with counterparties, to the extent we go to some sort of uncovered position, whether that be a failed

RFP, where we didn't get any solicitations back, or whether the Commission has decided to change from the Default Service procurement, with the fixed-price full service requirement contracts, to just positions in the market. I see this as an interesting option to continue those discussions to provide some kind of price protection agreeable to all the parties for that.

When I think about the 20 percent tranche, I think there's a certain amount of hedging quality that's already in, taking only 20 percent of your load to the market, the other 80 percent with fixed price. Even if that percentage were increased to 30 percent or 50 percent, I probably want a little bit more experience with that to see what I can glean from the hedge quality from, you know, kind of a blended result from that.

So, at this point, I would probably recommend, if we're going to proceed with a blended of full service requirement and market tranche, not necessarily, you know, proceeding to try to cover it with option premium, but it is an option out there. I would just be concerned about the liquidity you have for such a small amount.

Q Okay. Thank you. And I'm just going to see if I can repeat that back.

So, if we were in the next cycle, talking about the February 1st, 2025, cycle, beginning then, if we were to go with a 50/50 wholesale market, versus, you know, third-party procurement, you probably wouldn't recommend, I'm not trying to put words in your mouth, but rather repeat back, you probably wouldn't recommend going with any kind of hedging option. But, if we were to go to 100 percent, then, while you may or may not recommend it, it would be something that you would want to talk to the parties about and see if that was something that would make sense.

Did I summarize that correctly?

A (Doll) Yes, I think so. At the 50 percent, it's interesting to try to cover the 50 percent. So, if it's something that the Commission and the different stakeholders are interested in, something we would certainly pursue.

I just think that a 50 percent, you

know, access to the market, versus 50 percent full service requirement, you're already hedging, you know, approximately 50 percent of your load.

So, it may be something where we just look for more what I consider "extreme price protection". So, maybe it's not 100, 125, or 150 around-the-clock call option. Maybe it's, you know, something in the multi-$100 range, where we're really just looking for these really extreme, kind of tail-risk storms, that produce, you know, $1,000 LMPs for, you know, long periods of time, not like an interval or two, but, you know, days and weeks type period. That's what we'd probably be looking at for something that's 50 percent uncovered.

Q Okay. Thank you. And I did want to, maybe for the Commission and for the parties, if you could sort of briefly explain, you know, how this -- let's just work with the $100 per megawatt call option, is it -- is it in 5-minute intervals? Is it hourly? Is it daily? Is it monthly? How does the call option actually work, and over what time periods?

A (Doll) Sure. So, maybe two key aspects I want to make sure is clear to the Commission and the stakeholders in this is, one, it is an around-the-clock call option, which means, if you had a price spike for a few hours, but your LMPs for the day resulted in an average of less than $100, then the call option would not trigger. So, this is really looking at some sort of sustained properties.

The other portion is, this is for the Day-Ahead LMPs. And, so, you would have to try to combine this call option with what amount of bids -- what amount of load you are bidding into the Day-Ahead Market, to make sure that you're applying the correct amount of coverage.

And, so, the way this works is, it's a -- I forgot the specific scenario, it's called -- give me just one second. The "look-back", that's the other portion I want to talk about.

So, the premium -- the premium on a regular call option, which means that you have to determine whether you're going to call on this option before the Day-Ahead LMPs are posted, which creates an amount of uncertainty. You know, you can have some market indicators that you're in a high-price scenario and you can call on it, but you also have the risk that the LMPs end up settling below, and you called on it, in which case you've increased the cost. You could not see the market signals as clearly, maybe, and you could not call on it when you need it.

So, the premium that they looked at was the look-back, which means it will automatically trigger, if your around-the-clock, your average LMP for the 24-hour period settles above $100, for the $100 option.

Q Okay. Thank you. Is there, in the contract with the vendor of this call option, is there any kind of *force majeure* component that you're aware of, where it doesn't apply if there's a war or an earthquake or anything like that? Or, does it apply regardless?

A (Doll) That is a great question. We have not dug that deep into what the process, we were receiving indicative bids. But, I think, before we pursue this any further, those are the very specific questions that we would have to understand, to understand what kind of price protection we have.

We've gone through those scenarios before, whether it's with natural gas procurement, for some of our thermal generation, and in other areas of the country. *Force majeure* declarations can sure create some uncertainty, and create some exposure where you didn't plan to have any. So, that would be a key area we would want to focus on, to make sure that we understood the price protection that we were given by these instruments.

Q Okay. Thank you. And, before we leave the Tyr Energy Report, is there anything else that I haven't asked that you would like the Commission and the parties to understand, relative to this proposal?

A (Doll) Not particularly. I think, maybe just summarizing, I think the purpose that we had in this White Paper was we wanted to get out in front of both the Commission and the various stakeholders kind of how we see price-protecting an uncovered position, if we were to go to the market.

I think the White Paper hopefully gave

a good background to everybody on kind of how we frame up the market, and what we see as some price-protection mechanisms.

That being said, I don't think we're all the way there where we're ready to, you know, have those detailed decisions on what we would do to move forward with some of these positions.

So, I would probably recommend that, if there's interest between the Commission and other stakeholders, even if this is just contingency for a failed RFP, that we continue some technical discussions over the next six months, to kind of zero in on any kind of concerns, discuss where they see price protection, what kind of budgets we're looking at. I think that can maybe help us be a little more prepared, to the extent we do need to pivot to something like this, I think that would leave us in a good position.

So, I just want to reiterate this, this, to me, is a starting point in those discussions. And, if there's enough interest, we'd like to move forward with, you know, having continued technical discussions with the different counterparties.

Q Thank you. And I'll just add, before I leave the Tyr Energy topic, that, in my view, the Company's work, whether it's securing Default Service through third parties, this Tyr Energy work, you're really the benchmark, versus the other utilities in the state. There's leadership here. There's good performance here, relative to the other two utilities. And, so, my compliments on the work that the Company is doing in this area.

Just moving to some cleanup areas. If we could go to -- if we could go to Bates 092, let me get there myself. So, we have a question relative to Column (e). This is the RPS, on Bates 092. There's an "RPS Expense" column, in Column (e), and we're trying to understand if these numbers that total to 1.3 million make the Company fully compliant, or if there's some additional expenses that we should expect, especially with respect to the ACPs on the Class III RECs?

And anyone can tackle that question.

A (Garcia) Yes. It's our exhibit, but I'd have to defer to Mr. Green on the ultimate question of "whether that makes us compliant?"

A (Green) That would not make us compliant, as we still have that filing to make at the end of the July timeframe. So, that will have an ACP component, and any of the RECs that came in at the Quarter 4 delivery period. So, that's not all the way all-in costs for compliance.

Q And is this the Company's sort of normal practice? I notice that June and July are zeroed or blank, or, you know, marked with a dash. Do you normally --

A (Garcia) It had -- oh, I'm sorry.

Q I'm sorry. And let me just add. Do you normally add an estimate in there, or do you normally not mark it as an expense until it's incurred?

A (Garcia) Both are correct. We don't book it until we have the actuals. And, inherently, the way the cycle, it's my understanding of this process, the way the cycle has been set up is that every reconciliation is really a forecasted reconciliation. Because, in the May filing, we're provided three moments of forecasts, and, in this final June filing, it still contains two months of forecasts to get through the twelve-month cycle.

So, whatever occurs, to Mr. Green's point, whatever occurs, in terms of expenses and revenues during those two months, it really gets captured in the beginning balance of the next annual filing.

Q Okay. And this is consistent with prior practice from the Company?

A (Garcia) It is. It is. I don't care for it, quite frankly. But it's how it appears to have been done for sometime now.

CHAIRMAN GOLDNER: Okay. Okay. Thank you.

Just a quick item on Mr. Green's testimony, on Bates 066. If the Company could file the spreadsheet on that one? We don't believe we have the spreadsheet. So, if we could just clean that up by sending the spreadsheet over.

MR. SHEEHAN: I'm sorry, I didn't catch which?

CHAIRMAN GOLDNER: That's okay. Bates 066 of Mr. Green's testimony. It's the very last slide.

WITNESS GREEN: I can provide that,

Michael, --

[Court reporter interruption.]

MR. SHEEHAN: Could you say that again, Chris?

WITNESS GREEN: I just said "I can provide that to you, Michael."

CMSR. CHATTOPADHYAY: And can I make sure that what we meant is not just that page, but anything that supports that information?

WITNESS GREEN: Absolutely.

CHAIRMAN GOLDNER: All right. Just finishing the cleanup. Just a question for Attorney Sheehan and the Company.

One of the things you'll see in our idealized default service orders is a table for the residential customers up front, where we try to include the prior period, the year ago period, the energy price, the RPS, and then the total. Just so that everyone can easily see what the Commission has approved.

And, so, to the extent that the Company, not for this cycle, but in the next cycle, and future cycles, can just include the tables? That's very helpful for us, and then we can just cut-and-paste and put it in the order, and everyone is aligned in what we're approving.

MR. SHEEHAN: And Mr. Yusuf pointed to a table, but you're saying that kind of thing, with more information in it?

CHAIRMAN GOLDNER: Yes. If it's in the petition, or in the -- in the filing letter or something, it just enables us to just more easily transition to the order, with a number that you are already comfortable with, and we're not on, you know, Page 91 of the filing or something, and potentially using the wrong numbers. So, --

CMSR. SIMPSON: Yes. And, if you note, the recent orders that the Commission has issued in the last year, we always put a table. So, it's always best if the company can provide those precise figures, as opposed to us recalculating.

WITNESS YUSUF: Not a problem.

CMSR. SIMPSON: Thank you.

CHAIRMAN GOLDNER: We recently had an error. So, we're sensitized to making sure that we're taking the data from the source.

And, then, just wrapping up, I think, Attorney Sheehan, on the topics that you pointed out at the beginning, the bad debt, the lead/lag, and the reconciliation, I guess I would like to check with the parties to see if they are in agreement with the Company's proposal, with bad debt expense, lead/lag, and the reconciliation methodology? Or, if you'd like more time to consider it, and we address it in a future docket?

MR. YOUNG: The Department is aware of all those issues. And we are supportive of the Company's filing.

CHAIRMAN GOLDNER: Okay. The OCA?

MR. CROUSE: The OCA remains supportive of the Company's filing. We usually defer to the Department on that issue. So, we'll follow their lead.

CHAIRMAN GOLDNER: Okay. Okay. Very good.

I'll turn to my fellow Commissioners, to see if there are any additional questions, before we move to redirect?

CMSR. CHATTOPADHYAY: I do have a couple of quick questions.

BY CMSR. CHATTOPADHYAY:

Q Number one, as we move to 20/80 approach, do you think it's going to change your working capital requirements?

A (Garcia) In my -- I guess, the best I could say, if given the potential, and I don't know how -- I'm not very familiar with the volatility levels of ISO-New England, but, again, I guess, if you do see some very sustained high prices, or even low prices, it could change that calculation.

Q So, this is something that, I mean, because we are embarking on pretty, well, anew, I would appreciate it if the Company goes back and thinks about it, and, you know, has a view on which direction it might go.

The last question I have is, and this is just out of curiosity, community power aggregation, do you -- what's the status now? How many towns have already moved on to community power?

And, you know, I'm just curious, if you have the answer.

A (Green) I believe that total influx is nine.

Q Say that again? Sorry, I missed --

MR. SHEEHAN: He said "nine".

WITNESS GREEN: Yes, I believe it's nine.

MR. SHEEHAN: And I believe our number of towns we serve is low 20s. Although, that includes some towns with very few customers. So, as far as a "town" count, it's roughly half.

BY CMSR. CHATTOPADHYAY:

Q Do you have any towns that have, you know, are requesting it in the future? Do you know about that?

A (Green) I have included that. So, there's four currently, in various states of the process.

Q Okay.

A (Green) I included that in that number.

Q Okay. Thank you.

A (Green) So, it's nine that we expect to be on community power aggregation.

Q And, loadwise, do you have a sense what those nine towns mean, relative to the total Liberty Utility load, or Granite State load?

A (Green) To total Granite State load? I expect it to be -- I think I have that figure, just one second.

So, to total load, I believe the number

is in between 25 and 30 percent.

CMSR. CHATTOPADHYAY: Okay. Thank you. That's all I have.

CMSR. SIMPSON: All set.

CHAIRMAN GOLDNER: Okay. Thank you.

We'll turn now to redirect, and Attorney Sheehan.

MR. SHEEHAN: Thank you. A couple cleanups for me, too.

REDIRECT EXAMINATION

BY MR. SHEEHAN:

Q Mr. Green, there was some conversation about the Class III RECs, and the timing and the changes. Has the Company bought any Class III RECs for the future year, 20 -- let me back up. When does the Company plan to buy any Class III RECs?

A (Green) So, we, historically, or I guess recent history, we wait until the obligation is set in stone before we purchase any RECs for Class III.

Q Thank you.

A (Green) Typically, that's late in the season. So, we don't get many bidders.

Q And, Mr. Garcia, there was an exchange between you and Commissioner Chattopadhyay about the reconciliation. If we did a reconciliation in December, if we adjusted the numbers as we propose, what's the time period going forward that that new rate, if you will, would be in effect?

A (Garcia) It would be for the coming February through July period that the updated ESAF and ESCRAF would be applicable.

Q And, then, at the end of that period, a year from now, for example, we'd do it again, as we have in this case?

A (Garcia) We would.

MR. SHEEHAN: That's all I have. Thank you.

CHAIRMAN GOLDNER: Okay. The questioning of the witnesses has concluded. The witnesses are now dismissed.

We'll invite the parties to make brief closing statements at the conclusion of the proceeding.

Before seeing this, seeing no objections, we'll strike identification on Exhibits 1 through 4. And, then, the Company will file Exhibit 5 and enter it into evidence.

If there's no other matters, we'll ask the parties to make their closing statements, starting with the Department of Energy.

MR. YOUNG: Thank you, Mr. Chairman.

I think, first, just regarding the Tyr Report from Thursday, I think the Department focused our efforts on reviewing the Liberty rate filing. So, we have not had the opportunity to review, digest, discuss internally this Tyr Report. So, for the record, I will just say that we have no input or a position on that Report or its contents at this time.

The Department wishes to thank the Liberty witnesses for meeting in a technical session yesterday to discuss certain aspects of the filing.

We also reviewed and discussed the Company's responses to discovery, which the Department issued in early June.

The Department does believe that the process of early filing that was developed in prior years, where the Company files its reconciliation and lead/lag study at the end of May, about four to six weeks prior to the filing date of the Default Service rate. That early filing process is very helpful, in that it provides the Department with additional time to review these elements of the filing.

The Department does intend to work with the other two utilities to develop a similar approach for earlier filing of the Default Service reconciliation portion.

We do note that the Company does update that early reconciliation filing with actual revenue and expense numbers for the month of May, when it makes its filing with new proposed rates in June. And those updates are included in the exhibits presented and discussed today.

The Department has also reviewed the results of the Company's updated lead/lag study, and has determined that it was performed consistent with prior studies. We recommend that the Commission accept the results of the study for use in determining cash working capital requirements related to the Company's current provision of Default Energy Service. We note that, if the changes are made to that process, the Company may need to adjust the working capital needs.

As we heard from the Company witnesses today, the Company has determined that the Default Service solicitation and the selection of winning bidders was conducted in accordance with the previously established and Commission-approved processes.

The Department agrees with that conclusion, and recommends the Commission approve the Default Service rates presented in its filing for its Small and Large Customer Groups, effective for the six-month period beginning August 1st, 2024.

Thank you, Commissioners.

CHAIRMAN GOLDNER: Thank you. We'll turn now to the Office of the Consumer Advocate.

MR. CROUSE: Thank you.

As indicated in our opening statement, the OCA is supportive of the rates that will come into effect, and has no objections to the Company's filing.

With respect to the Tyr Report, the OCA is still processing it. But, as we noted in Dr. Marc Vatter's memorandum in DE 23-044, the

OCA is interested in participating in the next procurement cycle, and trying to figure out how to make default service more attractive. We have indicated whether that's encouraging the use of futures, and how that might affect some of the indications the Commission has suggested, about 50, 70, or 100 percent spot market participation.

So, we intend to file testimony in the next docket. And we look forward to participating fully on that matter.

Thank you.

CHAIRMAN GOLDNER: Thank you, Attorney Crouse. Let's turn now to Liberty.

MR. SHEEHAN: Thank you.

We certainly simply ask the Commission to approve the new Default Service rates as contained in our filing. We appreciate the support of the other parties of that filing.

Just a sidenote, I understand the Commission intends to hold further proceedings in last year's docket, for the purpose of considering the Tyr Report and related things. So, I guess I'm speaking to Mr. Crouse, perhaps that testimony should be filed there. Otherwise, the default service -- our next Default Service has that crunch timeline, and there's not much time to -- so, maybe that can be clarified.

And, so, then, the 23-044 docket, in some ways, becomes a bit of an investigation how best to tweak, make changes in the process going forward. And that's certainly fine. That's how I see it.

So, that being said, we ask the Commission approve the proposed Default Service rates for August 1st.

Thank you.

CHAIRMAN GOLDNER: Thank you. And just to clarify, let's still file the Tyr Report as "Exhibit 5" in this docket, just because we talked about it today.

MR. SHEEHAN: Sure.

CHAIRMAN GOLDNER: So, it's in the record. And, then, we'll sort out the best docket to carry on these discussions in. And we will report back to you on that.

Okay. Anything else that we need to cover today?

MR. CROUSE: Just to respond to

Attorney Sheehan. We're certainly open to suggestions on where that might be best received.

CHAIRMAN GOLDNER: Okay. Okay. Thank you.

Okay. So, if there was any confidential information discussed today, I don't think that there was, but, if there was, we'll ask Mr. Patnaude, the court reporter, to work with the Company to properly redact the transcripts and Attorney Sheehan.

The Commission will issue an order regarding this matter, as requested by the Company, by the close of business Friday, June 28th, is that correct, Mr. Sheehan?

MR. SHEEHAN: I'll turn to Mr. Green. Is that correct, Mr. Green, 28th we need an order?

MR. GREEN: Yes, sir. That's correct.

MR. SHEEHAN: Thank you.

CHAIRMAN GOLDNER: Okay. Anything else, I'll check on last time?

[Multiple parties indicating in the negative.]

CHAIRMAN GOLDNER: Okay. Seeing none.

The hearing is adjourned. Thank you.

(Whereupon the hearing was adjourned at 11:21 a.m.)