

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

June 22, 2017 - 1:40 p.m.
Concord, New Hampshire

13 JUL '17 AM 10:18

RE: DE 16-823
EVERSOURCE ENERGY:
Petition for Adjustment to Stranded
Cost Recovery Charge.
(Hearing on Mid-Year Adjustment)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Company of
New Hampshire d/b/a Eversource Energy:
Matthew J. Fossum

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Thomas Frantz, Director/Electric Div.
Richard Chagnon, Electric Division

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

**CERTIFIED
ORIGINAL TRANSCRIPT**

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P R O C E E D I N G

CHAIRMAN HONIGBERG: Good afternoon, everyone. We're here in Docket 16-823, which is Eversource's Stranded Cost Recovery docket. We have two other dockets and hearings we're going to process this afternoon, one at a time. There will be overlap without question. And that will get explained on the record as we go.

Before we do anything else, let's take appearances.

MR. FOSSUM: Good afternoon, Commissioners. Matthew Fossum, here for Public Service Company of New Hampshire doing business as Eversource Energy.

MR. KREIS: Good morning, Mr. Chairman, Commissioner Bailey. I'm D. Maurice Kreis, the Consumer Advocate, here all by myself representing the interests of residential utility customers.

MS. AMIDON: Hi. Good afternoon. This is Suzanne Amidon. And, with me today is Tom Frantz, the Director of the Electric Division, and Rich Chagnon, who is an analyst for the Electric Division.

1 CHAIRMAN HONIGBERG: All right. How
2 are we proceeding in this docket?

3 Mr. Fossum.

4 MR. FOSSUM: This afternoon, on this
5 particular docket, we have one witness who we
6 would have take the stand and offer testimony.

7 CHAIRMAN HONIGBERG: Are there any
8 preliminary matters we need to deal with?

9 MR. FOSSUM: The only one that I can
10 think of is that, prior to the Commissioners
11 entering the room, we premarked a few exhibits
12 for identification.

13 So, what has been premarked for
14 identification as "Exhibit 5" in the docket is
15 the May 9th filing of Eversource. What has
16 been premarked as "Exhibit 6" for
17 identification is the June 16th filing from
18 Eversource. And what has been premarked as
19 "Exhibit 7", and copies I believe have been
20 provided for you, is what the -- the exhibit
21 that's typically referred to as the "bingo
22 sheet" rate exhibit.

23 CHAIRMAN HONIGBERG: And is that one
24 we're going to be using in all three hearings?

1 Or is there going to be a different one that
2 appears for each?

3 MR. FOSSUM: It's the same document.
4 Different copies have been provided to the
5 Clerk for entry in each of the dockets
6 separately, but it will be the same document
7 used throughout.

8 (The documents, as described,
9 were herewith marked as

10 **Exhibit 5, Exhibit 6, and**
11 **Exhibit 7, respectively, for**
12 identification.)

13 CHAIRMAN HONIGBERG: Do you know how
14 much reliance there's going to be on what has
15 been marked as "Exhibit 5", because my file
16 doesn't happen to contain that one? That's the
17 May 9th filing.

18 MR. FOSSUM: It is. I have an extra
19 copy of it, if you need it, Mr. Chairman. I
20 think there will be, from my perspective, very,
21 very little reliance upon that filing.

22 CHAIRMAN HONIGBERG: Okay. There's a
23 couple up here that, if someone -- if I need
24 one, I can either borrow from the Clerk or

[WITNESS: Bidmead]

1 Commissioner Bailey. So, I think we're going
2 to be all set.

3 MR. FOSSUM: So be it.

4 CHAIRMAN HONIGBERG: All right. Is
5 there anything we need to do before we have
6 your witness take the stand?

7 MR. FOSSUM: Nothing else from me.

8 CHAIRMAN HONIGBERG: All righty. Why
9 don't you have that done.

10 Mr. Patnaude.

11 (Whereupon **David F. Bidmead** was
12 duly sworn by the Court
13 Reporter.)

14 CHAIRMAN HONIGBERG: Mr. Fossum.

15 MR. FOSSUM: Thank you.

16 **DAVID F. BIDMEAD, SWORN**

17 **DIRECT EXAMINATION**

18 BY MR. FOSSUM:

19 Q. Mr. Bidmead, could you please state your name,
20 your place of employment, and your
21 responsibilities for the record in this docket
22 please.

23 A. My name is David Bidmead. I'm a Senior Revenue
24 Requirements Analyst for New Hampshire,

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[WITNESS: Bidmead]

1 employed by Eversource Energy, 107 Selden
2 Street, Berlin, Connecticut. My
3 responsibilities include the preparation and
4 review of the calculation of New Hampshire
5 revenue requirements for Eversource, as well as
6 the filings associated with Eversource's Energy
7 Service Charge, the Stranded Cost Recovery
8 Charge, and Transmission Cost Adjustment
9 Mechanism.

10 Q. Thank you. And, Mr. Bidmead, back on May 9th,
11 did you file testimony, which has been
12 premarked for identification as "Exhibit 5"?

13 A. Yes.

14 Q. And that testimony and its attachments, were
15 those prepared by you or at your direction?

16 A. Yes.

17 Q. Do you have any changes or updates to that
18 testimony today?

19 A. No.

20 Q. And would you adopt -- excuse me. Would you
21 adopt that testimony -- do you adopt that
22 testimony as your sworn testimony for this
23 proceeding?

24 A. Yes.

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[WITNESS: Bidmead]

1 Q. And, Mr. Bidmead, did you also, on June 16th,
2 file a technical statement and schedules in
3 what has been premarked for identification as
4 "Exhibit 6"?

5 A. Yes.

6 Q. And that technical statement and those
7 schedules, they were prepared by you -- were
8 they prepared by you or at your direction?

9 A. Yes.

10 Q. And do you have any changes or updates to that
11 information?

12 A. No.

13 Q. And do you adopt the information that's in
14 there as your sworn testimony today?

15 A. Yes.

16 Q. I'll get to Exhibit 7 in a moment. I would
17 just ask, Mr. Bidmead, at a very high level,
18 could you explain what it is that the Company
19 is proposing as shown in the exhibits that we
20 have just discussed?

21 A. Yes. The Company is requesting a change in the
22 SCRC rate from the current rate of 0.027 cents
23 per kilowatt-hour, down to negative 0.092 cents
24 per kilowatt-hour. The primary drivers of that

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[WITNESS: Bidmead]

1 change are a December 2016 \$4.8 million
2 reduction in Yankee Atomic -- Atomic Plant
3 obligations included in the prior year over
4 recovery that was not forecasted, offset by
5 RGGI auction proceeds coming in at a lower
6 price than forecasted.

7 Q. Thank you. Mr. Bidmead, do you have in front
8 of you what has been premarked for
9 identification as "Exhibit 7"?

10 A. Yes.

11 Q. Could you please explain what it is that that
12 document shows? Oh, and in particular, with a
13 focus on the item that's the subject of this
14 docket.

15 A. Yes. On Page 1 of Exhibit 7, in the bottom
16 section -- excuse me -- in the bottom section,
17 the Stranded Cost Recovery Charge, which is the
18 third line, reflects the -- I'm sorry. Page 1
19 reflects a 600 kilowatt-hour average bill for a
20 residential customer. In the lower section,
21 under the Stranded Cost Recovery Charge, the
22 change to the customer bill would be 75 cents.
23 That's the third column in the bottom half.
24 And the change as a percent of the total bill

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[WITNESS: Bidmead]

1 would be a negative -- or, a decrease of
2 0.6 percent to the average bill.

3 Q. And continuing on in that exhibit?

4 A. Page 2, which is the impact or the change on a
5 delivery service bill, which is for customers
6 that would not be taking supply, would not be
7 part of the Energy -- the Energy Service charge
8 customers, their bills would go down
9 1.7 percent on average. That's the SCRC
10 column, the bottom number, bottom percentage.

11 On Page 3, which reflects the impact of a
12 bill for a customer that is deliver and energy,
13 including the ES charge, again, the third
14 column, "SCRC", the bottom percentage, would be
15 a decrease of 0.7 percent.

16 Q. And, just for clarity, Page 3, that's the
17 inclusion of the Energy Service charge, that's
18 the Energy Service charge that's the subject of
19 a hearing later this afternoon, is that
20 correct?

21 A. Yes.

22 Q. And, now -- oh, Mr. Bidmead, is it your
23 position, is it the Company's position that the
24 rates that are proposed to be adopted for the

[WITNESS: Bidmead]

1 Stranded Cost Recovery Charge are just and
2 reasonable?

3 A. Yes.

4 Q. And the Company is requesting that they be
5 approved as just and reasonable?

6 A. Yes.

7 MR. FOSSUM: Thank you. That's all I
8 have for direct.

9 CHAIRMAN HONIGBERG: Mr. Kreis.

10 MR. KREIS: Thank you, Mr. Chairman.
11 Hopefully, I'm close enough to the microphone.
12 Mr. Bidmead, good afternoon. It's nice to see
13 you again.

14 WITNESS BIDMEAD: Good afternoon.

15 MR. KREIS: I want to make sure I
16 don't have my exhibit numbers screwed up. I'm
17 looking at the June 16th Technical Statement of
18 Mr. Bidmead, and I think that's "Exhibit 6", am
19 I right?

20 MR. FOSSUM: Yes.

21 WITNESS BIDMEAD: Yes.

22 CHAIRMAN HONIGBERG: Yes.

23 MR. KREIS: Okay.

24 **CROSS-EXAMINATION**

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[WITNESS: Bidmead]

1 BY MR. KREIS:

2 Q. So, what I would like to ask you to do, Mr.
3 Bidmead, and I think the thing to do is to look
4 at Exhibit 6 for this purpose, can you just
5 take me through, because I'm a lawyer and I
6 have a hard time understanding numbers, the --
7 can you take me through the process of telling
8 me how the RGGI Program is reflected in the
9 stranded cost recovery reconciliation we're
10 talking about here today?

11 A. Okay. Starting with the final product, so to
12 speak, on Attachment DFB-1, Page 1, Line 10,
13 would be the new RGGI Adder Rate, as of this
14 June 16th filing, is proposed at a negative
15 0.062 cents per kilowatt-hour. And that is
16 supported by Attachment DFB-2, Pages 1 and 2.

17 Q. Super. So, before you go into that, though,
18 Line 11 of Page 1 says "Proposed average SCRC
19 Rate including RGGI Rebate". The "RGGI
20 Rebate", if I'm understanding correctly, is the
21 RGGI Adder from the previous line?

22 A. Yes.

23 Q. Okay.

24 A. And, so, if you refer to Attachment DFB-2,

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[WITNESS: Bidmead]

1 Page 1, what we're doing here is we're taking,
2 for 2017, Line 1, for 2017 actual and
3 forecasted Non-Core RGGI proceeds, which are
4 supported in a calculation on Page 2.

5 Q. What does the phrase "Non-Core" mean in that
6 context?

7 A. So, in the RGGI auction process, as the
8 clearing price for the auction, the first
9 dollar goes to an energy efficiency fund, and
10 that is referred to as "Core". Anything above
11 a dollar gets spread out amongst New Hampshire
12 customers throughout the state, and that's
13 referred to as "Non-Core".

14 Q. Understood. Sorry to interrupt.

15 A. So, on Page 1, so, Line 1 is the estimated
16 non-Core proceeds. Page 2 is a calculation of
17 the prior year's under/(over) recovery from
18 2016.

19 The combination of the two into Line 3,
20 total over/under -- or, total costs for 2016
21 and '17 together.

22 Line 4 is the estimated revenue from the
23 Adder rate that gets applied to customers.

24 Line 5 is the difference between Lines 3

[WITNESS: Bidmead]

1 and 4, resulting in an under recovery.

2 Line 6 is the forecasted retail sales from
3 July 2017 through December 2017.

4 And, then, dividing the under recovery by
5 the sales gets you to Line 7, which would be
6 0.011 cents, which went in the opposite
7 direction of the credit that's currently being
8 applied to customers of 0.073 on Line 8,
9 resulting in the new rate on Line 9 of negative
10 0.062 cents.

11 MR. KREIS: I think that's all I
12 need.

13 CHAIRMAN HONIGBERG: Ms. Amidon.

14 MS. AMIDON: Thank you. Good
15 afternoon.

16 WITNESS BIDMEAD: Good afternoon.

17 BY MS. AMIDON:

18 Q. And just for clarification, the average SCRC
19 rate is the negative 0.92 cents per
20 kilowatt-hour, is that right?

21 A. That's correct.

22 Q. And then you calculate the SCRC rate among the
23 classes according to previously approved
24 metrics, is that fair to say?

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[WITNESS: Bidmead]

1 A. That's correct.

2 MS. AMIDON: Okay. Thank you.

3 That's all that I have.

4 CHAIRMAN HONIGBERG: Commissioner

5 Bailey.

6 BY CMSR. BAILEY:

7 Q. I think that may answer my first question.

8 But, in your Exhibit 6, you say that

9 "Eversource has calculated the Stranded Cost
10 Recovery rate (including the RGGI adder) of
11 negative 0.092 cents per kilowatt-hour". You
12 see that?

13 A. Yes.

14 Q. And, on the bingo sheet, it's "0.094 cents per
15 kilowatt-hour".

16 A. Uh-huh.

17 Q. Is that because residential customers get a
18 higher credit than other customers or --

19 A. Yes. It's just an average. So, different rate
20 classes get different rates. It goes back
21 to -- it goes back to the Restructuring
22 Settlement.

23 Q. Which is the average?

24 A. The "0.092" is the average.

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[WITNESS: Bidmead]

1 CMSR. BAILEY: Okay. That's all I
2 have. Thank you.

3 WITNESS BIDMEAD: Thank you.

4 CHAIRMAN HONIGBERG: And I have no
5 questions.

6 Mr. Fossum, do you have any further
7 questions for Mr. Bidmead?

8 MR. FOSSUM: I do not.

9 CHAIRMAN HONIGBERG: All right. Mr.
10 Bidmead, I think you can probably return to
11 your seat. I assume there's no objection to
12 striking the ID on the exhibits that were
13 marked today, that's Exhibits 5, 6, and 7?

14 *[No verbal response.]*

15 CHAIRMAN HONIGBERG: Seeing no
16 objection, the ID is struck.

17 Anything we need to do before the
18 parties sum up on this one?

19 *[No verbal response.]*

20 CHAIRMAN HONIGBERG: All right. Mr.
21 Kreis, why don't you begin.

22 MR. KREIS: I would like to thank Mr.
23 Bidmead for his testimony. In the view of the
24 Office of the Consumer Advocate, all of the

1 calculations that the Company has submitted in
2 its most recent technical statement, as
3 supported by its prior filings, are all in
4 order. And, therefore, the proposed new
5 Stranded Cost Recovery Charge for effect on
6 July 1st, 2017 is supported by the record and a
7 just and reasonable rate that warrants the
8 approval of the Commission.

9 CHAIRMAN HONIGBERG: Ms. Amidon.

10 MS. AMIDON: Thank you. Staff
11 reviewed this filing and determined that the
12 Company calculated the SCRC average rate in the
13 manner that it has previously done in these
14 dockets. And we approve -- we would recommend
15 that the Commission approve the Petition as
16 modified by the June 16th update.

17 Thank you.

18 CHAIRMAN HONIGBERG: Mr. Fossum.

19 MR. FOSSUM: Thank you. I have very
20 little to say, other than I concur with the OCA
21 and the Staff. And I would request that the
22 Commission approve the rate as has been
23 proposed, and that it do so in time for the
24 rate to take effect on July 1st, 2017.

1 CHAIRMAN HONIGBERG: All right.

2 Thank you all. We'll close this hearing, take
3 the matter under advisement, issue an order as
4 quickly as we can.

5 (Whereupon the hearing was
6 adjourned at 1:55 p.m.)

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