

1 STATE OF NEW HAMPSHIRE

2 PUBLIC UTILITIES COMMISSION

3 September 5, 2024 - 9:01 a.m.
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7 **Re: DE 24-090**
8 **PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a/**
9 **EVERSOURCE ENERGY**
2024 Transmission Cost Adjustment Mechanism
(Hearing)10
11 **Present:** Chairman Daniel C. Goldner, Presiding
12 Commissioner Pradip K. Chattopadhyay13
14 **Appearances: Reptg. Public Service Company of New Hampshire**
15 **d/b/a Eversource Energy**
David K. Wiesner, Esq.16 **Reptg. New Hampshire Department of Energy**
Molly M. Lynch, Esq.17 **Also Present:** Jay Dudley, Utility Analyst, New Hampshire
18 Department of Energy19 Mark Toscano, Utility Analyst, New Hampshire
of Energy

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SUMMARY OF THE DOCKET BY CHAIRMAN GOLDNER
APPEARANCES TAKEN

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1 CHAIRMAN GOLDNER: Okay. Good morning. I'm
2 Commissioner Goldner. I am joined by Commissioner
3 Chattopadhyay. We're here this morning for a hearing in
4 docket number DE 24-090. We are considering testimony and
5 evidence considering Eversource's proposed transmission cost
6 adjustment mechanism rating of \$33.98 per megawatt hour for
7 effect October 1st, 2024. The authority to convene a hearing
8 in this matter is provided in RSA Chapter 541-A, RSA 374-2,
9 RSA 375, and RSA 378-7.

10 Before we begin today's proceedings, I would like to
11 call everyone's attention to the fact that we are proceeding
12 today without an in-person stenographer. We are making a
13 verbatim sound recording that will be transcribed pursuant to
14 541-A:31-VII and PUC 203.31. I ask all parties to speak
15 clearly, slowly, and into the microphones. This includes
16 making sure that the microphone's red light is on prior to
17 talking. I think we must all identify ourselves prior to
18 speaking. If we do not follow these simple steps, our
19 recording will not be accurately transcribed.

20 Okay. We'll start by taking appearances. But
21 before we do so, we note that although the Office of the
22 Consumer Advocate filed a letter of participation in this
23 docket, it has communicated that it does not intend to send
24 a representative this morning. With that out of the way,



1 let's take appearances, beginning with Eversource.

2 MR. WIESNER: Good morning, Commissioners. I'm
3 David Wiesner, representing Public Service Company of New
4 Hampshire doing business as Eversource Energy. We have a
5 witness list of four witnesses. And you will be introduced to
6 them during direct testimony.

7 CHAIRMAN GOLDNER: Thank you. And the New Hampshire
8 Department of Energy?

9 MS. LYNCH: Good morning, Commissioners. My name is
10 Molly Lynch. I'm representing the New Hampshire Department of
11 Energy. I am joined by Utility Analyst Jay Dudley and Mark
12 Toscano.

13 CHAIRMAN GOLDNER: Thank you. Okay. Now we'll
14 allow the opportunity to make opening statements. First we
15 want to note that we have received a witness and exhibit list
16 from Eversource. It states that the company intends to
17 present four witnesses today. And one exhibit at this hearing
18 is mentioned by Attorney Wiesner. The DOE filed a letter
19 indicating that it did not intend to present any additional
20 witnesses. All of Eversource's witnesses have submitted pre-
21 filed testimony, which is included in Eversource's Exhibit 1.
22 If Eversource's witnesses adopt their refiled testimony on the
23 stand today, we don't need them to repeat anything that is in
24 their pre-trial testimony. We ask that they limit any



1 testimony to any additions or corrections to their refiled
2 submissions.

3 During the opening statements, we would appreciate
4 it if Eversource could let us know whether it intends for its
5 witnesses to make any corrections or additions to the
6 testimony. We would also appreciate it if the DOE could let
7 us know if it supports Eversource's petition, if it intends to
8 cross-examine any of Eversource's witnesses, and if so, how
9 long it anticipates any cross-examination will be. But if
10 either party is aware of any issue we should address at this
11 time, please let us know in your opening. Okay. Let's take
12 opening statements, beginning with Eversource.

13 MR. WIESNER: We do not have an opening statement,
14 Mr. Chairman. However, on direct testimony, I will ask the
15 witnesses to provide a brief overview summary of their
16 testimony, hopefully minimizing any repetition. But I think
17 that would be helpful to sort of set the stage for our
18 proceeding today. We do have one correction. It is very
19 minor. But Mr. Anderson will address that when we get to his
20 turn.

21 CHAIRMAN GOLDNER: Okay. Yes. Just briefly,
22 please. The testimony was clear. The filing was well done.
23 So we don't need a lot of additional information, at least
24 from the Commission's point of view. But let's check in with



1 the New Hampshire Department of Energy for any opening and
2 their position on Eversource's filing.

3 MS. LYNCH: Good morning. DOE reviewed the filing
4 and confirmed that the RNS, SND, and reliability rates match
5 the information presented on the ISO website, OATT schedule
6 21. DOE has prepared some cross-examination questions to ask
7 the company at this morning's hearing. We anticipate that
8 it'll take about a half an hour.

9 Subject to the hearing today and the cross, the
10 Department is supportive of this filing, but for the rate fee
11 issue, that I believe Mr. Anderson will address at today's
12 hearing. The Department would like additional time to review
13 that one issue. So we're supportive of the filing contingent
14 upon what's presented today but for this rate fee issue that
15 the company will address. The Department has asked the
16 company for additional time to review this specific issue and
17 is open to filing with the Commission in a week or so. They
18 would review this issue and hopefully have no concerns.

19 CHAIRMAN GOLDNER: Okay. Are the 30 minutes or so
20 questions today related just to this rate fee issue?

21 MS. LYNCH: It is related to the other issue, not
22 other issues, but it is just related to other things we want
23 to further clarify at this filing.

24 CHAIRMAN GOLDNER: Okay. So the Department supports



1 the filing as it understands it, but has a few questions that
2 may or may not lead to at closing a different position?

3 MS. LYNCH: That is correct.

4 CHAIRMAN GOLDNER: Okay. Thank you.

5 MS. LYNCH: And the Department just has one
6 correction to Exhibit 1, that if it's okay, we would like to
7 present now, just so we don't slow down with a question.

8 CHAIRMAN GOLDNER: Sure.

9 MS. LYNCH: I believe it is attachment SRA, page 1,
10 line 26. I'm going to go there now as well.

11 CHAIRMAN CHATTOPADHYAY: Can you tell me what the
12 Bates page is?

13 MS. LYNCH: I'm sorry. Actually, I'm sorry. I'll
14 get back to that later. Thank you.

15 CHAIRMAN GOLDNER: And I know it's awkward today.
16 And the stenographer will probably have an easy time because
17 there's only four people speaking up front. But please try to
18 identify yourself as much as possible. And particularly for
19 the witnesses, the camera angle is not particularly good. And
20 the stenographer will have a difficult time picking out who's
21 who sometimes. So just please identify yourselves before
22 speaking. Okay.

23 Let's move to Eversource's testimony. Eversource is
24 presenting four witnesses here today. One at a time, can you



1 please state your name for the record?

2 MR. WIESNER: Mr. Chairman, will someone swear the
3 witnesses or --

4 CHAIRMAN GOLDNER: Yours truly.

5 MR. ANDERSON: Scott Anderson.

6 MS. CHEN: Yi-An Chen.

7 MR. MATHEWS: James Mathews.

8 MR. ALLEN: Steven Allen.

9 CHAIRMAN GOLDNER: Thank you. Can you all please
10 raise your right hands and reply one at a time?

11 WITNESSES FOR EVERSOURCE, SWORN

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13 CHAIRMAN GOLDNER: Thank you. Okay. The parties
14 are ready for direct.

15 MR. WIESNER: Thank you, Mr. Chairman. So for the
16 record, I'm Attorney Wiesner representing Eversource.

17 And I will start with Ms. Chen. Would you please
18 state your name and your title with Eversource for the record?

19 MS. CHEN: Yi-An Chen. My name is Yi-An Chen. And
20 I am Director of Revenue Requirements for New Hampshire.

21 MR. WIESNER: And what are the responsibilities of
22 your role in that source?

23 MS. CHEN: I am responsible for coordinating and
24 implementing revenue requirements, calculations, and



1 regulatory filings such as energy service, stranded cost
2 recovery charge, regulatory reconciliation adjustment, whole
3 plan adjustment mechanism, and other rates for the company.

4 MR. WIESNER: And have you previously testified
5 before this Commission?

6 MS. CHEN: Yes, I have testified on several
7 occasions now.

8 MR. WIESNER: Did you prepare the joint testimony
9 and supporting attachments as part of the company's filing on
10 August 6th, marked for identification as Exhibit 1?

11 MS. CHEN: Yes, I did.

12 MR. WIESNER: What parts of that joint testimony and
13 supporting materials are you responsible for?

14 MR. WIESNER: I am responsible for calculation of
15 the TCAM revenue requirement and prior period reconciliations,
16 as well as the related attachments.

17 MR. WIESNER: And were those portions of the joint
18 testimony and supporting materials prepared by you or at your
19 direction?

20 MS. CHEN: Yes, they were.

21 MR. WIESNER: Do you have any changes or updates to
22 that joint testimony at this time?

23 MS. CHEN: No, I do not.

24 MR. WIESNER: And do you adopt that testimony for



1 the purposes of today's hearing as it was written and filed?

2 MS. CHEN: Yes, I do.

3 MR. WIESNER: I'll then turn to Mr. Mathews. Again
4 David Wiesner representing Eversource, and ask Mr. Mathews to
5 please state his name and title with Eversource.

6 MR. MATHEWS: My name is James Mathews. I'm Manager
7 of Transmission Rates and Revenue Requirements for Eversource
8 Energy Service Company.

9 MR. WIESNER: And what are your responsibilities in
10 that role?

11 MR. MATHEWS: Currently responsible for coordination
12 and implementation of transmission rate and revenue
13 requirement calculations for the Eversource operating
14 companies, including PSNH. I also have a responsibility
15 related to transmission rate filings for Eversource and
16 affiliated companies, three state utility commissions, as well
17 as the Federal Energy Regulatory Commission.

18 MR. WIESNER: And have you ever testified previously
19 before this Commission?

20 MR. MATHEWS: Yes, I have, in prior TCAM
21 proceedings.

22 MR. WIESNER: Sorry. Did you file joint testimony
23 and supporting attachments as part of the August 6th filing,
24 which has been marked for identification as Exhibit 1?



1 MR. MATHEWS: Yes, I did.

2 MR. WIESNER: And was that joint testimony and
3 supporting materials prepared by you or at your direction?

4 MR. MATHEWS: Yes, they were.

5 MR. WIESNER: Do you have any changes or updates to
6 that testimony?

7 MR. MATHEWS: No, I do not.

8 MR. WIESNER: Can you adopt your testimony today as
9 it was written and filed?

10 MR. MATHEWS: Yes.

11 MR. WIESNER: Now turning to Mr. Anderson, would you
12 please state for the record your name and title with
13 Eversource?

14 MR. ANDERSON: My name is Scott Anderson. I'm the
15 Manager of Rates for New Hampshire.

16 MR. WIESNER: And what are your responsibilities in
17 that role?

18 MR. ANDERSON: I'm responsible for activities
19 related to rate design, cost of service, and rates
20 administration for the company.

21 MR. WIESNER: Have you previously testified before
22 the Commission?

23 MR. ANDERSON: Yes. I've testified before the
24 Commission in a number of rate adjustment dockets.



1 MR. WIESNER: And did you file testimony together
2 with supporting attachments as part of the August 6th filing
3 marked for identification as Exhibit 1?

4 MR. ANDERSON: Yes, I did.

5 MR. WIESNER: What is the focus of that testimony
6 and supporting hearings?

7 MR. ANDERSON: My testimony presents the proposed
8 TCAM rates that the company proposes to take effect October
9 1st, based on the TCAM revenue requirement contained in the
10 attachments to Ms. Chen's and Mr. Mathews' testimony.

11 MR. WIESNER: And was that testimony and supporting
12 attachment prepared by you or at your direction?

13 MR. ANDERSON: Yes, they were.

14 MR. WIESNER: Do you have any changes or updates to
15 your testimony at this time?

16 MR. ANDERSON: Yes. On Bates page 50, line 17, the
17 rate should be 0.33. This is just a typo in the testimony.

18 MR. WIESNER: And does that change have any impact
19 on the rate as proposed for approval by the committee?

20 MR. ANDERSON: No, it's just a typo.

21 MR. WIESNER: Thank you. And with that correction,
22 do you adopt your testimony today as it was written and filed?

23 MR. ANDERSON: Yes, with the change just noted.

24 MR. WIESNER: Thank you.



1 And we go to Mr. Allen. Would you please state for
2 the record your name and title with Eversource?

3 MR. ALLEN: My name is Steve Allen. I'm the Manager
4 of ISO Policy at Eversource Energy, Eversource Energy Service
5 Company.

6 MR. WIESNER: And what are your responsibilities in
7 that role?

8 MR. ALLEN: I represent Eversource on several ISO
9 New England and Eagle stakeholder committees, including those
10 that focus on transmission related topics. I'm responsible
11 for advising Eversource transmission project teams on
12 stakeholder processes and reporting requirements. Among other
13 things, I oversee the preparation and submission of the
14 transmission cost allocation filings and other project related
15 filings with ISO New England and the preparation of
16 Eversource's local system plan.

17 MR. WIESNER: Have you previously testified before
18 this Commission?

19 MR. ALLEN: No, I have not previously testified
20 before the Commission.

21 MR. WIESNER: And did you file a testimony and a
22 related attachment as part of the August 6th filing marked for
23 identification as Exhibit 1?

24 MR. ALLEN: Yes, I did.



1 MR. WIESNER: And what is the focus of that
2 testimony and the supporting material?

3 MR. ALLEN: My testimony describes the transmission
4 planning process of ISO New England. It provides a detailed
5 description of PSNH projects included in the RNS and LSN
6 rates, and included as part of the company's TCAM filing
7 issue.

8 MR. WIESNER: And was that testimony and related
9 attachment prepared by you or at your direction?

10 MR. ALLEN: Yes, they were.

11 MR. WIESNER: Do you have any changes or updates to
12 make?

13 MR. ALLEN: No, I do not.

14 MR. WIESNER: And do you adopt your testimony today
15 as it was written and filed?

16 MR. ALLEN: Yes, I do.

17 MR. WIESNER: Now I'll turn to Ms. Chen and ask if,
18 by way of background, could you provide some context for the
19 TCAM rate, the adjustment of which the company is asking for
20 today?

21 MS. CHEN: Sure. The TCAM was established as part
22 of the 2006 distribution rate case. It's on docket number DE
23 06-028, and recovers the cost of transmission expenses from
24 distribution customers. The TCAM established a rate that is



1 reconciled on an annual basis. The transmission expenses
2 being recovered include wholesale transmission costs from ISO
3 New England such as regional network service RNS, local
4 network service LNS, reliability, and scheduling, and dispatch
5 costs. These expenses are based on FERC approved tariffs.

6 In addition to wholesale transmission costs, the
7 TCAM also includes costs and revenues associated with Hydro-
8 Quebec, high voltage DC line transmission, interconnection
9 capacity rights contract, and allowance for working capital.
10 The TCAM working capital is calculated based on the lead lag
11 study that was established in docket number DE 16-566,
12 directing PSNH to conduct an in-depth lead lag study conducted
13 for the company's default service. That study was then
14 specifically tailored for the TCAM and first implemented in
15 docket number DE 17-081. The lead lag is updated annually.
16 The TCAM rate is established on an annual basis and includes
17 both forecast and transmission costs for the upcoming year, as
18 well as adjustments to account for extra transmission costs
19 from the past annual period. This represents most of the over
20 or under recovery activities.

21 MR. WIESNER: Thank you, Ms. Chen.

22 I'll now turn to Mr. Anderson to ask if he could
23 please highlight the proposed TCAM rate bill impacts for rate
24 classes.



1 MR. ANDERSON: Scott Anderson. As shown in Exhibit
2 1 in attachment SRA-5 on Bates page 61 by 48, the impact of
3 the transmission rate change for a 600 kilowatt hour
4 residential rate, our customer is an increase of \$4.67 per
5 month, or 3.2% of the total customer bill. The impacts for
6 550- and 650-kilowatt-hour customers are also shown on that
7 same page. The company has included the bill impact of the
8 proposed TCAM rates for all rate classes as attachment SRA-7,
9 which is Bates page 63 and 64.

10 MR. WIESNER: Thank you. And Mr. Anderson, the
11 Department of Energy referenced a rate fee allocation issue
12 earlier. Could I direct your attention to your testimony
13 Bates 50, line 11? And there is a footnote to your statement
14 in that portion of the testimony that references the rate fee
15 allocation issue. And then ask you to please elaborate on
16 that issue today.

17 MR. ANDERSON: Scott Anderson. Yes. That footnote
18 is related to the rate fee transmission allocation and makes
19 reference to another footnote found on attachment SRA-2, page
20 5, line 26, which is Bates page 58. In that attachment
21 footnote, I note a modification to a prior period
22 reconciliation value that does not match the value shown in
23 last year's attachment. During the preparation of this
24 filing, we discovered a recurring data entry error from prior



1 filings that would have affected this year's allocation of the
2 transmission revenue requirement between rate fee customers
3 and all other customers.

4 Without correction, we would have allocated the 2024
5 transmission revenue requirement between rate fee and all
6 other customers inaccurately. This modification ensures that
7 the allocations are accurate and will not impact future TCAM
8 allocations going forward. We've not proposed any retroactive
9 reallocations between customer groups for the prior cases
10 where the data entry errors occurred. The correction
11 described by the footnotes does not affect the overall
12 recovery of transmission costs, and is solely related to
13 allocation of costs between rate fee and all other rate
14 classes.

15 MR. WIESNER: And Mr. Anderson, the data error entry
16 error that you referenced, that goes back to 2021; is that
17 correct?

18 MR. ANDERSON: It first occurred in 2021. And
19 because this is a sort of a rolling forward over under
20 recovery allocation method somewhat complex, it rolled into
21 and repeated itself in 2022 and 2023.

22 MR. WIESNER: Thank you. S

23 o I will turn to -- well, either Mr. Mathews or Ms.
24 Chen, and ask if you could explain at a high level the reasons



1 why the TCAM is increasing for the upcoming year.

2 MR. MATHEWS: This is Mr. Mathews. As described in
3 our joint pre-trial testimony, there are two primary drivers
4 of the increase in the proposed October 1st, 2024 TCAM rate.
5 First, there's an increase in RNS costs of approximately 32
6 million. The projected increase in the estimated RNS expenses
7 for the forecast period is primarily due to the increase in
8 the January 1st, 2025 RNS rate. The primary driver of the
9 higher RNS rate for January 1st, 2025, was lower 2023 actual
10 12 month coincident peak regional network loads as compared to
11 2021 and 2022.

12 Second, there's an increase in LNS costs of
13 approximately 13 million. The company is projecting an
14 increase in the estimated LNS expenses for the forecast period
15 primarily due to the increase in the LNS rate effective
16 January 1st, 2025. And the higher LNS rate is driven
17 primarily by increased local service investments that were
18 placed into service in 2023 and projected to be placed into
19 service in 2024 and 2025. In addition, the 2024 LNS rate
20 reflected the refund of the wholesale LNS recovery from 2022,
21 whereas the 2025 LNS rate reflects a wholesale LNS under
22 recovery to be recovered in the 2025 LNS rate.

23 One item that I think bears mentioning here is that
24 the forecasted increase in PSNH's RNS expenses is driven



1 solely by the higher RNS rate, not by a shift in regional cost
2 allocations due to some change in PSNH's share of the New
3 England vote. In fact, over the last several years and up
4 through the first few months of 2024, PSNH share of the New
5 England load has been quite consistent right in the seven-
6 percent range.

7 MR. WIESNER: Thank you. And my next question was
8 going to be to provide additional background on RNS and LNS
9 costs, including what comprises load, but at the Chairman's
10 encouragement, I think we might skip that. It is well
11 described in the pre-file testimony.

12 So I'll move on, move back to Ms. Chan, and ask
13 about the lead lag study and how the net days for cash working
14 capital for this year compared with last year.

15 MS. CHEN: Sure. Yi-An Chen. The net lead lag days
16 have decreased, which results in an increase in the TCAM
17 revenue requirement. This year's net lead lag days were 21
18 days as compared to last year's net lead lag days of 14.7
19 days. The primary driver of that change is a significant
20 decrease in the number of revenue lag days as compared to last
21 year. Overall since 2017, the lead lag study continues to be
22 a benefit to customers as the allowance for a return on the
23 TCAM working capital is a credit to the TCAM revenue
24 requirement.



1 MR. WIESNER: Thank you.

2 And I'll address this question to all four of the
3 witnesses. Is it yours and the company's position that the
4 proposed TCAM rates were in effect on October 1st and running
5 through September 30th of next year, as described in Exhibit
6 1, are just and reasonable and consistent with the public
7 interest?

8 MR. ANDERSON: Scott Anderson. Yes.

9 MS. CHEN: Yi-An Chen. Yes.

10 MR. MATHEWS: James Matthews. Yes.

11 MR. ALLEN: Steve Allen. Yes.

12 MR. WIESNER: And that is all we have for testimony,
13 Mr. Chairman.

14 CHAIRMAN GOLDNER: Thank you. Attorney Wiesner.
15 We'll turn now to the Department of Energy and cross. Before
16 we do that, Attorney Lynch, just a quick sort of process
17 question for you. The Commission's understanding if this is a
18 better question for Kenny Dexter (phonetic), I'm glad that
19 Attorney Dexter is here today as well in case this is better
20 answered by Attorney Dexter. The Commission's assumption is
21 that the Department meets with the company before the hearing,
22 reviews the issues, and then at the hearing, the Department
23 highlights any points of conflict, any points of disagreement
24 with the company, or perhaps something that the Department



1 wishes to highlight to the Commission, even though they agree
2 with the company. So is that sort of how the Department is
3 working, or does the Commission have a misunderstanding on the
4 process?

5 MS. LYNCH: No. I think that is a fair assessment
6 of how it normally works. We kind of due to some of the
7 timing and certain other factors, we didn't have a technical
8 session. I think this was scheduled a week from last Monday.
9 And part of that was also our oversight that we didn't file.
10 Next time I'll -- we should have probably proposed a
11 procedural schedule before the hearing date was set. So but
12 that is a, I think, a fair assessment of how the process
13 works.

14 CHAIRMAN GOLDNER: Okay. Very good. I think it's
15 very efficient when that happens because then we can have the
16 most efficient hearing possible. But with that being
17 understood, please proceed, Attorney Lynch, with cross.

18 MS. LYNCH: Sure. And I apologize. I just want to
19 highlight one possible correction to Exhibit 1. And I
20 believe, Mr. Anderson, it was on the same page as the one you
21 already highlighted. I'm going to go there now. It was Bates
22 page 50, line 60. Just I think you reference attachment SRA
23 page 1 on line 26. But shouldn't the citation be SRA for line
24 28?



1 MR. ANDERSON: Sorry. You're referring to line 17
2 of Bates page 50?

3 MS. LYNCH: Yes. Well, that's the rate, line 17.
4 line 16 has the reference to attachment SRA. We just thought
5 that site was -- it should have been SRA 4.

6 MR. ANDERSON: Scott Anderson. It does appear in
7 both those locations, the rate of 33 dollars per kW. So that
8 is the same number. So that the reference in the testimony is
9 accurate. I believe in that it refers to SRA 2, page 1, line
10 26.

11 MS. LYNCH: Okay. And it's in both places.

12 MR. ANDERSON: It's in both places.

13 MS. LYNCH: Okay. All right. Thank you. I have a
14 few questions about the Hydro-Quebec support costs and
15 credits. So turning to Exhibit 1, Bates page 11, line 9, what
16 are the Hydro-Quebec support costs?

17 MS. CHEN: Yi-An Chen. So the Hydro-Quebec support
18 costs, they are associated with the FERC approved contractual
19 agreements between PSNH and all the New England utilities.
20 And then those costs are to provide support for or receive
21 rights related to transmission and terminal facilities that
22 are used to import electricity from Canada.

23 MS. LYNCH: Thank you. And Molly Lynch speaking.
24 So is it fair to say that if through the TCAM there is a



1 credit and also a cost that is flowing through to customers?

2 MS. CHEN: That's correct. Yi-An Chen. That's
3 correct.

4 MS. LYNCH: And is it also fair to say that it's
5 labeled as phase one and phase two because there's two
6 different -- is it because there's two different contracts, or
7 is it because there's two different -- why is the phase one
8 and phase two descriptor used?

9 MS. CHEN: Yi-An Chen. Subject to check. My
10 understanding, they are two different (audio interference).
11 And turning to Bate page 34, is it nonspecifically, that this
12 is also an Excel. I was looking at Excel attachment YT2, Bate
13 1 of 13, and also the following Bates page -- and the
14 following Bates page as well, 36 -- is it fair to say that
15 these credits that benefit Eversource customers are decreasing
16 over time?

17 MS. CHEN: Yi-An Chen. That's correct.

18 MS. LYNCH: Molly Lynch speaking. And can you
19 please explain why is that? And I believe it's also Exhibit
20 1, Bates page 12, line 10 of the testimony.

21 MS. CHEN: Yi-An Chen. So those credits -- so
22 overall -- so overall, the credits, the -- we reflect -- that
23 have been reflected in the TCAM calculation. It's the benefit
24 to the customers. And then, those decreasing the proceeds



1 from the revenue credits are as -- are as a result of the most
2 recent use rights RFP, for the 12-month period end date May
3 2024. And compared to the same period last year, the -- it's
4 a further increase in the Ford Energy (phonetic) markets.

5 MS. LYNCH: I'm sorry. I'm on line 12. Isn't it --
6 doesn't your testimony instead say that it's a decrease in the
7 Ford Energy markets?

8 MS. CHEN: Yi-An Chen. My apologies. Yes. It is
9 the decrease in the Ford Energy markets.

10 MS. LYNCH: (Indiscernible). Thank you. Molly
11 Lynch speaking. Can you explain why there is that decrease in
12 the Ford Energy markets?

13 MS. CHEN: Yi-An Chen. Can I -- can I take this as
14 a written request, since this is -- this is from -- this is
15 from -- transferred over from the energy service, and I am not
16 in a position to speak to, like, the details behind all those
17 history, or have the expertise.

18 MS. LYNCH: Sure. That would be great, if we could
19 do it as a record request. Thank you. Thank you. Molly
20 Lynch speaking. We're going to move beyond this.

21 One more question. So you mentioned, though, the
22 use rights, RFP. Is that an RFP that Eversource issues or is
23 that an RFP that Hydro-Québec issues? And if we need to take
24 another record request on that, that's totally fine.



1 MS. CHEN: Can I, please? Just so we have the right
2 witness to address all this in detail.

3 MS. LYNCH: No more Hydro-Québec. We're going to
4 move on to the RNS, which Attorney Wiesner discussed is
5 increasing, correct? And the RNS is calculated -- and this is
6 also described on Exhibit 1, Bates page 15 -- through settled
7 formula rates; is that correct? Through FERC?

8 MR. MATTHEWS: Yes. That's correct.

9 MS. LYNCH: And these rates is what the company
10 provided on Exhibit 1, Bates page 15?

11 MR. MATTHEWS: I'll just confirm to that page. This
12 is Mr. Matthews. Yes. That's correct. The table on Bates
13 page 15 provides those rates.

14 MS. LYNCH: And as already discussed, this rate is
15 increasing. And if we turn to Bates page 16, it was discussed
16 that part of the increase is due to a lower 12-month
17 coincident peak value. Is that -- did I summarize the
18 testimony accurately?

19 MR. MATTHEWS: Yes.

20 MS. LYNCH: And were the specific values of the 12-
21 month coincident peak from 2021 through 2023 -- were those
22 provided as part of the filing, or no?

23 MR. MATTHEWS: I do not believe so. This is Mr.
24 Matthews. No.



1 MS. LYNCH: Okay. Thank you. And also on Bates
2 page 16 of Exhibit 1 -- Molly Lynch speaking -- wasn't there
3 also another reason that the company explained that RNS was
4 increasing and wasn't that forecasted PTF investments?

5 MR. MATTHEWS: Yes. That's true.

6 MS. LYNCH: Can you explain that more, please, what
7 you mean by forecasted PTF investments? Are these investments
8 that are in service now?

9 MR. MATTHEWS: Now -- this is Mr. Matthews. When we
10 refer to the forecasted revenue requirements or forecasted
11 incremental revenue requirements associated with incremental
12 PTF investments, we're talking about the 2024 and 2025
13 forecasted PTF investments that are included in the RNS rate.
14 2023 would be the -- 2023 in-service editions would be in the
15 2023 actual revenue requirements upon which we build our
16 forecast for 2025 to set the 2025 RNS rate.

17 MS. LYNCH: I might need you to repeat that, if you
18 don't mind. Molly Lynch speaking. So the fourth, is it -- so
19 these are projects that are forecasted to be -- start
20 construction in 2024 and 2025?

21 MR. MATTHEWS: They're a component -- they're the
22 components of projects that are forecasted to be placed into
23 service in 2024 and 2025. So a nuance there is a project
24 could have been started in, let's say, 2023 and have carryover



1 in-service editions projected for '24 and '25, so the start
2 date can't necessarily tie to those years. It's the -- it's
3 the amount of investment we expect to be placed in service in
4 those particular years that will then be included in the
5 actual revenue requirements for 2025. So we're trying to get
6 the best forecast of what those actuals will be when we
7 calculate them.

8 MS. LYNCH: Molly Lynch. Thank you. And this is in
9 conformance with what FERC allows; is that accurate?

10 MR. MATTHEWS: Correct. This is directly in
11 conformance with the formula rate that PERC has approved.

12 MS. LYNCH: And the projects that are included in
13 this RNS rate, are those the projects that are included in
14 that table on the last page of the filing, which is Bates page
15 70?

16 MR. MATTHEWS: (Indiscernible).

17 MR. ALLEN: Steve Allen. The table at the -- at
18 Exhibit SJ includes PSNH projects that were placed in service
19 for the year of 2023, which includes regional projects as well
20 as local projects of specifically projects that are placed in
21 service under column -- column E. Those would be the ones
22 that are included within the actual planned service for the
23 development of the RNS rate.

24 The -- in addition to these items that are -- that



1 have been placed in service, there are other projects that are
2 included within the regional rate, the regional rate being a
3 development of -- of -- of Eversource affiliates
4 (indiscernible), as well as nonaffiliated companies. A total
5 revenue requirement for the regional rate is developed based
6 on all regional investment and cost.

7 MS. LYNCH: The projects in this table, are they
8 only projects in New Hampshire, or are they Eversource
9 projects throughout the region?

10 MR. ALLEN: This table, Exhibit SJ -- oh. Steve
11 Allen speaking again -- is reflective of only PSNH projects
12 that (audio interference) during the -- the year of 2020.

13 MS. LYNCH: Thank you. Molly Lynch speaking. But
14 are these projects in New Hampshire, or are they in other
15 states that you mentioned -- Connecticut or (indiscernible) --

16 MR. ALLEN: Only New Hampshire.

17 MS. LYNCH: Only New Hampshire. Okay. Thank you.
18 So there are other projects that are -- that were -- then,
19 these are all projects that you've said a few times are placed
20 in service, that they're up and running?

21 MR. ALLEN: This exhibit (indiscernible) to (audio
22 interference) that PSNH placed in service for the year of
23 (audio interference).

24 MS. LYNCH: Thank you. So there is other projects



1 that we're not seeing in the filing that are forecasted --
2 or -- to be placed into service in 2024 and 2025 that we're
3 not seeing in this filing?

4 MR. MATTHEWS: This is Mr. Matthews. Yes. That's
5 correct. There are other projects forecasted for '24 and '25
6 for the other New England transmission owners that are also
7 included in that RNS rate.

8 MS. LYNCH: Okay. Thank you. And also, these
9 are -- the projects on Bates page 70 -- I'm sorry -- Molly
10 Lynch speaking -- are those that are more than five million?
11 You didn't include the ones that are less than five million.
12 Is that fair to say?

13 MR. ALLEN: During the specific Exhibit F1A -- Steve
14 Allen speaking again -- on Bates page 70 -- is meant to be a
15 summary exhibit that is (audio interference) of the past
16 history. Specifically, it -- it does tie in to all of the
17 PSNH planned service for the year 2023. Specifically, we are
18 calling out in lines 1 through lines 13 of my exhibit the
19 specific projects that are greater than five million dollars,
20 but line 14 does include, effectively, all of the other
21 planned service that was placed on service by PSNH. That --
22 the line 14 is a summation of, effectively, all of the other
23 PIS (phonetic) has placed in service that PSNH has placed in
24 service during the year of (audio interference) pretty much



1 synonymous with products that are less than five million
2 dollars.

3 MS. LYNCH: Thank you. That's helpful.

4 Jumping around a little bit. I'm going to stay on
5 this table, though, if that's okay. So we go to -- Molly
6 Lynch speaking -- PSNH line -- well, first, I would like to
7 ask -- and this is kind of a question for everyone -- how
8 often does Eversource update its website, or does Eversource
9 have a team that's responsible for their web content?

10 MR. MATTHEWS: Mr. Matthews speaking. Is there a
11 specific set of data that you're interested in learning the
12 update frequency of?

13 MS. LYNCH: Sure. For these projects. Because some
14 of these projects are on your website, correct?

15 MR. MATTHEWS: I believe so. Mr. Matthews. I
16 haven't looked at the website recently. I know in -- on the
17 Eversource website, there's information on key projects being
18 developed in each of our states, and there's a drill-down
19 capability. I don't know what the frequency of update for
20 that website is, however.

21 MS. LYNCH: Would the company be surprised that for
22 some of the projects, if you check them on the website,
23 they're not yet in service, specifically with the B112, E145,
24 Fremont to Stratham, page 1418126R193.



1 MR. ALLEN: So I can probably speak to that.
2 Steven. I'm speaking again. That would not surprise me. So
3 I'm just going to go to the first one I think I heard you say,
4 which is the line B112 project. The line B112 rebuild
5 project, although it has planned service in the year 2023,
6 that construction duration period is going to be -- it's -- it
7 spans more than one year. And so for the B112, the current
8 targeted in-service day, I believe, is the end of 2024.

9 MS. LYNCH: So why, then -- so it's not going to be
10 completed until 2024. Why is the table explaining that it's
11 in service? That's where I think the Department -- Molly
12 Lynch speaking -- is a little bit confused.

13 MR. ALLEN: So I can try to clear -- clear that out
14 a little bit. Effectively, as we are progressing on certain
15 projects, there are specific milestones during the -- during
16 the execution of a project that basically allow us to
17 generally put items in service as we completed sections of --
18 of the (indiscernible) so that we could capitalize them.
19 Probably default (audio interference), maybe specific
20 accounting around that, but generally thinking about if we
21 have -- if, say, a 20 mile-long rebuild, we may complete,
22 let's say, a section of it fully in full and place it in
23 service, as it may be viable and available to be used.

24 Specifically, the same thought can be given toward,



1 say, structural replacements. If you're just doing, say, 50
2 structural replacements along a right of way, it's very
3 plausible that, say, 10 are completed, or 15 are completed, in
4 one time period of -- in 2023, but then the remaining will --
5 will continue into 2025. And so that (audio interference) --
6 and with a -- let's say chunks, for lack of a better term,
7 planned service being spread out over multiple periods.

8 MS. LYNCH: These are transmission lines -- Molly
9 Lynch speaking -- so these are very long. Is that fair to
10 say?

11 MR. ALLEN: Yes.

12 MS. LYNCH: Simplifying it very much.

13 MR. ALLEN: Yes.

14 MS. LYNCH: So the whole rebuild isn't necessarily
15 being used and useful, but a section of it is? Is that -- are
16 certain parts of it -- is what the company would consider in-
17 service and finished, but not the entire rebuild?

18 MR. ALLEN: That -- that is correct.

19 MS. LYNCH: Okay. Sorry. I forgot to put the mic
20 on. Molly Lynch speaking. But thank you. That's very
21 helpful.

22 THE CHAIRMAN: Attorney Lynch, because we don't have
23 a stenographer today, I'll need you to repeat the question.
24 And if the Eversource witnesses could make sure that the



1 microphone is close. I'm not sure how much it's being picked
2 up in back. I just want to make sure your testimony is fair.

3 So Attorney Lynch, if you could just repeat, since
4 your microphone was off, and we can make sure it's on the
5 record.

6 MS. LYNCH: Sure. I'm so sorry about that. Molly
7 Lynch speaking. So I believe the question was asked, and I
8 simplified it -- is these projects are long transmission
9 lines; is that correct?

10 MR. ALLEN: That is correct.

11 MS. LYNCH: And what I believe the company is trying
12 to say is that certain parts of it are completed and used and
13 useful?

14 MR. ALLEN: That is correct.

15 MS. LYNCH: But the entire rebuild is not
16 necessarily used and used -- is completed?

17 MS. LYNCH: That is correct, then. Effectively, the
18 project may span multiple -- could -- could take multiple
19 months, could span multiple years, and a -- certain assets
20 will be -- will be basically completed and replaced and placed
21 in service before the entire rebuild.

22 MS. LYNCH: So turning to Bates page 70, if you look
23 at the costs, are these the costs of the completed portion, or
24 the total projected cost, that -- of the entire rebuild?



1 MR. ALLEN: On Bates page 70, those are specifically
2 the assets that have been placed in service.

3 MS. LYNCH: Meaning -- Molly Lynch speaking -- that
4 they're used in useful and benefit Eversource customers?

5 MR. ALLEN: That's correct. They -- we've
6 effectively now put new infrastructure into -- into service,
7 into the field, albeit, say, supporting existing conductor or
8 placing a new conductor on buy and rebuild projects
9 specifically as an example.

10 MS. LYNCH: Thank you.

11

12 (Pause)

13 MS. LYNCH: Molly Lynch speaking. Would you mind
14 giving more detail regarding line 14, Bates page 70, regarding
15 those other reliability projects? I believe you explained
16 that these are the projects that are less than five million.
17 Are these projects completed, and used and useful?

18 MR. ALLEN: I think it might be helpful if maybe I
19 just do a general overview of the entire exhibit --
20 specifically SJ. I just wanted to help answer that question,
21 if that's helpful.

22 MS. LYNCH: Yeah, sure. Thank you.

23 MR. ALLEN: So effectively, just the way the -- the
24 exhibit works is -- so in column D, you have the total plan of



1 service that PSNH has placed on service for the year of 2023.
2 Column D is then subdivided between columns E and F, between
3 what in column B will be recovered effectively in regional
4 rates, versus column F -- would be the cost of recovery within
5 local rates. So another way of thinking about it is
6 effectively, a column E plus column F equals column D. So for
7 first clarification on the -- on the exhibit.

8 Then, in addition to that, as I noted previously,
9 the exhibit then takes all (indiscernible) has placed into
10 service during the year of 2023 and then specifically calls
11 out problems that are greater five million dollars in the
12 effort that we're trying to kind of communicate an overarching
13 summary of -- of what's been done in the last year.

14 And as -- as you pointed out, getting to line 14 --
15 line 14 is then a summary of all the product below five
16 million dollars. You will notice that between lines 1 and
17 line 13, the -- the projects that -- that PSNH has been --
18 been developing and placing in service during the year of 2023
19 are largely made up of -- of line projects. There are line
20 rebuilds, structure replacements, to style projects that are
21 kind of being called out specifically here.

22 I would suspect that line 14 across the board would
23 be -- probably you'd see similar style projects included
24 within that line. There may be some smaller scale substation



1 projects as well that -- that may be, you know, a couple --
2 grievance require replacement. But effectively, they're --
3 they're all what we would refer to as, you know, general
4 liability style projects that are being performed by PSNH.
5 Those include and are commonly known as asset condition based
6 projects within New England. They're going and addressing
7 concerns that have been identified via -- via some kind of
8 inspection-based criteria.

9 And -- so then, getting to other specifics around
10 what would be in line 14, again, it would be -- probably more
11 of smaller scale versions of what we're seeing here. I would
12 probably -- I don't believe there's any full rebuild that
13 would be included within that line, simply because those are
14 quite expensive. So the idea of that -- that one would be
15 less than five million dollars is a step --so -- but
16 specifically, those are the styles of projects that you would
17 see in line 14.

18 Another type of project that could potentially be in
19 there is also emergency or urgent work style projects.
20 Stemming from our inspections of our facilities, particularly
21 transmission lines, it's not uncommon for us to find such a
22 rapid decay or deterioration that warrants us to expedite an
23 immediate repair or replacement of certain things. Those tend
24 to be one structures or two structures; one off, two offs.



1 And just because of the fact of the smaller scope, we're
2 probably going to find -- and they'll also fall into that line
3 as well.

4 MS. LYNCH: Thank you. So I assume the Commission
5 is aware of the docket currently pending before the PUC, DE-
6 24-087, regarding X178 transmission line. Is the panel aware
7 of that? It's the transmission line in Bethlehem and Easton.

8 MR. ALLEN: Yes. I am aware of that.

9 MS. LYNCH: Assuming Eversource receives the
10 necessary approvals, and notwithstanding any other legal
11 issues, would the cost for that line be reflected in the next
12 year's TCAM?

13 MR. ALLEN: Assuming Eversource continued to
14 progress for the X178, it is very likely that -- that line is
15 a PTF transmission line, and as such, it would be recovered
16 underneath the current (indiscernible) design (indiscernible)
17 regional rates. So I would say that it would be included
18 eventually in the regional network service rate as the project
19 (indiscernible).

20 MS. LYNCH: Thank you. So is it fair to say it may
21 be in next year's rate, notwithstanding -- assuming Eversource
22 obtains necessary approvals?

23 MR. ALLEN: It --

24 MR. MATTHEWS: it'll depend on the -- this is Mr.



1 Matthews. It will depend on the timing of the forecasted
2 addition placed in service. So next year's TCAM rate, which
3 will set effective October 1, 2025, will incorporate RNS
4 expenses based on the RNS rate in effect in 2025, and then
5 January through September's estimated expenses, RNS expenses,
6 would be based on the 2026 RNS rate. So hypothetically, if
7 the 2026 RNS rate includes a forecast for that line,
8 forecasted addition in 2026, then yes, you would see a portion
9 of it in the TCAM rate that we set for October 1 of 2025.

10 MS. LYNCH: Thank you. So if the X178 is projected
11 to be placed into service in 2026, then a portion of it may be
12 in next year's TCAM? Is that --

13 MR. MATTHEWS: That would be fair to say. And that
14 would -- that would apply to any capital addition that's
15 forecast to go into service in 2026. It would become a
16 component of the January 1, 2026 RNS rate, and therefore, we
17 do reflect some of the months of the forecast period in our
18 next TCAM proceeding -- would include the impacts of all of --
19 any of those projects being placed in service in 2026.

20 MS. LYNCH: Moving on to LNS, I know the company
21 described this on direct. If we go to Exhibit 1, Bates page
22 17, I just want to reiterate one point that was in the
23 testimony. Is it fair to say that the LNS is also increasing
24 because of forecasted local service additions for 2024 and



1 2025?

2 MR. MATTHEWS: That's correct. I would say it's a
3 combination of the additions that were placed in service, in
4 local service -- Mr. Matthews speaking -- in 2020 -- 2023 as
5 well, plus the forecasted 2024 and 2025 local service
6 additions.

7 MS. LYNCH: Thank you.

8 One final topic -- this is Attorney Molly Lynch
9 speaking -- before we conclude our cross, and it's regarding
10 the lead lag study -- and we may have to jump a little bit, so
11 I hope everyone can bear with -- so if we go to Bates page 23,
12 line 18 -- so the collection lag -- we go there is 23.04 days;
13 is that correct?

14 MS. LYNCH: Yi-An Chen. That's correct.

15 MS. LYNCH: However -- and I understand that this is
16 in a different docket, so please accept my apologies -- but
17 would you be surprised that there's a discrepancy between that
18 and the collection lag in Eversource's rate case in docket DE
19 24-70, and could you explain why that might be? I can give
20 you the reference, if you want to -- the rate case, but if you
21 want to talk generally, I think that would also be very
22 helpful.

23 MS. LYNCH: Yi-An Chen. Yes, I can talk generally.
24 So where -- what's included in the lead lag study in this



1 docket -- they are based on the actual collection -- well,
2 revenue lags and the expense lags, or just the TCAM related
3 activities. So that's a specific line of business, 12100,
4 whereas in the rate case, docket DE 24-070, that's the
5 calculation included in that lead lag study -- is based on old
6 distribution because -- distribution customers, actuals, for
7 2023.

8 MS. LYNCH: But isn't it fair that the transmission
9 charges on the same bill as distribution? So why are they
10 different?

11 MS. CHEN: Yi-An Chen. Are you -- sorry. Are you
12 referring to the collection portion?

13 MS. LYNCH: Yes. Specifically, yes, I was referring
14 to the collection lag specifically.

15 MS. CHEN: Collection. So for the TCAM -- Yi-An
16 Chen -- so for the TCAM collection lag calculation, that is
17 based on the -- the iSol invoices we received. And then, if
18 you have any specific -- if you have any, like question
19 specifically to the one number, I can definitely try to walk
20 through that.

21 MS. LYNCH: But isn't it based on the collection
22 from actual rate payers?

23 MS. CHEN: That is correct. But only for the line
24 of business activity related to TCAM. So maybe -- Yi-An



1 Chen -- maybe this will be helpful. If I can direct you to
2 attachment YC-2, page 5.

3 CHAIRMAN CHATTOPADHYAY: Pradip Chattopadhyay. Can
4 you tell me the Bates Page, please?

5 MS. CHEN: Yes. Yi-An Chen. That is Bates Page 38.

6 MS. LYNCH: Could you explain, please?

7 MS. CHEN: Sure. Yes. So for line -- so if we look
8 at the collection lag, which is I believe where you had the
9 question on, so that is taking line 1, which is average of
10 (indiscernible) receivable balances of 11.3 million, and they
11 buy the average revenue which is, on line 3, which is
12 essentially the line 2 annual TCAM retail revenue. So this
13 is -- so this collection lag days of 23.04 is based on,
14 essentially, the TCAM-related revenues opposed to the overall
15 distribution revenue in the rate case.

16 MS. LYNCH: Sorry. Another question. Molly Lynch
17 speaking. But the customer, the Eversource customer, pays the
18 transmission and the distribution at the same time though on
19 the same bill; is that correct?

20 MS. CHEN: Yi-An Chen. That is correct.

21 MS. LYNCH: So the Department's just confused. Or
22 the Department does not understand why the calculation is
23 different than what is in the rate case.

24 MS. CHEN: Yi-An Chen. So for -- the TCAM revenue



1 is based on the actuals that we receive based off the sales
2 the customer consumed and then that would be the TCAM retail
3 revenues on line 2 on this Bates page 38.

4 MS. LYNCH: Molly Lynch speaking. I'd also just
5 like to, kind of, highlight one other difference between the
6 rate case and the TCAM in regards to the lead lag study. If
7 we can turn to the retail revenue lag. And that is -- one
8 second please -- so that is also on the same page, which is
9 Bates Page 38, line 7, and that is 39.76. Is that correct
10 days?

11 MS. CHEN: Yi-An Chen. That is correct.

12 MS. LYNCH: And would it again surprise you that the
13 rate case has a different lag of -- a different retail revenue
14 lag of 43.79 days and could you please explain that?

15 MS. CHEN: Yi-An Chen. So just a (indiscernible).
16 The meter reading lag, the collection lag is where -- is where
17 the biggest driver for the -- the variance between the two.
18 And then those are based on either the TCAM retail revenue as
19 the base plan for calculation or the distribution revenue as
20 the base plan for calculation. The meter reading lag; my
21 recollection is they aren't the same. And then the billing
22 lag; they are very close to each other. So if it's -- if it's
23 helpful, we can definitely take it as a record request and try
24 to explain in more detail, if that's helpful.



1 But I just wanted to note that for the TCAM lead lag
2 study, that is consistent with how we have been calculating
3 the TCAM docket in the past. But we can -- we can certainly
4 take the record request to explain how the different
5 calculations are done.

6 MS. LYNCH: Thank you very much. That's very
7 helpful. That's -- I appreciate that, you know, that offer.
8 We'll definitely take you up.

9 But if the Commissioner's don't mind, may we take a
10 five-minute break?

11 CHAIRMAN GOLDNER: Sure. And then just as a heads
12 up, when we come back, let's repeat in the record request that
13 the Department has. Let's work out a timeline for when you
14 would need that back from the Company so that you can reply
15 by -- I have September 12th -- the Company has asked for the
16 order by September 20th. So we're going to have to move
17 through this pretty quickly. So let's also discuss timeline
18 when we get back.

19 MS. LYNCH: Thank you.

20 CHAIRMAN GOLDNER: Okay. 10:15 off the record.

21 (Recess)

22 CHAIRMAN GOLDNER: Okay. Back on the record.

23 We'll turn to Attorney Lynch.

24 MS. LYNCH: Thank you. The Department has no



1 further questions at this time. However, we would like to
2 have a record request on this because the Department doesn't
3 understand why there's a discrepancy in the collection lag
4 given that the transmission and distribution is paid by
5 Eversource customers and that they don't (indiscernible) their
6 portion should be the same as the rate fees and also because
7 the rate case is based on 2023, last year.

8 CHAIRMAN GOLDNER: Okay. As we were going, I wrote
9 down as many as four record requests relative to Part B,
10 Hydro-Quebec, records lag. I may have missed one.

11 What would perhaps be useful at this time, Attorney
12 Lynch, is if you could read into the record what you'd like
13 the Company to do as far as the record request is concerned
14 and then either work out a procedural schedule offline or we
15 can do it right here. But the Commission will need everything
16 filed by the 12th of September.

17 And assuming that there's no issues, we can then
18 issue our order by September 20th, per the Company's request.
19 But if this takes longer than that, then we risk running past
20 the 20th and perhaps even the 30th, depending on how this
21 filing turns out.

22 So let's do first things first.

23 Attorney Lynch, if you could read into the record
24 what you would like the Company to do.



1 I'll then turn to Attorney Wiesner to see if there's
2 any concerns. And then we can turn to timing.

3 MS. LYNCH: Sure. So the Department would like the
4 working papers that was used to calculate the Rate B
5 reconciliation that -- if someone has the Bates page handy --
6 for these it is Bates page 58. And just to clarify, I'm
7 sorry, the working papers to calculate the Rate B
8 reconciliation showing the correction and the (indiscernible)
9 going back to 2021.

10 CHAIRMAN GOLDNER: That's number 1.

11 MS. LYNCH: Number 1. Number 2, this is a brief
12 description or explanation of the -- it was the use rights RFP
13 mentioned in the Exhibit 1, and that was Bates page 12. Just
14 an explanation of what is it, who issues it.

15 MR. WIESNER: I think I may be able to clear that up
16 on redirect.

17 CHAIRMAN GOLDNER: Okay.

18 MR. WIESNER: So then let's hope that that one might
19 go away.

20 CHAIRMAN GOLDNER: Okay. Okay. We'll put that on a
21 holding pattern.

22 MR. WIESNER: And I'm also wondering whether the
23 first record request, the working papers, is that something
24 the Department is looking to have, sort of a technically



1 outstanding discovery? Or is that a record request in the
2 sense that it should be filed with the Commission?

3 MS. LYNCH: The Department needs it to review the
4 issue, but the Department doesn't see a problem if the
5 Commission has a copy.

6 MR. WIESNER: And if those are live and filed
7 working papers, I think we would provide them on a
8 confidential basis like it's typically done.

9 CHAIRMAN GOLDNER: Okay.

10 MS. LYNCH: Great.

11 CHAIRMAN GOLDNER: Okay. So it looks like one is
12 settled on the Part B. On the use rights, it looks like we
13 might be able to clear that up on redirect. We'll see.

14 Is there a three and four, Attorney Lynch?

15 MS. LYNCH: And then the third one would be an
16 explanation and describe the methodology used to calculate the
17 lead lag study for the TCAM and the rate case and to explain
18 why they are different.

19 CHAIRMAN GOLDNER: Any concerns on that one,
20 Attorney Wiesner?

21 MR. WIESNER: No. I think we've been -- diagnosed
22 that. And so if that's the three and one of them we can take
23 care of on redirect, we may just have the two. And in terms
24 of timing, we had talked about Wednesday, September 11th?



1 CHAIRMAN GOLDNER: Okay. That would mean that would
2 be a one-day turn for the Department. Is that enough time or
3 do you need more time?

4 MS. LYNCH: Could you please repeat? I'm sorry. So
5 they would turn it around by the 12th, and then you would need
6 a response from us by?

7 CHAIRMAN GOLDNER: They were saying that they --
8 Eversource can reply by the 11th, and the Commission needs the
9 12th, or the 13th would probably be okay, in order to an issue
10 an order by the 20th, which is the Company's request.

11 MS. LYNCH: Sure. The Department could respond by
12 the 13th.

13 CHAIRMAN GOLDNER: 13th.

14 MS. LYNCH: But if the Company could get any of the
15 information sooner, even if piecemeal, I think that would
16 preferred.

17 MR. WIESNER: Okay. So the 11th for the record
18 response, gives them then the 13th, the DOE, the position
19 statement (indiscernible).

20 CHAIRMAN GOLDNER: Perfect. And those -- both the
21 Eversource filing, and of course, the Department filing, would
22 be made with the Commission is what I understood there. Okay.
23 Very good progress.

24 Okay. Anything else, Attorney Lynch, before we turn



1 to Commissioner questions?

2 MS. LYNCH: I think that is it. Maybe just -- and I
3 think we had a question, and I don't believe this was answered
4 about why the revenue credits for Hydro-Quebec were
5 decreasing. But maybe, hopefully, we can clear that up on
6 redirect. Thank you.

7 I can't remember the fourth record request
8 (indiscernible). I'm sorry.

9 CHAIRMAN GOLDNER: Okay. Let's turn now to
10 Commissioner questions, beginning with Commissioner
11 Chattopadhyay.

12 CHAIRMAN CHATTOPADHYAY: Good morning. Probably
13 easier to go back to the last issue first on the collection
14 lag. So if you go to Bates page 38 of Exhibit 1. And this is
15 Commissioner Chattopadhyay. Let me know when you're there.
16 Okay. So if you look at line 4, which is collection lag,
17 there is the ratio 1 to 3 -- a 1 divided by 3, correct?

18 MS. CHEN: Yi-An Chen. (Indiscernible).

19 CHAIRMAN CHATTOPADHYAY: And you said this is about
20 TCAM? Is there any reason to assume that that ratio will be
21 proportional in the same way for distribution? Because there
22 are two inputs here. And one of the inputs can be very
23 different for the two leaning distribution and transmission.
24 And therefore, a collection lag is a different number.

1 MS. CHEN: Yi-An Chen. Subject to check, I think
2 the -- the idea is the same, to your point, Commissioner. And
3 then if I can take it further, and hopefully maybe that can
4 address the -- the -- one of the record requests.

5 So the TCAM, on line 2 here, on Bates page 38, the
6 TCAM retail revenues are the actual revenues the Company
7 received in calendar year 2023. We are limited to the TCAM
8 rate that were -- TCAM rates that were set for collection from
9 the customer. So if I think of the customer still there would
10 be a line item that says TCAM charge, whereas, what is
11 included in the calculation in the rate case, it is based on
12 the base distribution rate revenue as the baseline to do the
13 calculation. Hopefully, that provides a little bit more.

14 CHAIRMAN CHATTOPADHYAY: Yeah. I understand that,
15 but I'm also -- I mean, I'm obviously not an expert on this.
16 What I'm trying to get at is the average accounts receivable
17 balance; if so, would it be different for distribution and --
18 and transmission or TCAM?

19 MS. CHEN: Yi-An Chen. (Indiscernible) The line on
20 the average account receivable balance will be different.

21 CHAIRMAN CHATTOPADHYAY: Yeah. So there is a reason
22 why the ratio could be different? That's where I was
23 striving -- anyway, trying to confirm this. For the 2024/25
24 PTFs, that part of the rates, you said they are for (audio



1 interference), right?

2 MR. MATHEWS: Mr. Mathews. Correct. It's the --
3 the rates are set, or calculated, under the FERC-approved
4 tariff.

5 CHAIRMAN CHATTOPADHYAY: And there is nothing in
6 2024/25 estimation that is not FERC approved?

7 MR. MATHEWS: The -- I guess I would -- Mr. Mathews
8 speaking -- I guess I would characterize it as this. FERC --
9 the FERC approved tariff is the mechanism for calculating
10 regional, local -- regional and local wholesale transmission
11 rates. So it calculates the revenue requirements. And then
12 there's the methodology for deriving a wholesale rate from
13 those revenue requirements. It -- it essentially is the
14 methodology that FERC has approved. And the calculations
15 work, essentially, off FERC Form 1 financial information are
16 the inputs to the -- to the formula rate.

17 So provided that a company's following the calcul --
18 the appropriate calculations in the formula rate then
19 essentially, yes, they, you know, the resulting record
20 requirements and rates are FERC-approved in that sense.

21 CHAIRMAN CHATTOPADHYAY: But because they also have
22 forecasts, I'm assuming some of that is -- it's not clear to
23 me whether that is necessarily approved by FERC. Those are
24 forecasts.



1 MR. MATHEWS: Yes. Yeah. Yeah. The FERC-approved
2 methodology is to include two base forecasted revenue
3 requirements for rate setting on a -- a prior year actual
4 revenue requirement and a forecasted two-year revenue
5 requirement. That's FERC approved. Yes.

6 CHAIRMAN CHATTOPADHYAY: Even the forecasts are FERC
7 approved?

8 MR. MATHEWS: Yes.

9 CHAIRMAN CHATTOPADHYAY: Okay.

10 MR. MATHEWS: Now, importantly, the -- the --
11 forecasts are forecasts. Okay?

12 CHAIRMAN CHATTOPADHYAY: Agreed.

13 MR. MATHEWS: They're estimates at a point in time.
14 The true mechanisms within the formula rate ensure that
15 customers only pay for actual costs that are placed in
16 service.

17 Now might be a good time for me to mention in the
18 questioning from Attorney Lynch about hypothetically if -- if
19 the line 170 project went into service, let's say, in 2026,
20 would it affect next year's TCAM. The answer was yes. You
21 know, to the extent it's impacting the RNS rate in 2026, a
22 piece would come through the TCAM. There actually was in our
23 forecasted 2025 revenue requirements for PSNH, a small portion
24 of line 178 going into service in the fourth quarter of 2025.



1 I believe it was approximately \$33 or 34 million in the fourth
2 quarter of 2025. So the RNS rate, effective 1/1/25, which was
3 used to estimate the expenses in this TCAM for January through
4 September of 2025, include a very small portion of the line
5 178 project.

6 Now, to the extent that there are no actual
7 additions in 2025, that money would go back to customers
8 through (indiscernible). So again, it's just a forecast at a
9 point in time if that helps. But I wanted to be fully
10 transparent.

11 And in that spirit, I'll also mention that on Bates
12 Pages 9 and 10, we have some footnotes that refer to the
13 annual informational filing that we file at FERC. And if one
14 was to follow the link in that footnote and look at Attachment
15 3 to our annual informational filing, which we prominently
16 refer to as the "Annual Update", there would be forecast
17 worksheets that would indicate what's included for each of the
18 companies in the 2024-2025 forecast.

19 CHAIRMAN CHATTOPADHYAY: The RNS rates that go into
20 effect in January 2025, have they been approved? That's
21 really (indiscernible) --

22 MR. MATHEWS: Yes.

23 CHAIRMAN CHATTOPADHYAY: -- rates have been
24 approved?



1 MR. MATHEWS: Yes.

2 CHAIRMAN CHATTOPADHYAY: And some of the rates
3 include what you're explaining overarchingly is that they
4 don't include forecasts that may or may not turn out to be not
5 right, but ultimately there's a reconciliation process that
6 makes sure that only the actual costs are -- are what the
7 ratepayers' burden would be.

8 MR. MATHEWS: Mr. Mathews. Yes, that's absolutely
9 correct. The true mechanism takes place.

10 CHAIRMAN CHATTOPADHYAY: Okay. So if you go to
11 Bates page 70, just going to make sure I'm following what this
12 page being reported here. These are all the projects that
13 relate to PSNH's fee restriction?

14 MR. MATHEWS: That is correct.

15 CHAIRMAN CHATTOPADHYAY: And (typically, the RNS
16 rates -- Eversource also had projects in Connecticut. It has
17 projects in Massachusetts. Regardless of whether it's RNS or
18 LNS, those costs are being represented in the rates that go
19 into effect beginning January, whatever the date was, 2025?

20 MR. MATHEWS: That is correct. I would also just
21 clarify that in addition to the affiliated investments of
22 Eversource's counterparts in Connecticut and Massachusetts,
23 there's also all of the other transmission owners' assets as
24 well, which includes, say, National Grid, (Indiscernible)



1 Power.

2 CHAIRMAN CHATTOPADHYAY: Yeah. So with that, the
3 RNS is -- it will be impacted?

4 MR. MATHEWS: That is correct. The --

5 CHAIRMAN CHATTOPADHYAY: But not the LNS.

6 MR. MATHEWS: That is correct. The LNS charge here
7 that's included within the exhibit today for the TCAM hearing
8 is reflective of the PSNH local network service charge which
9 is reflective of the PSNH Schedule 21 tariff.

10 CHAIRMAN CHATTOPADHYAY: Does the LNS also socialize
11 costs across all the affiliates or is it nowadays based on
12 specific predictions on PSNH's, you know, past?

13 MR. MATHEWS: Right. LNS costs are not socialized.

14 CHAIRMAN CHATTOPADHYAY: Thank you. Okay.

15 On the Rate B collection, I may have missed it so
16 this probably -- if I did, this question is what I'm asking.
17 So the Rate B collection, would it lead to most costs being
18 picked up by the other customers, or less?

19 MR. ANDERSON: Scott Anderson. So in 2024, we -- we
20 believe we have the allocation correct so is there is no
21 adjustment being proposed. The Rate B customers will pay
22 their calculated allocation, and the other customers will pay
23 their corrected -- their correct allocation.

24 CHAIRMAN CHATTOPADHYAY: Yeah. I understand that



1 piece. I'm just saying, there was an error, then corrected
2 it. So going from the error to the corrected number, is that
3 a -- is it more for the ratepayers other than Rate B customers
4 or is it less?

5 MR. ANDERSON: So -- Scott Anderson -- these --
6 these data entry errors occurred in prior filings in prior
7 cases that are now closed. The rates have been billed.
8 The -- the revenue's been collected. We have not proposed to
9 make any reallocation for those cases and those time periods.

10 CHAIRMAN CHATTOPADHYAY: Okay. I think the
11 Commissioner talked about the record request, which will be
12 helpful to me to understand the actual picture for the
13 correction, what happened to the Rate B rates. So I'll leave
14 it at that.

15 Go to Bates page 16. Commissioner Chattopadhyay
16 again. This is again out of just curiosity. So on lines 1
17 through 10 -- I think I'm in the right place. Bates page 16.
18 Yes. You have explained why the RNS rates are going up.
19 Okay. But one of the reasons there's a -- because of the lag,
20 the 2023 coincident peak numbers have been used, as you move
21 on to the next year's calculation, the coincident peak of 2024
22 will be used and there will be adjustments in the rates.

23 Do you track what's going on in 2024? And there's
24 two pieces two it. One is the total load that will be in the



1 RNS. So that part we don't know yet. But even when there's a
2 summer peaking system still, right? So do you have a sense of
3 what the peak was that might most likely turn out to be the
4 12-month coincident peak for 2024?

5 MR. MATHEWS: This is Mr. Mathews. At this
6 juncture, I don't have a sense of where 2024 peak loads are
7 coming out. The peak loads that will ultimately be reflected
8 in the development of the next RNS rate, so January 1 of 2026
9 rate, will be the peak load after the 90-day resettlement
10 process that happens at ISO New England. So initially,
11 there's estimates of loads. Those -- those numbers may not be
12 complete then, so adjustments occur in that 90-day settlement
13 process.

14 So at this point, I think we probably only have
15 four -- four months, maybe, worth of data. And I'm not -- I'm
16 not sure at this point where those loads are coming out in
17 terms of -- in comparison to 2023. And even if I did, you
18 know, you mentioned summer peaking, you know, we're talking
19 about the summer months right now having been through the 90-
20 day resettlement process so it'd be very difficult to predict
21 even based off that small sample size where things will end up
22 unfortunately.

23 CHAIRMAN CHATTOPADHYAY: Thank you for the
24 explanation. But the 90-day settlement happens after the end



1 of the year? Or when does that happen?

2 MR. MATHEWS: Mr. Mathews speaking. It happens
3 throughout the year. So --

4 CHAIRMAN CHATTOPADHYAY: Slowly.

5 MR. MATHEWS: -- so March would be settled, April,
6 May, June. Or at the end of June. And May would be July, et
7 cetera.

8 CHAIRMAN CHATTOPADHYAY: So for the summer months,
9 the 90-day settlement period, that probably is -- a marker
10 would be sometime end of December.

11 MR. MATHEWS: If you're looking at the end of the
12 summer, yeah. That would take until late fall at least.

13 CHAIRMAN CHATTOPADHYAY: Thank you. That's all I
14 have. (Indiscernible).

15 CHAIRMAN GOLDNER: Thank you. This is Commissioner
16 Goldner. I have no further questions. We can move to
17 redirect.

18 MR. WIESNER: Indeed. Thank you, Mr. Chairman. I
19 think Mr. Mathews did a fine job of explaining in more detail
20 how the forecasted RNS rates include some estimated portion of
21 projects which are expected to get underway in the subsequent
22 year. And so I won't cover that topic. I am hopeful that I
23 can, as I said, resolve one of the record requests through
24 redirect.



1 So I will ask Ms. Chen to refer to Bates page 12 of
2 the testimony. This is, of course, Exhibit 1. There's a
3 footnote on that page, footnote 6, which describes in some
4 detail the RFP process. It's on a (indiscernible) basis. The
5 assignment of Hydro-Quebec use rights on the Phase I and Phase
6 II HVDC facilities. And that RFP -- and I'll ask Ms. Chen to
7 confirm -- my understanding is that RFP is conducted by the
8 three affiliated Eversource utilities: Connecticut Light and
9 Power, NSTAR Electric in Massachusetts, and PSNH here; is that
10 correct?

11 MS. CHEN: Yi-An Chen. That is correct.

12 MR. WIESNER: And I think that's all I have. I'm
13 not sure I understand well enough the prior question about the
14 HQ increases or decreases to -- to try to address it on
15 redirect. I think we may need a record request on that. But
16 I -- it would be helpful if we could gain some more clarity on
17 what the Department's looking for there.

18 CHAIRMAN GOLDNER: Okay. Let's return briefly to
19 the Department. And knowing what you now know, can you --
20 let's re-review your record request just to make sure we have
21 it properly on the record.

22 MS. LYNCH: This is Attorney Lynch speaking -- I
23 think we're good with that question for now.

24 CHAIRMAN GOLDNER: So then, can I list just two

1 records requests?

2 MS. LYNCH: Yes, please. Thank you.

3 CHAIRMAN GOLDNER: First and the third. Okay.

4 Attorney Wiesner, all good?

5 MR. WIESNER: Yes. So I have down (indiscernible)

6 2021 and then the methodology on the lead lag study and the

7 differences between TCAM and rate case.

8 CHAIRMAN GOLDNER: Yes. That's what I have, too.

9 Attorney Lynch?

10 MS. LYNCH: Yes.

11 CHAIRMAN GOLDNER: Okay. Thank you.

12 MR. WIESNER: With responses due by Wednesday, the

13 11th.

14 CHAIRMAN GOLDNER: Wednesday, the 11th. Department

15 response by the 13th. And then Commission order targeting

16 September 20th. Okay. Very good.

17 We can move now to closing statements, if any. I

18 will offer the opportunity to make a closing statement, if

19 desired.

20 MS. LYNCH: The Department appreciates the Company's

21 time today and looks forward to reviewing the record requests.

22 We would like to just kind of hold off on -- we believe that

23 our questions will be addressed, and we will file something

24 with the Commission.



1 CHAIRMAN GOLDNER: Very good.

2 Attorney Wiesner?

3 MR. WIESNER: And I'll just be brief. So the
4 Company supports its TCAM rate that's been proposed. We
5 believe the record demonstrates and with further additions
6 will continue to demonstrate that the proposed rate adjustment
7 has been calculated accurately and appropriately to allow
8 approval by the Commission.

9 And as noted in testimony, the increase in the TCAM
10 rate is driven primarily by increases in the FERC
11 jurisdictional RNS and LNS rates, both of which are designed
12 to recover costs in order to ensure reliable transmission of
13 electricity within New Hampshire and the entire northern
14 region.

15 We appreciate the time and efforts of the Commission
16 in the (indiscernible) of this docket. And we ask that the
17 Commission approve the rate adjustment promptly so that the
18 new rates may become effective on October 1st. And as we
19 suggested, September 20th would work for an order from PUC.

20 CHAIRMAN GOLDNER: Thank you.

21 Okay. Before concluding, I want to make sure
22 everyone is okay moving Exhibit 1 into the record? Hearing no
23 objections, the Commission moves Exhibit 1 onto the record.

24 I just want to take care of one thing before we



1 leave, just with the Department, just making sure that we're
2 on the same wavelength. Our understanding of the process
3 normally -- I understand this was an exception -- but is that
4 the Department conducts discovery and really in that process
5 is asking the questions that they don't know the answer to to
6 get those answers. And then when the Department comes to
7 hearing, it's really putting things on the record that the
8 Department wants on the record, so really the Department is
9 questioning and asking questions that they know the answer to.

10 Does this comport with the Department's
11 understanding of the process?

12 MS. LYNCH: Yes, Chairman Goldner. As I said
13 earlier, yes, that is our understanding. And I think today,
14 we raised a few issues that needed to be addressed and I thank
15 the Company very much for their helpful answers.

16 CHAIRMAN GOLDNER: Okay. Okay. Good. It's still,
17 the Department and PUC split, it's still -- we're still
18 working on some of the issues. We have rules pending and so
19 forth. So we're all just trying to sort of sort out what the
20 right process is. It's not meant as a criticism, just as a
21 clarification.

22 Okay. So first of all, thank you, everyone, for
23 their time today. The witnesses, especially, thank you
24 everyone today. I'll take the issues presented here with the



1 filings on the 11th and 13th respectively from the Company and
2 the Department, and we'll plan to issue an order by September
3 20th.

4 Before we adjourn, I'll just check to make sure that
5 there's nothing else that we need to cover today? Okay.

6 Hearing none. Thank you very much for your time today and we
7 are adjourned.

8 (Proceedings concluded at 10:45 a.m.)

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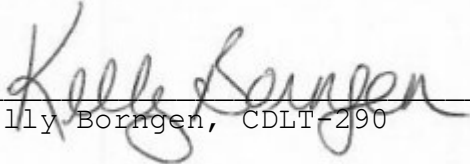
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Kelly Borngen, CDLT-290

October 2, 2024

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