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**I N D E X**

**PAGE NO.**

**SUMMARY OF THE DOCKET BY CHAIRMAN GOLDNER**

5

**APPEARANCES & PRELIMINARY STATEMENTS BY:**

Ms. Davey

7

Ms. Lynch

8

Mr. Crouse

8

**WITNESS PANEL:**

**S. ELENA DEMERIS**

**DANIEL T. NAWAZELSKI**

**CHRISTOPHER A. KAHL**

**FRANCIS X. WELLS**

Direct examination by Ms. Davey

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Cross-examination by Ms. Lynch

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Interrogatories by Cmsr. Chattopadhyay

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**WITNESS PANEL:**

**ASHRAFUL ALAM**

**BRUCE L. BLAIR**

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**CLOSING STATEMENTS BY:**

Ms. Lynch

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**E X H I B I T S**

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Petition for Approval of 2024-2025 Winter and 2025 Summer Cost of Gas Filing <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
2	Petition for Approval of 2024-2025 Winter and 2025 Summer Cost of Gas Filing <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
3	Environmental Cost Recovery Report and Attachments	<i>premarked</i>
4	Supplemental 2024-2025 Annual Cost of Gas Adjustment Filing <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
5	Supplemental 2024-2025 Annual Cost of Gas Adjustment Filing <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
6	Proposed Tariff Pages	<i>premarked</i>
7	Responses to DOE Data Requests 1-2 through 1-17, with Attachments <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
8	Responses to DOE Data Requests 1-2 through 1-17, with Attachments <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
9	Response to DOE Data Request 1-2 in DG 24-103, with Attachments	<i>premarked</i>
10	Response to DOE Data Request 1-3 in DG 24-103	<i>premarked</i>

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**E X H I B I T S (Continued)**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
11	Technical Statement of Ashraful Alam & Bruce L. Blair <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
12	Technical Statement of Ashraful Alam & Bruce L. Blair <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
13	Letter Regarding DOE Technical Statement and Exhibits 9, 11, and 12, and Proposed Exhibit 13, with Attachments	<i>premarked</i>

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**P R O C E E D I N G**

CHAIRMAN GOLDNER: Good morning. I'm Chairman Dan Goldner, here with Commissioner Pradip Chattopadhyay. This is the final hearing for the Northern Utilities' Cost of Gas Petition to review the Company's cost of gas rates and Local Delivery Adjustment Clause, or LDAC, rates for the coming year.

In the order of notice for this proceeding, issued on September 24th, 2024, the Commission requested that the Department of Energy file its statement of position regarding Northern's Petition on or before October 18th. The DOE filed its technical statement on October 18th, wherein the DOE recommended overall approval of the Company's cost of gas and LDAC rate proposals. The DOE requests that the public redacted version of the DOE technical statement be made an exhibit, proposed "Exhibit 11", and that the confidential unredacted version of the technical statement be made "Exhibit 12".

On October 23rd, the Department made a late-filed exhibit, labeled "Exhibit 13", which calculates bill impacts due to what it

1 characterizes as an "RDAF calculation error".  
2 Within the technical statement, on Page 10, there  
3 is a reference within the DOE recommends that it  
4 reads, in the third bullet: "That when approving  
5 these rates for effect November 1st, 2024, the  
6 Commission rely on the bill impact calculations  
7 that include RDAF rates consistent with the  
8 approved settlement agreement from DG 21-104."

9 The Commission denies this request.  
10 This request relates to the dispute being  
11 litigated in the Northern RDAF case, DG 24-103,  
12 regarding the proper level for the RDAF rates.  
13 The DOE has confirmed, through its late filing  
14 and proposed Exhibit 13, that there is no impact  
15 on cost of gas and LDAC rates in this dispute.  
16 The dispute regarding RDAF is not germane to the  
17 findings to be made by the Commission to these  
18 rates. Also, the Commission would much prefer to  
19 rely on the Company's filed direct bill impact  
20 calculations, with perhaps an explanatory  
21 footnote, given that we know that they have been  
22 vetted by the Company, and would have a clear --  
23 it would have a clear prominence than what was  
24 submitted in Exhibit 13.

1           At this time, we'll make simple  
2           appearances from the parties, beginning with  
3           Northern. And we ask that all parties indicate  
4           whether they have any objections to the proposed  
5           Exhibit List timely presented by Northern on  
6           October 17th, as updated by the late filings by  
7           the DOE on October 22nd and 23rd.

8           The Commission intends to call two  
9           witness panels today; one for Northern and one  
10          for the DOE. Ms. Demeris will be appearing  
11          remotely for the Company pursuant to the  
12          Company's procedural -- to the Commission's  
13          procedural order issued on October 18th.

14          Okay. Let's start with appearances,  
15          beginning with the Company.

16          MS. DAVEY: Good morning,  
17          Commissioners. I'm Alice Davey, appearing on  
18          behalf of Northern Utilities. I'm joined by Ann  
19          Hartigan, Manager of Gas Supply, and Joe  
20          Conneely, Director of Energy Supply.

21          We have no objection to Exhibit 13 that  
22          was filed yesterday, or any of the exhibits.  
23          And, in fact, that was our only procedural matter  
24          to discuss, to just explain the update that was

1           made in 24-103, how it impacts what was  
2           previously marked as "Exhibit 9", which is now  
3           reflected in Exhibit 13. And, so, we have no  
4           objection to that. And it actually makes it  
5           simpler for us, on our end, that that is on the  
6           record.

7                         CHAIRMAN GOLDNER: Okay. Very good.  
8           The New Hampshire Department of Energy?

9                         MS. LYNCH: Good morning,  
10          Commissioners. My name is Molly Lynch. I'm here  
11          representing the Department of Energy. I am  
12          joined with utility analysts Ashraful Alam and  
13          Bruce Blair.

14                        And we were the ones that submitted  
15          Exhibit 13. So, we're in support of it. RDAF is  
16          not an issue, as the Commissioners correctly  
17          pointed out. But we know that bill impacts are  
18          often in the Commission orders, and we think it's  
19          important that, you know, accurate information is  
20          relayed through those.

21                        Thank you.

22                        CHAIRMAN GOLDNER: Okay. Thank you.  
23          And the Office of the Consumer Advocate?

24                        MR. CROUSE: Good morning,



1           Commissioners. My name is Michael Crouse, Staff  
2           Attorney at the OCA, representing residential  
3           customers in this matter.

4                       I have no objections to any of the  
5           exhibits, including Exhibit 13.

6                       I have recently been diagnosed with a  
7           viral infection and losing my voice. So, if you  
8           cannot hear me, please be a little patient, and I  
9           will do my best.

10                      CHAIRMAN GOLDNER: Okay. Thank you,  
11           Attorney Crouse. It's very clear up here. So,  
12           appreciate that.

13                      Okay. Are there any other preliminary  
14           matters that we need to address today?

15                      *[No verbal response.]*

16                      CHAIRMAN GOLDNER: All right. Seeing  
17           none.

18                      I see the Northern witnesses have taken  
19           the stand. I'll now swear in the witnesses.

20                      *(Whereupon **S. ELENA DEMERIS, DANIEL T.***  
21                      ***NAWAZELSKI, CHRISTOPHER A. KAHL, and***  
22                      ***FRANCIS X. WELLS** were duly sworn by*  
23                      *Chairman Goldner.)*

24                      WITNESS KAHL: I do.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 WITNESS WELLS: I do.

2 WITNESS NAWAZELSKI: I do.

3 WITNESS DEMERIS: I do.

4 CHAIRMAN GOLDNER: Excellent. The  
5 witnesses are ready for direct.

6 MS. DAVEY: Thank you.

7 **S. ELENA DEMERIS, SWORN**

8 **DANIEL T. NAWAZELSKI, SWORN**

9 **CHRISTOPHER A. KAHL, SWORN**

10 **FRANCIS X. WELLS, SWORN**

11 **DIRECT EXAMINATION**

12 BY MS. DAVEY:

13 Q Ms. Demeris, I'll start with you. Could you  
14 please state your name, employer, and position  
15 that you hold with the Company, as well as your  
16 responsibilities in that position?

17 A (Demeris) Hi. My name is Elena Demeris. I am a  
18 Senior Regulatory Analyst with Unitil Service  
19 Corp. And I'm responsible for filings, tariffs,  
20 reconciliations, *et cetera*.

21 Q Thank you. Hearing Exhibits 1 and 2 are the  
22 confidential and redacted versions of the  
23 Company's initial filing; Hearing Exhibit 3 is  
24 the Company's Environmental Cost Recovery Report

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 and attachments; Hearing Exhibits 4 and 5 are the  
2 confidential and redacted versions of the  
3 Company's Supplemental Filing; and Hearing  
4 Exhibit 6 includes the revised versions of the  
5 Company's proposed tariffs.

6 Included in these exhibits is your  
7 prefiled testimony, as well as supporting  
8 schedules. Were your direct testimonies and  
9 supporting schedules prepared by you or under  
10 your direction?

11 A (Demeris) Yes, they were.

12 Q And did you sponsor responses to any discovery in  
13 this docket?

14 A (Demeris) Yes, I did.

15 Q And were those responses and attachments prepared  
16 by you or under your direction?

17 A (Demeris) Yes, they were.

18 Q Do you have any corrections to your direct  
19 testimony, schedules, or discovery responses in  
20 this docket that you wish to make on the stand  
21 today?

22 A (Demeris) I do not.

23 Q And do you adopt your written testimony and  
24 discovery responses as your sworn testimony in

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 the case?

2 A (Demeris) Yes, I do.

3 Q And I'm just going to ask you a couple questions  
4 about what was previously marked as "Exhibit 9",  
5 which is now referenced in Exhibit 13.

6 Are you aware that your response to  
7 DOE 1-2, from the Company's RDAF docket, in  
8 DG 24-103, has been offered as Hearing "Exhibit  
9 9" and revised in "Exhibit 13" in this  
10 proceeding?

11 A (Demeris) Yes, I am. Uh-huh.

12 Q And did you make corrections to your response to  
13 DOE 1-2, in DG 24-103?

14 A (Demeris) Yes, I did.

15 Q And could you explain the change that you made in  
16 that response?

17 A (Demeris) Yes. I discovered that there were some  
18 linking error in the Excel file. And I corrected  
19 that, those links. And that --

20 Q I'm sorry, go ahead.

21 A (Demeris) Go ahead.

22 Q That linked error was found in the Company's  
23 Attachment SED-1B, which is not an exhibit in  
24 this docket, is that correct?

{DG 24-102} {10-24-24}

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Demeris) That is correct.

2 Q And the revision to that exhibit impacted the  
3 Company's response -- your response to DOE 1-2,  
4 which you have revised, correct?

5 A (Demeris) Yes.

6 Q Thank you. Those are all my questions for Ms.  
7 Demeris. And I will move to Mr. Nawazelski.

8 Please state your name, employer, and  
9 the position you hold with the Company, and your  
10 responsibilities in that position?

11 A (Nawazelski) Good morning. My name is Daniel  
12 Nawazelski. I am the Manager of Revenue  
13 Requirements for Unutil Service Corp. In this  
14 capacity, I am responsible for the preparation  
15 and presentation of distribution rate cases, and  
16 support of other various regulatory filings.

17 Q The hearing exhibits previously mentioned also  
18 contain your prefiled testimony, as well as  
19 supporting schedules. Was your direct testimony  
20 and supporting schedules prepared by you or under  
21 your direction?

22 A (Nawazelski) Yes, they were.

23 Q And did you also sponsor responses to discovery  
24 in this matter?

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Nawazelski) I did.

2 Q And were those responses and attachments prepared  
3 by you or under your direction?

4 A (Nawazelski) Yes, they were.

5 Q And do you have any corrections to your  
6 testimony, schedules, or discovery responses in  
7 this docket that you wish to make today?

8 A (Nawazelski) No, I do not.

9 Q And do you adopt your written testimony and your  
10 discovery responses as your sworn testimony in  
11 this case?

12 A (Nawazelski) Yes. I might have a correction. I  
13 actually don't think I did sponsor any responses  
14 to discovery within this docket.

15 Q You might be -- you could be correct. So, let's  
16 say, do you adopt any written testimony that  
17 you -- that was submitted in this case?

18 A (Nawazelski) Yes.

19 Q Thank you. Now, I will move over to Mr. Kahl.

20 Please state your name, employer, and  
21 position that you hold with the Company, and your  
22 responsibilities in that position?

23 A (Kahl) My name is Christopher Kahl. I'm a Senior  
24 Regulatory Analyst at Unitil Service Corp. And I

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 develop, sponsor various reports and analysis,  
2 mainly on the cost of gas proceedings.

3 Q The hearing exhibits previously mentioned also  
4 include your prefiled testimony, as well as  
5 supporting schedules. And was this testimony and  
6 supporting schedules prepared by you or under  
7 your direction?

8 A (Kahl) Yes.

9 Q And did you sponsor responses to discovery in  
10 this docket?

11 A (Kahl) Yes, I did.

12 Q And were these responses and attachments prepared  
13 by you or under your direction?

14 A (Kahl) Yes.

15 Q Do you have any corrections to your direct  
16 testimony, schedules, or discovery responses that  
17 you wish to make today?

18 A (Kahl) No, I don't.

19 Q And do you adopt your written testimony and  
20 discovery responses as your sworn testimony in  
21 this case?

22 A (Kahl) Yes, I do.

23 Q Have you had the opportunity to review the  
24 Department's technical statement filed in this

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 matter?

2 A (Kahl) Yes, I have.

3 Q And do you have any comments to make regarding  
4 what the Department's statement says?

5 A (Kahl) I just have one clarification or minor  
6 correction I just wanted to point out. This is  
7 on Page 6 of the DOE technical statement. And  
8 it's under Section IV, dealing with the  
9 Over/Under Collection.

10 There's two paragraphs there. And, in  
11 the second one, the DOE mentions that, if we hit  
12 the threshold for what they would call a "trigger  
13 filing", that would propose a rate change. And,  
14 specifically, they use the term "proposing a rate  
15 change".

16 And I just wanted to clarify. We do  
17 have authority, permission, to adjust rates  
18 that's provided in the Commission's order. So,  
19 if we do hit that threshold, we would initiate a  
20 rate change. So, that rate change would occur  
21 within the parameters allowed by the Commission.

22 Q And, so, just to clarify, the Commission  
23 typically will allow the Company to revise rates  
24 within those certain parameters in previous --



[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 all previous cost of gas filings?

2 A (Kahl) That is correct.

3 Q Thank you. I will move to Mr. Wells.

4 Please state your name, employer, and  
5 the position you hold with the Company, and your  
6 responsibilities in that position?

7 A (Wells) Good morning. My name is Francis Wells.  
8 I am the Manager of Energy Planning at Unitil.  
9 My role with the Company is -- relates to gas  
10 supply planning, including gas supply contracts,  
11 pipeline, storage, and peaking contracts, general  
12 supply planning, as well as cost forecasting and  
13 preparation of the schedules and testimony  
14 related to the recovery of natural gas supply  
15 costs.

16 Q Thank you. And the hearing exhibits previously  
17 mentioned also contain your prefiled testimony,  
18 as well as supporting schedules. Was your direct  
19 testimony and the supporting schedules prepared  
20 by you or under your direction?

21 A (Wells) They were.

22 Q And did you sponsor responses to any discovery in  
23 this docket?

24 A (Wells) Yes.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Q And were these responses and attachments prepared  
2 by you or under your direction?

3 A (Wells) Yes.

4 Q And do you have any corrections to your testimony  
5 and schedules or discovery responses in this  
6 docket that you wish to make on the stand today?

7 A (Wells) I do not.

8 Q And do you adopt your written testimony and  
9 discovery responses as your sworn testimony in  
10 this case?

11 A (Wells) Yes.

12 Q I'd like to ask you a couple questions about the  
13 Empress capacity. And I would just note that  
14 our -- the hope of the Company is to not discuss  
15 anything confidential. However, if your response  
16 requires confidential information, then we can  
17 note that and perhaps save that for the end.

18 Could you describe generally, without  
19 going into confidential detail, whether there  
20 have been any changes to the Empress Capacity  
21 Agreements?

22 A (Wells) Yes, there have been. There were  
23 amendments, which were filed with the Commission,  
24 and referenced in discovery responses in this

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 proceeding related to the Empress Capacity  
2 Agreements.

3 And I want to make sure I get to the  
4 correct citation in my testimony. I do talk  
5 about the amendments in my direct. I want to  
6 make sure that I answer your question accurately.

7 Yes. So, on Pages -- Bates Page 050  
8 of, I believe, Exhibit 1, I do discuss the  
9 amendments that occurred. And, basically, the  
10 amendments provide an extension of time for  
11 TransCanada to build the permanent facilities  
12 that would backstop the service provided to  
13 Northern, from November 1, 2027, as was filed in  
14 the Empress Contract approval filings, to  
15 November 1, 2029. Ultimately, this required a  
16 change to the 2027 TCPL Precedent Agreement, as  
17 well as the 2024 FT agreement.

18 The combined effect of those were to  
19 provide for extension of the shorter term, the  
20 current FT contract, out to, you know, to beyond  
21 October 31st, 2027, and, then, additionally,  
22 allow more time under the Precedent Agreement for  
23 the construction of the facilities.

24 The purpose of such an extension was

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 for TransCanada to better refine the project  
2 for -- to be able to lower regulatory risk that  
3 they would incur pursuant to gaining approvals  
4 for various construction projects on that, on  
5 that those facilities, as well as exploring the  
6 possibility of lowering -- whether it was  
7 possible to lower construction costs to complete  
8 those projects.

9 Q Thank you. And you mentioned, and I just want to  
10 clarify, that the Company has notified the  
11 Commission of these changes and the service list  
12 in the Empress Capacity docket in July, I  
13 believe?

14 A (Wells) Yes. It was July 1st, 2024.

15 Q Thank you.

16 A (Wells) We filed copies of those amendments, as  
17 well as a cover letter explaining their nature,  
18 and how they impacted -- or, the fact that they  
19 do not impact the term required by the Company to  
20 remain in the contracts overall, nor the costs  
21 that the Company will pay for those, for that  
22 service.

23 Q Thank you. And did you have an opportunity to  
24 review the Department's technical statement in

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           this docket, specifically the discussion of the  
2           Empress Capacity Agreements?

3   A       (Wells) Yes, I have.

4   Q       And, generally speaking -- or, I'm sorry, with  
5           regard to the quarterly update that is mentioned  
6           in the Department's technical statement, has that  
7           update been provided to the Department?

8   A       (Wells) We did provide that statement -- or, that  
9           update, rather, around 5:30 last night. So, it  
10          was provided.

11   Q       Thank you. And, generally speaking, could you  
12          just describe briefly the Company's internal  
13          process for monitoring the Empress Capacity  
14          Agreement or contracts?

15   A       (Wells) Yes. We meet internally monthly to  
16          review where things are with respect to the  
17          TransCanada Precedent Agreement. We want to make  
18          sure that nothing has transpired that would cause  
19          us concern about remaining in the contracts.  
20          Because we understand that, to the extent that  
21          there are any cancellation charges that would be  
22          incurred pursuant to those contracts, we need to  
23          demonstrate that we have been managing these  
24          contracts prudently.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           And, so, you know, that monthly meeting  
2           includes a member from Senior Management, Legal,  
3           and the Energy Supply team, key stakeholders, in  
4           order to review what has transpired. In  
5           addition, preparing for that monthly meeting, at  
6           least once a month we reach out to TransCanada to  
7           inquire as to whether or not there have been any  
8           updates that would pertain to such a decision.  
9           And, so, we've been in regular contact with  
10          TransCanada related to these agreements. We are  
11          regularly discussing what has transpired, and  
12          whether or not such -- and are constantly -- or,  
13          at these meetings, affirming, you know, making  
14          sure that all of the stakeholders in the room are  
15          comfortable remaining in the agreements. And  
16          that there's nothing that's transpired that would  
17          lead us to question whether remaining in the  
18          agreements is still in the best interest of  
19          Northern and its customers.

20    Q     Thank you. And just to confirm, do you currently  
21          have any concerns regarding the agreements  
22          themselves or their impact on the rates for this  
23          upcoming 2024-2025 season?

24    A     (Wells) I do not have concerns that -- related to

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           these agreements at this time. Of course,  
2           there's always, you know, a risk that something  
3           could happen that we aren't aware of that could  
4           disrupt that decision. But, based on the  
5           information that we know right now, the  
6           reasonable course of action, in my view, is to  
7           remain in the agreements.

8    Q       And is there any impact on the rates for this  
9           upcoming 2024-2025 season?

10   A       (Wells) So, as is pointed out in the DOE's  
11           technical statement, they had asked a discovery  
12           question related to the impact of the Empress  
13           Capacity Agreements on the cost of gas. And, so,  
14           I had prepared an analysis showing that the  
15           demand costs, net of an allocated portion of  
16           Asset Management Agreement revenue, was roughly  
17           equal to the overall demand cost of the  
18           portfolio. And, so, therefore, we attributed a  
19           neutral impact on demand costs related to the  
20           agreements. And that the commodity cost was  
21           significantly lower than the average commodity  
22           cost for the portfolio for the 2024-2025 annual  
23           period. And, so, therefore, there's a positive  
24           impact of the Empress Capacity Agreements on

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 commodity costs.

2 And, so, overall, the net impact of  
3 adding the Empress Capacity Agreements to the  
4 portfolio for the '24 and '25 annual period has  
5 been an overall reduction in natural gas supply  
6 costs that the Company is seeking recovery of.

7 MS. DAVEY: Thank you, Mr. Wells.

8 These witnesses are available for  
9 cross-examination.

10 CHAIRMAN GOLDNER: Thank you. We'll  
11 begin cross-examination with the New Hampshire  
12 Department of Energy.

13 MS. LYNCH: Thank you.

14 **CROSS-EXAMINATION**

15 BY MS. LYNCH:

16 Q So, my first question is, is can Northern please  
17 explain why it filed the Supplemental Filing,  
18 also known as "Exhibit 5", in this docket  
19 regarding the demand costs?

20 A (Kahl) Yes. When Northern, I should say, for  
21 Northern's Maine Division, we always submit an  
22 updated filing. That's just part of -- part of  
23 the structure for those filings, is to always  
24 provide an updated filing. And, when we did it



[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           this year, the updated filing would be submitted  
2           typically around the end of September, but, as we  
3           were putting it together, we knew that there  
4           would most likely be a change to the Granite  
5           rates, Granite State pipeline rates.

6                     And, by putting that change into the  
7           Maine Division's cost of gas, we would be  
8           changing the allocation of demand costs between  
9           the two divisions, and what is referred to in my  
10          testimony as the "PR Allocator". So, that would  
11          change it. And the PR Allocator needs to be the  
12          same, in terms of the percentages allocated, in  
13          the New Hampshire and the Maine Divisions.

14                    So, once that changed in Maine, we had  
15          to change it in New Hampshire. And I believe,  
16          once that information was made public on what we  
17          thought the Granite rates might be, we submitted  
18          that updated filing in New Hampshire.

19    Q           Thank you. That's very helpful. And can you  
20           give a brief summary of Granite State Gas and the  
21           rate case that is going on, which I believe is  
22           going on at FERC?

23    A           (Nawazelski) Sure. I can take that one. So, the  
24           Company entered into a settlement agreement with

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 joint state agencies, that was made up with the  
2 New Hampshire Department of Energy, the New  
3 Hampshire OCA, and then, for the Maine, it was  
4 the Maine PUC Staff and the Maine Office of the  
5 Public Advocate. So, that was filed with FERC in  
6 early October, for rates effective November 1st.  
7 FERC has not issued an order on that in that  
8 proceeding yet, but we do expect to hear shortly  
9 back from FERC.

10 Q Awesome. Thank you very much. Returning to  
11 Mr. Kahl, regarding the PR Allocator, can you --  
12 in the Supplemental Filing, what is the current  
13 allocation between Maine and New Hampshire?

14 And I believe, if you need a reference,  
15 I believe it might be Bates Page 008.

16 A (Kahl) Yes. One minute.

17 *[Short Pause.]*

18 A (Kahl) You know, my computer is a little slow,  
19 but I may have an actual printout. So, let me  
20 take a look at the printout. One second.

21 Q Sure. And I do believe it is, I just  
22 double-checked myself. It is Bates Page 008,  
23 Line 1.

24 A (Nawazelski) What hearing exhibit are you

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 referring to?

2 Q Oh, I'm sorry. Exhibit 5. And I believe it's  
3 also in an Excel, Exhibit 5, on Bates Page 018.  
4 But I did have another question on the Excel, but  
5 I will hold that for now.

6 A (Kahl) I'm sorry. If you wanted to just clarify,  
7 that is Bates Page 008 on Exhibit 5?

8 Q Yes.

9 A (Kahl) And is that Line 1?

10 Q Line 1.

11 A (Kahl) Yes. The PR Allocators, the updated PR  
12 Allocators, are 59.45 for Maine and 40.55 for  
13 New Hampshire.

14 Q Thank you. Did these change from the Initial  
15 Filing by the Company in Exhibit 1 and 2?

16 A (Kahl) Yes. There was a small change.

17 Q Can you please provide the allocators that were  
18 initially provided in Exhibit 1 and 2?

19 And I believe it's Exhibit -- I mean, I  
20 believe it's Bates Page 017.

21 A (Kahl) Yes.

22 Q And what is the percentages please?

23 A (Kahl) Yes. That would be 59.47 for Maine and  
24 40.53 for New Hampshire.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Q So, there was a slight increase in the New  
2 Hampshire percentage, is that correct?

3 A (Kahl) That's correct.

4 Q Can you please explain why?

5 A (Wells) So, generally speaking, the PR Allocator  
6 is going to allocate pipeline costs and storage  
7 costs and then peaking costs. And, so, a  
8 significant amount of the Granite contract, which  
9 is what is really changing here, increased. So,  
10 to the extent that pipeline costs are increasing,  
11 New Hampshire may have a higher percentage of  
12 pipeline costs or a higher percentage usage of  
13 pipeline than Maine, and so forth and so on. So  
14 that it really has to do with the change -- the  
15 mix of resources didn't change from one filing to  
16 the next, but the cost of those resources  
17 changed. And, so, that's why the percentage had  
18 changed.

19 Although, I will point out, we are  
20 talking 40. -- we're talking about a fraction of,  
21 you know, a 100th of a percentage. So, it is a  
22 very small change in percentage. What is it,  
23 "40.53" to "40.55"? That is, you know, keep in  
24 mind that that's a percentage. So, it's very

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 small.

2 Q But isn't it true, though, that that percentage  
3 though is causing the demand costs to increase?

4 A (Wells) Yes.

5 Q And --

6 A (Wells) I would say, to be completely accurate,  
7 it's the allocation of demand costs to New  
8 Hampshire to increase. What's causing the demand  
9 costs to increase are the higher Granite rates.

10 Q Okay. Because the Company, on Bates Page 006 of  
11 Exhibit 5, I believe they said "The 2023-2024  
12 Annual Cost of Gas forecasted annual demand costs  
13 were equal to \$37,271,543." And, then, I'm going  
14 to summarize, but, for 2024-2025, they increased  
15 to "\$51,475,885, reflecting an increase in  
16 forecasted annual demand costs equal to  
17 \$14,204,342 or 38 percent"?

18 A (Wells) That sounds accurate.

19 Q Okay. Thank you. And the Company, in their  
20 filing, also regarding the demand costs, you  
21 know, they, you know -- or I can ask, I believe  
22 it's discussed in Bates Page 002, around -- I'm  
23 sorry, Exhibit 2, Bates Page 053, can you  
24 describe also what is causing this increase in

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 annual demand costs, in addition to kind of what  
2 we already discussed?

3 A (Kahl) Just to clarify, are you talking about  
4 compared to the prior year, or are you talking  
5 the Supplement compared to the Initial Filing?

6 Q Compared to the prior year.

7 A (Wells) Sure. So, there is an increase in  
8 peaking demand costs. Now, I would -- to put  
9 that -- I want to be sure to put that increase  
10 into context, as I discussed in my prefiled  
11 testimony, the prior year's peaking contract did  
12 not have demand charges. It had much higher  
13 commodity charges. So, when you net the two  
14 together, the peaking supply demand charges for  
15 '24-'25 and the commodity charges for '24-'25  
16 with the prior year, the net peaking contract  
17 costs are lower than they were in the prior year.

18 But, when we isolate, you know, how are  
19 demand costs changing, of course, higher peaking  
20 demand costs were a significant portion of that  
21 increase, and mostly it is because attributable  
22 to a change in how the contract pricing was  
23 structured, as opposed to an overall increase in  
24 peaking contract costs. Also, there was a

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 marginal reduction in the amount of Asset  
2 Management Agreement revenue that the Company  
3 projected for '24-'25, compared to '23-'24.

4 Additionally, as I had mentioned, in  
5 my -- previously in my testimony, Empress  
6 capacity costs, this is actually the first full  
7 year that Empress capacity costs are included in  
8 our demand cost estimates. And, so, therefore,  
9 there was an increase in PNGTS and TCPL costs  
10 that were attributable to having the full twelve  
11 months of Empress capacity, as opposed to the  
12 prior year, where the contract had just started  
13 in April, and so there were only seven months of  
14 demand charges for that particular resource.

15 Q Thank you. And, if you don't mind, could you  
16 explain what "AMA revenues" are, and how it is  
17 different or similar to capacity assignment  
18 revenue?

19 A (Wells) So, asset management agreements are a  
20 wholesale transaction, whereby typically the  
21 buyer is releasing upstream capacity to the  
22 seller, and the seller is providing supply  
23 service, with presumably using the capacity that  
24 has been released.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           For Northern, we actually require,  
2           firstly, that asset managers actually use the  
3           capacity that we are releasing to them. We  
4           believe this is important, because it increases  
5           reliability. You know, we're paying for firm  
6           service, we want our asset manager to use the  
7           firm services that we are -- that we are paying  
8           for.

9           Secondly, we have, you know, a variety  
10          of limitations and restrictions on our Asset  
11          Management Agreements, in order to protect  
12          consumers, and make sure that, while those  
13          resources are being used efficiently for asset  
14          managers to pursue, you know, optimization of the  
15          capacity when Northern's customers don't use it,  
16          the first and primary requirement for those  
17          resources, the reason we enter those contracts,  
18          is to provide low cost, affordable service to our  
19          customers.

20          So, you know, I want to be careful to  
21          emphasize to the stakeholders and the Commission  
22          that Northern -- while Northern pursues asset  
23          management agreements, and they have the effect  
24          of lowering overall costs, somewhat significantly



[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 in the case of this particular cost of gas  
2 proceeding, cost reduction is not our only  
3 objective when we enter into asset management  
4 agreements.

5 So, the way our asset management  
6 agreements are structured is that, in return for  
7 the ability to optimize the capacity that we  
8 release to them, when we are not calling upon  
9 supply under those agreements, that they would  
10 give us a fixed -- a fixed number, a fixed  
11 payment stream over a 12-month period. So that,  
12 regardless of whether there is, you know, high  
13 margins for the retail marketer, or low margins  
14 for the retail marketer, our margin is locked in.  
15 Excuse me, I said -- I want to strike that. I  
16 said -- I used the word "retail marketer",  
17 because I'm conflating that with capacity  
18 assignment, I mean the "asset manager". Whether  
19 the asset manager is able to earn high margins or  
20 low margins, the payment stream to Northern is  
21 fixed.

22 And, then, you had a second question in  
23 there. And I've been talking for a while, so I  
24 want to make -- if you don't mind repeating it, I

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 want to make sure that I answer the question that  
2 you're asking?

3 Q Sure. I think, just simply, could you -- my  
4 understanding is you just explained "AMA". Can  
5 you please explain "capacity assignment revenue"?

6 A (Wells) Certainly. "Capacity assignment revenue"  
7 is when a retail marketer signs up one of our  
8 distribution customers. Rather than the capacity  
9 staying with the Company, the capacity follows  
10 the customer. So, we buy -- we have a portfolio,  
11 like I have shown in my FXW-4, of around 142,000  
12 decatherms of capacity. Obviously, not all of  
13 that capacity is needed for sales service  
14 customers, even between Maine and New Hampshire.  
15 A significant portion of that capacity is  
16 released to retail marketers under our Capacity  
17 Assignment Programs.

18 And, so, when we pay a, you know, when  
19 we pay a demand, you know, a pipeline demand  
20 charge, we are paying the full amount of the  
21 bill, but then there are credits attributable to  
22 this capacity assignment, because those resources  
23 have been released at cost to the marketers that  
24 are responsible for arranging the supplies for

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           their customers. So, we have asset management  
2           agreements that optimize service to sales service  
3           customers. Retail marketers are responsible for  
4           the optimization of capacity for anything that is  
5           released to them under our capacity assignment  
6           agreements, or through capacity assignment.

7                        So, while we are entering into  
8           transactions to serve sales service customers  
9           with the residual capacity, anything that has  
10          been assigned to the marketers, it is their  
11          responsibility to buy gas for to serve customers  
12          with, delivered to our -- to our system.

13   Q       Thank you. So, for AMA, capacity stays with the  
14            Company?

15   A       (Wells) Yes.

16   Q       For capacity -- whereas, for the capacity, I'm  
17            going to say it wrong, capacity assignment  
18            revenue, it goes with the retail marketers?

19   A       (Wells) So, capacity assignment revenue  
20            essentially comes from the retail marketers and  
21            is credited to the cost of gas.

22   Q       I feel like we probably could spend a full hour  
23            discussing this, and so that I will move on. But  
24            thank you very much for that explanation.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Wells) I would just want to emphasize, even, you  
2 know, any time the DOE or any stakeholder, and I  
3 extend this to the OCA as well, has questions  
4 about general gas supply matters, I'm available,  
5 you know, to discuss these things.

6 Q I think it would be wonderful if you did a  
7 webinar. But thank you very much.

8 So, and I apologize, Mr. Kahl, I want  
9 to go back to you in the Supplement, because  
10 there was a few other changes in the Supplement,  
11 also known as "Exhibit 5", that I want to make  
12 sure that we briefly discuss. And, specifically,  
13 I'm on Bates Page 005. If you could explain the  
14 change with the NYMEX and the Prime Rate, that  
15 would be great?

16 A (Kahl) Yes. As we typically do when we submit a  
17 revised filing in the Maine Division, we always  
18 update the NYMEX, just to try to get the latest  
19 prices, hoping to get the most accurate estimate  
20 of what we think the commodity costs are going to  
21 be, or at least the commodity costs tied to the  
22 NYMEX.

23 Also, we have -- we became aware that  
24 the Fed had changed the Prime Rate, and had

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           lowered it from 8 and a half, down to 8. So, we  
2           thought that it would be prudent to include that  
3           change also.

4    Q       Thank you. Thank you. Moving on to the rate,  
5           can the Company please point the Commission to  
6           where they can find all the rates that are being  
7           proposed in this filing, as well as the LDAC?

8    A       (Kahl) I assume you're referring to which tariff  
9           pages or --

10   Q       Or exhibit. So, Exhibit 6, is that -- but I  
11           believe --

12   A       (Kahl) Sorry.

13   Q       Sorry. But I believe the rates are also in  
14           Exhibit 5 as well, correct?

15   A       (Kahl) That is correct. The tariff rates are  
16           provided on Tariff Pages 42 and 43, which would  
17           be Pages 5 and 6 of Exhibit Number 6.

18   Q       Thank you. And what is the proposed residential  
19           rate for Northern's customers for this winter  
20           period?

21   A       (Kahl) That's 68.83 cents per decatherm -- I'm  
22           sorry, per therm.

23   Q       And is that the same or different from what the  
24           Company initially proposed in Exhibit 2, on Bates

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Page 008?

2 A (Kahl) That is slightly higher.

3 Q Would it sound correct if the initial rate was  
4 "0.6553 per therm"?

5 A (Kahl) That sounds correct.

6 Q Thank you. So, going to Exhibit 5, Bates  
7 Page 010, is this a good reference point for the  
8 Commission to see the proposed rates, and how  
9 they change from last year?

10 A (Kahl) Yes, that is good.

11 Q And the following page also outlines the proposed  
12 summer rate, and how it changed from last year as  
13 well?

14 A (Kahl) That is correct.

15 Q So, is it fair to say that for, going back to  
16 Bates Page 010, that there really isn't a  
17 significant change for this year's proposed rate  
18 for the winter period?

19 A (Kahl) Are you comparing that to the Initial  
20 Filing or to last year's filing?

21 Q I'm sorry, compared to last year?

22 A (Kahl) No. There is not a very significant  
23 difference.

24 Q This might just be for my own education. But

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1           could you -- for the Residential and for the  
2           C&I-Low Load Factor, the rate is decreasing from  
3           last year, but is increasing for the C&I-High  
4           Load Factor. Could you provide an explanation of  
5           that please?

6   A       (Kahl) So, we are seeing decreases for the  
7           Residential and the Low Load Factor.

8   Q       Correct.

9   A       (Kahl) And it's really due to a combination of  
10          what the load profile and how it has changed over  
11          the -- compared to last year, and how the mix of  
12          resources that we have in our portfolio has  
13          changed over the year. So, it's all due to that.

14                   And I think we'd need to go and break  
15          that down specifically to get a better estimate.

16   Q       Okay. Thank you. And, then, if we go to the  
17          next page, for the summer period, it's all  
18          increasing somewhat, I would say, significantly.  
19          But I don't want -- but please let me know your  
20          thoughts on that?

21   A       (Kahl) From a percentagewise, it does appear  
22          large. But, keep in mind, we're starting from a  
23          much lower rate. So, when we're dealing with  
24          roughly a 30-cent rate, any change of over five

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 cents is going to look pretty significant.

2 But, you know, these prices are  
3 comparing what we are proposing now to last year,  
4 we definitely have higher NYMEX prices. And, you  
5 know, as of now, that's what has been happening.  
6 I have been monitoring, over the Summer of 2024,  
7 where NYMEX prices were going with every monthly  
8 update, and they had been coming down.

9 So, this is really not that unusual, to  
10 see some volatility in NYMEX prices.

11 Q Okay. But why then is it not affecting the  
12 winter, I guess, is my next question? Because  
13 the winter was -- I think one of the rate groups  
14 was a two percent change, but here, I mean, or  
15 they were going down, except for the C&I-High  
16 Load Factor. So, why aren't those NYMEX prices  
17 causing really a change in the winter cost of gas  
18 rates?

19 A (Wells) I'll take that. It's because NYMEX has a  
20 lower effect on winter rates than it does on  
21 summer rates, and that's because -- for a variety  
22 of factors. One, just off the top, without doing  
23 any physical hedging of NYMEX, more of the rate  
24 is attributable to demand. So, by its very



[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 nature, NYMEX becomes a lower percentage of the  
2 overall costs attributable to or allocated to the  
3 winter period.

4 And, then, on top of that, the  
5 percentage of supply that is actually affected by  
6 changes in NYMEX is relatively low by the time we  
7 get into the winter period, because Northern has  
8 a significant amount of its supply that is stored  
9 gas inventory. So, about 60 percent of winter  
10 demand is served with storage, which is bought in  
11 advance of the winter.

12 And, on top of that, we do -- we target  
13 about 75 percent of our volumes to be hedged  
14 against NYMEX volatility prior to the winter  
15 period. So, it is a little bit unintuitive, but  
16 the overall effect is that, even though we buy a  
17 lot more fuel in the wintertime, there are just  
18 other factors affecting the rate in winter that  
19 have a bigger effect than changes in NYMEX  
20 pricing.

21 Q Thank you. And can the Company point out the --  
22 and is the LDAC rate also in Exhibit 6 for the  
23 tariff, and can the Company point out to which  
24 tariff page that's at?

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Kahl) That would be Tariff Page 62, I believe.

2 Q Thank you. And could the Company explain why the  
3 rate schedule for the LDAC is described  
4 differently than how it was described in those  
5 tables that we were just talking about? Well,  
6 because, in the tables, it had "Residential,  
7 "C&I-High Load Factor", "C&I-Low Load Factor",  
8 but, on the tariff, it has "Residential Heating",  
9 "Residential Non-Heating", "Small C&I", "Medium  
10 C&I", and "Large C&I".

11 A (Kahl) Elena? So, you're referring to Tariff  
12 Page 62, the LDAC tariff page?

13 Q Yes.

14 A (Kahl) Okay.

15 A (Demeris) I'm sorry. Can you repeat the  
16 question?

17 Q Oh, sure.

18 A (Demeris) What -- excuse me, what page are we  
19 referring to?

20 Q I don't believe the tariff, Exhibit 6, is Bates  
21 stamped. But it is the tariff page that is --  
22 it's Tariff Page 62, and it has all the rates for  
23 the Local Delivery Adjustment Charge -- Clause.

24 MS. DAVEY: I did refile with the Bates

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 numbers. I wasn't sure if we were supposed to  
2 include Bates numbers on tariff pages, but I did  
3 refile it.

4 MS. LYNCH: Oh, I apologize.

5 MS. DAVEY: No, that's okay. I don't  
6 have it up, because I --

7 MS. LYNCH: I can -- I can repeat the  
8 question.

9 BY MS. LYNCH:

10 Q So, when we were just talking about the cost of  
11 gas rate, the cost of gas rate was broken down to  
12 "Residential", "C&I-High Load", "C&I-Low Load  
13 Factor". But, when you look at the charges for  
14 the Local Delivery Adjustment, it has it as  
15 "Small C&I", "Medium C&I", and "Large C&I".  
16 Would you mind explaining that?

17 A (Demeris) I really don't have an explanation.  
18 That's the way it's always been presented. The  
19 actual LDAC rates are, for C&I, are the same for  
20 Small, Medium, and Large.

21 Q Okay. Thank you. And kind of sticking with the  
22 Local Adjustment -- Local Delivery Adjustment  
23 Charge, on Bates Page 066 of, I believe,  
24 Exhibit 2, that shows the current rates compared

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 to -- the current rate versus the proposed, is  
2 that accurate?

3 A (Demeris) Yes.

4 Q And would you -- would you agree that there's no  
5 major changes to the LDAC from the rate that's  
6 currently in effect?

7 A (Demeris) The changes are shown in the last  
8 column, where it's labeled "Difference". Are you  
9 asking if there are any changes to what was  
10 originally proposed?

11 Q I'll rephrase it. I apologize. I'm asking if  
12 would you say any of the changes that you can see  
13 in the last column, are they significant from  
14 your perspective?

15 A (Demeris) Well, I think, though, residential  
16 recoupment is a significant change. But, because  
17 that rate is basically ending, like the "minus  
18 0.0269", --

19 Q Yes. And that was --

20 A (Demeris) -- that's what --

21 Q I'm sorry.

22 A (Demeris) Go ahead.

23 Q Well, you lead me to my next question. I was  
24 going to ask for an explanation of that?

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Demeris) So, that rate was originally supposed  
2 to be a twelve-month recovery of recoupment  
3 charges. It was extended and approved in last  
4 year's cost of gas filing for another twelve  
5 months, because the balance was still  
6 significant. And, now, the balance is low  
7 enough, we're rolling that balance into the RAAM.  
8 And, so, that rate is going to zero.

9 Q And what is -- does the Company have authority to  
10 roll it into the RAAM, or what's the Company's  
11 reasoning for doing that?

12 A (Demeris) So, we're proposing to roll it into the  
13 RAAM. And we do have precedent, where we've --  
14 where we have rolled other ending balances into  
15 the RAAM. And, so, we thought that would be a  
16 good fit.

17 Q Okay. Thank you. So, as part of your filing,  
18 you're requesting permission to do that?

19 A (Demeris) Correct.

20 Q Thank you. Ms. Demeris, so, you testified, or I  
21 believe we discussed this a little bit earlier,  
22 but just for extra clarification, is the Company  
23 seeking approval of RDAF in this docket?

24 A (Demeris) No. That is in 24-103.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Q Thank you. And turning to the bill impacts that  
2 I believe you provided in Exhibit 1 and 2, at  
3 Bates Pages 307 through 324, can you explain how  
4 you calculated those bill impacts with the -- or,  
5 how you calculated the RDAF that was included in  
6 those bill impacts?

7 A (Demeris) Yes. The RDAF included in those bill  
8 impacts is our proposed rate, in which we  
9 requested a waiver of the terms of the Settlement  
10 Agreement and 24-month recovery of the balance.

11 Q Thank you. And, so, that RDAF did not have the  
12 4.25 percent decoupling cap, is that correct?

13 A (Demeris) Correct.

14 Q Thank you. And, then, just a few questions about  
15 the Empress Agreements, and then that will wrap  
16 up the DOE's cross.

17 Per the Settlement Agreement in DG  
18 23-087, one of the agreements was that "The  
19 Company will provide an update to the Commission  
20 on its evaluation of decision points in the  
21 Company's annual Cost of Gas filing. The Company  
22 shall inform the Commission of regulatory  
23 approvals related to the projects and material  
24 changes in actual and projected costs Northern

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 would be responsible for under the terms of the  
2 Empress Capacity Agreements."

3 In regards to this cost of gas docket,  
4 can the Company show the Commission where in its  
5 filing it outlined, you know, its decision points  
6 regarding, you know, those Agreements?

7 A (Wells) So, I did discuss the Empress Capacity  
8 Agreements in my direct testimony, for the  
9 purpose of updating the Commission on those  
10 Agreements. And, so, it was, you know, certainly  
11 my intention that inclusion of that testimony in  
12 my prefiled direct was intended to comply with  
13 the terms of the Settlement Agreement.

14 Q Okay. Thank you. And I am going to turn to a  
15 confidential attachment, to Exhibit 7, Part 2,  
16 Bates Page 100, but I'm not going to reference  
17 any of the information in that specifically.

18 So, if the Commission would want more  
19 detail on decision points, could it be -- could  
20 it go to Exhibit 7, Bates Page 100?

21 And that is an attachment to one of the  
22 Department's data requests in this docket, and it  
23 was Data Request I believe it was 1-14, is that  
24 accurate? Or 1-17, I apologize.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 A (Wells) So, they could, and that would be updated  
2 as of the data that we had available to us at the  
3 time of the filing of that response. We have  
4 since been provided more current data from  
5 TransCanada with respect to rather the spending  
6 profile that was provided in that response.

7 Q But those, and I believe you're referring to the  
8 quarterly updates, is that accurate?

9 A (Wells) Well, the data that I am referring to was  
10 provided in the quarterly update to the DOE and  
11 the OCA. But I wasn't specifically -- I was  
12 specifically referring to data that was provided  
13 to TransCanada -- or, excuse me, from  
14 TransCanada, to the Company, that informed the  
15 quarterly update.

16 Q No, thank you. That's helpful. But, just to  
17 clarify, those -- you know, how would the  
18 Commission get that updated information, since it  
19 doesn't receive the quarterly updates?

20 A (Wells) At this time, I am not sure how they  
21 would receive that.

22 MS. LYNCH: Okay. Thank you. One  
23 second please. I believe we have maybe just one  
24 or two more questions. So, if I could just have



[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 the Commission's indulgence please?

2 [Atty. Lynch and Mr. Alam conferring.]

3 BY MS. LYNCH:

4 Q I believe this question might be for Ms. Demeris.  
5 And I apologize, I was trying to move a little  
6 quickly, and then I skipped over this. But I  
7 think this is an important question to ask.

8 The LDAC also includes the ERC, is that  
9 fair to say?

10 A (Demeris) That's correct.

11 Q And -- I'm sorry. And what is the "ERC"?

12 A (Demeris) It's -- are the costs associated with  
13 the remediation efforts.

14 Q And, as part of the Company's filing, going to I  
15 believe it's Exhibit 3, Environmental Cost  
16 Recovery Report and attachments, with this  
17 filing, is the Company seeking the PUC's approval  
18 of the ERC invoice filing?

19 A (Demeris) The invoice filing informs the ERC rate  
20 that is calculated in the cost of gas filing.  
21 So, yes.

22 MS. LYNCH: No further cross from the  
23 DOE at this time. Thank you.

24 CHAIRMAN GOLDNER: Thank you. We'll

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 turn now to cross, and the Office of the Consumer  
2 Advocate.

3 MR. CROUSE: Thank you for the  
4 opportunity for cross. The OCA does not have any  
5 questions.

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

9 CMSR. CHATTOPADHYAY: First, I really  
10 like the way the DOE went through the questions.  
11 Some of the questions that I had were answered  
12 because of the cross. So, I appreciate the  
13 in-depth look at the topics here.

14 So, I'm going to go sort of "big  
15 picture" questions. And, obviously, you know, if  
16 I need to go back and look at the Excel files to  
17 understand some of the stuff, I may spend a  
18 little bit of time on it.

19 BY CMSR. CHATTOPADHYAY:

20 Q But I want to confirm, when the supplemental  
21 testimony was written, that two things were  
22 changed: One, the PR, you know, portions, and  
23 the NYMEX, right?

24 A (Kahl) That's correct.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Q Nothing else changed?

2 A (Kahl) The interest rate.

3 Q Okay. So, I want to understand. So, three  
4 things. The first two things, the NYMEX and the  
5 PR, they led to higher costs relative to the  
6 first filing?

7 A (Kahl) Uh-huh.

8 Q What was the impact of the interest rate?

9 A (Kahl) Well, the interest rate came down. So,  
10 that should give you, you know, a downward  
11 impact.

12 Q But you did calculate it separately?

13 A (Kahl) I did not.

14 Q That's okay. I'm just trying to --

15 A (Kahl) Yes.

16 Q But, overall, it still ended up being higher,  
17 total?

18 A (Kahl) Yes.

19 Q Okay. The other question is really going to the  
20 initial discussion about, when you're trying to  
21 capture bill impact, okay, right now, what is the  
22 proposal? So, I know that RDAF is part of it,  
23 and we're not going to go there. But I may have  
24 misunderstood, just a clarification would be

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 helpful. Is Exhibit 13 is where we could look at  
2 where the bill impact is?

3 A (Kahl) Using the capped --

4 Q Using the capped, yes.

5 A (Kahl) -- RDAF rate.

6 Q Okay.

7 A (Kahl) That's my understanding.

8 Q And what would be the bill impact that we should  
9 look at if it's with the --

10 A (Kahl) The initial rate proposed?

11 Q -- the initial Company's. Just give me the  
12 specific page number?

13 A (Kahl) Okay.

14 A (Demeris) Oh, boy.

15 Q And the exhibit number, of course.

16 A (Demeris) I think Exhibit 2, and it's going to  
17 be -- my stuff starts on Page 295. So, I  
18 think -- I'll find it. Sorry.

19 Q That's okay.

20 A (Kahl) Elena, if I could interrupt just for a  
21 second. I think we're talking about the  
22 Supplemental Filing here.

23 A (Demeris) I thought we were talking about the  
24 original filing, the Initial Filing, compared

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 to --

2 Q No. I'm talking about --

3 A (Demeris) -- Exhibit 13?

4 Q Sorry. I am talking about -- I'm trying to make  
5 sure I have the bill impacts analysis. One of  
6 them is Exhibit 13.

7 A (Demeris) Yes.

8 Q And I know where to find that, because I looked  
9 at it. I'm trying to make sure I have the  
10 comparative, as far as what is the Company  
11 proposing. So, I want the bill impact.

12 A (Kahl) And I'm just going to check with Witness  
13 Demeris, but I think it's Exhibit 5. And, as for  
14 a Bates Page number, I believe starting on 100.  
15 And, Elena, does that seem accurate?

16 A (Demeris) Yes, that seems right. Thank you.

17 Q Thank you. I can, you know, there's a lot of  
18 pages there, I'll figure it out.

19 So, one question that I have, again,  
20 I'm sort of hesitating to ask it, because I think  
21 you went through it, but I couldn't capture  
22 everything. The PR factor, the PR apportionment  
23 changed.

24 A (Kahl) Yes.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Q And it just changed slightly. So, by, you know,  
2 0.02 percent higher for New Hampshire. Is that,  
3 that whatever you calculate the PR, and I haven't  
4 looked at the Excel, the number that you get, is  
5 that applied then throughout, like, you know, or  
6 is it only for the demand costs?

7 A (Kahl) It's applied to all the demand costs.

8 Q To only demand costs?

9 A (Kahl) Yes.

10 Q Okay. That's all it is?

11 A (Kahl) Yes.

12 CMSR. CHATTOPADHYAY: Thank you.

13 That's all I have.

14 CHAIRMAN GOLDNER: I have no further  
15 questions for the witnesses. Attorney Davey, do  
16 you have any cross, or would you like a break?  
17 Redirect, sorry.

18 MS. DAVEY: Could I have a brief break,  
19 a very brief break please?

20 CHAIRMAN GOLDNER: Absolutely. Would  
21 ten minutes be enough?

22 MS. DAVEY: Yes.

23 CHAIRMAN GOLDNER: Okay. So, we'll  
24 take a ten-minute break, returning at 10:25.

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 Thank you.

2 (Recess taken at 10:15 a.m., and the  
3 hearing reconvened at 10:27 a.m.)

4 CHAIRMAN GOLDNER: Okay. We'll go back  
5 on the record with any redirect from the Company.

6 MS. DAVEY: Thank you, Chairman. Very  
7 briefly, I have one or two questions for  
8 Mr. Kahl.

9 **REDIRECT EXAMINATION**

10 BY MS. DAVEY:

11 Q Mr. Kahl, in Exhibit 6, which is the revised  
12 proposed tariffs, is there a summary rates  
13 tariff, which includes -- currently includes the  
14 proposed -- the Company's proposed RDAF rates?

15 A (Kahl) Yes. In Hearing Exhibit 6, I believe  
16 beginning on Page -- let's see, Page 8, Pages 8  
17 through 11, --

18 Q Thank you.

19 A (Kahl) -- we have the summary --

20 Q Oh, go ahead.

21 A (Kahl) -- the summary pages for summer and  
22 winter.

23 Q Thank you. And does the Company typically update  
24 these pages in compliance with the Commission's

[WITNESS PANEL: Demeris|Nawazelski|Kahl|Wells]

1 order in this matter?

2 A (Kahl) Yes. So, these pages in the compliance  
3 filing will reflect the Commission's decision.  
4 So, for the winter period, they would reflect the  
5 capped RDAF rate. And, for the summer, they  
6 would reflect, unless otherwise directed by the  
7 Commission, they would reflect the Company's  
8 position.

9 Q So, just to clarify, the decision the Commission  
10 issues in DG 24-103 would be reflected in the  
11 summary rates tariff filed in compliance within  
12 DG 24-102?

13 A (Kahl) Yes. That's correct.

14 MS. DAVEY: Thank you. Those are the  
15 only questions.

16 CHAIRMAN GOLDNER: Okay. Thank you.

17 Okay. We're all set. The Northern  
18 witnesses are now excused. And we'll invite the  
19 DOE witnesses to take the stand.

20 All right. I'll now swear in the  
21 witnesses.

22 *(Whereupon **ASHRAFUL ALAM** and*  
23 ***BRUCE BLAIR** were duly sworn by*  
24 *Chairman Goldner.)*

{DG 24-102} {10-24-24}



[WITNESS PANEL: Alam|Blair]

1 WITNESS ALAM: I do.

2 WITNESS BLAIR: I do.

3 CHAIRMAN GOLDNER: Thank you. The  
4 witnesses are ready for direct.

5 MS. LYNCH: Thank you.

6 **ASHRAFUL ALAM, SWORN**

7 **BRUCE BLAIR, SWORN**

8 **DIRECT EXAMINATION**

9 BY MS. LYNCH:

10 Q Mr. Alam and Mr. Blair, can you please state your  
11 name and give a brief summary of your role at the  
12 DOE, and your professional background?

13 A (Alam) My name is Ashraful Alam. And I am a  
14 Utility Analyst at the Department of Energy.

15 A (Blair) My name is Bruce Blair. I'm also a  
16 Utility Analyst at the Department of Energy for  
17 New Hampshire.

18 Q Thank you. And can you both provide your  
19 education and professional background for the  
20 Commission?

21 A (Alam) Sure. I have a Bachelor's degree in  
22 Economics, and completed my Master's in  
23 Analytical Economics from the University of New  
24 Hampshire. And, previously, I was employed as an

[WITNESS PANEL: Alam|Blair]

1 Assistant Director in one of the utilities.

2 A (Blair) I have a Bachelor's in Russian Language  
3 and Literature, I have two Master's in Political  
4 Science, and a Doctorate in Energy and  
5 Environmental Policy and Administration. Prior  
6 to joining the Department, I was a professor at  
7 the University of Alabama.

8 Q Thank you. And have you both testified before  
9 the Commission previously?

10 A (Alam) Yes, I did.

11 A (Blair) Yes, I have.

12 Q Thank you. Mr. Alam, have you -- did you draft  
13 the technical statement in this docket, also  
14 known as "Exhibit 11", and "Exhibit 12", which is  
15 the confidential version?

16 A (Alam) Yes, we did.

17 Q And did you also draft the Table 6, Attachment B,  
18 in Exhibit 13 that was filed yesterday?

19 A (Alam) Yes.

20 Q Do you have any update to your technical  
21 statement, also known as "Exhibit 11" and "12"?

22 A (Alam) Yes. So, the Exhibit 11 and 12 has an  
23 updated Table 6, which contains the updated bill  
24 impact table, which is based on a revised RDAF

[WITNESS PANEL: Alam|Blair]

1 rate factor consistent with the Settlement  
2 Agreement in DG 21-104.

3 Q Thank you. And, so, do you adopt that as your  
4 sworn written testimony, Exhibit 11 and 12, and  
5 Exhibit 13, but with 11 and 12 subject to  
6 Exhibit 13?

7 A (Alam) Yes, I do.

8 Q Thank you. Can you, looking at your technical  
9 statement, and Exhibit 13, can you explain the  
10 changes that you made in Exhibit 13?

11 A (Alam) Sure. So, in Exhibit 13, the Company  
12 provided our revised RDAF rate, which is  
13 consistent with the Settlement Agreement in DG  
14 21-104. And we used that updated revised RDAF  
15 rate to calculate the bill impacts that was  
16 provided as Table 6 in my technical statement.

17 Q And can you explain then why you also drafted  
18 revised Table 6 in Exhibit 13?

19 A (Alam) Can you just clarify a bit more?

20 Q Sure. You filed your technical statement. But  
21 can you explain the differences between the  
22 Table 6 in 11 and 12, and in 13, and why you had  
23 to do another table, which is Attachment B in  
24 Exhibit 13?

{DG 24-102} {10-24-24}

[WITNESS PANEL: Alam|Blair]

1 A (Alam) Oh, sure. So, the Company provided a  
2 corrected, revised RDAF rate in Docket DG 24-103.  
3 So, we have to include that RDAF rate, so that  
4 the Commission has the corrected bill impact  
5 scenario.

6 Q And do you agree with the bill impacts that the  
7 Company provided in Exhibit 1/2, Attachment  
8 NUI-SED-3, which is on Bates Page 307 through  
9 324?

10 A (Alam) Yes.

11 Q You agree with --

12 A (Alam) Can you repeat the question?

13 Q Sure. Do you agree with the bill impacts the  
14 Company provided in Exhibit 1 and 2, on Bates  
15 Pages 307 through 324?

16 A (Alam) No, because there the Company is using an  
17 RDAF rate which is inconsistent with the  
18 Settlement Agreement in 21-104.

19 Q And, in regards to the Company's tariff pages at  
20 8 through 11, in Exhibit 6, do you agree with the  
21 RDAF on those pages?

22 A (Alam) No.

23 Q And, if the Commission needs to use a bill impact  
24 analysis for its order, what bill impact analysis

[WITNESS PANEL: Alam|Blair]

1 do you recommend that they use?

2 A (Alam) I recommend the bill impacts that is shown  
3 in Exhibit 13 and Attachment B.

4 Q And can you explain how you calculated that RDAF  
5 differently from how the Company calculated it in  
6 their Exhibit 1 and 2, and on their tariff pages  
7 in Exhibit 6?

8 A (Alam) So, the Department calculated the bill  
9 impact using the RDAF rate, which is the capped  
10 RDAF rate consistent with the Settlement  
11 Agreement in DG 21-104.

12 MS. LYNCH: All right. Thank you. I  
13 don't have any further questions.

14 CHAIRMAN GOLDNER: Thank you. We'll  
15 turn now to the Company, and cross?

16 MS. DAVEY: I have no cross.

17 CHAIRMAN GOLDNER: Thank you. We'll  
18 move now to the Office of the Consumer Advocate  
19 for any cross?

20 MR. CROUSE: Thank you for the  
21 opportunity, but the OCA has no questions.

22 CHAIRMAN GOLDNER: Thank you. And  
23 we'll turn now to Commissioner questions,  
24 beginning with Commissioner Chattopadhyay.

{DG 24-102} {10-24-24}

[WITNESS PANEL: Alam|Blair]

1 CMSR. CHATTOPADHYAY: I do not have any  
2 questions. Thank you.

3 CHAIRMAN GOLDNER: And neither do I.  
4 So, we'll move to redirect, which may be short.

5 MS. LYNCH: No, no redirect. Thank  
6 you.

7 CHAIRMAN GOLDNER: That's what I  
8 suspected. Okay. Very good. Thank you,  
9 Attorney Lynch.

10 Okay. Thank you. The witnesses are  
11 now excused. You can just stay seated, if you  
12 like, as we wrap up the hearing.

13 Okay. We'll now invite the parties to  
14 make brief closing statements, beginning with the  
15 New Hampshire Department of Energy.

16 MS. LYNCH: Thank you, Commissioners.

17 The Department has reviewed the  
18 Company's filing. We issued two sets of data  
19 requests, to which the Company responded to, and  
20 we engaged in one technical session with the  
21 Company.

22 The DOE supports the filing, with the  
23 exception of the bill impacts, that we probably  
24 discussed at length, in Exhibit 1 and 2, Bates

{DG 24-102} {10-24-24}

1 Pages 307 through 324, and also as shown on the  
2 tariff pages in Exhibit 6.

3 And thank you for the Commission's time  
4 this morning.

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

7 MR. CROUSE: Thank you, Commissioners.  
8 The OCA is generally supportive of the  
9 Company's filing. We concur with the Department  
10 with respect to the bill impacts.

11 Thank you.

12 CHAIRMAN GOLDNER: Okay. Thank you,  
13 Attorney Crouse. And I hope you feel better.

14 MR. CROUSE: Thank you.

15 CHAIRMAN GOLDNER: And, finally, the  
16 Company.

17 MS. DAVEY: Thank you, Commissioners.  
18 The Company appreciates the time of the  
19 Commission, the Department, and the Office of the  
20 Consumer Advocate today.

21 I would just clarify that the Company  
22 can provide updated bill impacts, if that is the  
23 Commission's preference. And I would also note  
24 that our team has not had the opportunity to

1 review in-depth the bill impacts provided  
2 yesterday, and also they could be correct. And,  
3 so, whatever the Commission's preference is  
4 regarding that, we will -- we can comply with  
5 that.

6 *[Chairman Goldner and Atty. Speidel*  
7 *conferring.]*

8 CHAIRMAN GOLDNER: Yes, I think we have  
9 some options available. If the Company can take  
10 a look at the DOE filing in Exhibit 13, and maybe  
11 file something with us later today, if that looks  
12 accurate, that could be the easiest way to move  
13 forward. The alternative would be that we would  
14 footnote it in the order, saying that "the  
15 Company's filing would be worst case, and we  
16 expect the actual rates to be slightly lower."

17 But, if the Company's comfortable --

18 *[Chairman Goldner and Atty. Speidel*  
19 *conferring.]*

20 CHAIRMAN GOLDNER: That's right. So,  
21 would that be -- would that be okay with the  
22 Company, to look at Exhibit 13, Appendix B, and  
23 come back and confirm if you agree with those  
24 numbers?



1 MS. DAVEY: Yes. We can do that.

2 CHAIRMAN GOLDNER: Okay.

3 MS. DAVEY: And, so, otherwise, the  
4 Company respectfully requests that the Commission  
5 find the Company's proposed rates for the  
6 2024-2025 Winter Period and for the 2025 Summer  
7 Period are just and reasonable, and approve the  
8 proposed rates, including other proposed rate and  
9 tariff changes contained in the Company's  
10 filings, with the understanding that a updated  
11 summary rate tariff can be filed in this docket  
12 in compliance with any other orders that the  
13 Commission makes.

14 CHAIRMAN GOLDNER: Okay. So, thank  
15 you.

16 So, first, having heard no objections  
17 to the proposed Exhibits 1 through 13, the  
18 Commission will strike ID and enter them into  
19 evidence.

20 And just a moment while I check with  
21 Attorney Speidel.

22 *[Chairman Goldner and Atty. Speidel*  
23 *conferring.]*

24 CHAIRMAN GOLDNER: Okay. So, we'll

1 depend on the Company to get back with us on the  
2 Department's filing. Later today would be okay,  
3 Attorney Davey?

4 MS. DAVEY: Yes.

5 CHAIRMAN GOLDNER: Okay. Thank you.  
6 Because we need to issue the order in advance of  
7 November 1st, so this is moving quickly.

8 So, we -- the Commission will issue an  
9 order, assuming we receive the filing timely from  
10 the Company, for the Company's cost of gas and  
11 LDAC rate proposals in advance of November 1st.

12 And the hearing is adjourned. Thank  
13 you.

14 ***(Whereupon the hearing was adjourned***  
15 ***at 10:40 a.m.)***