

1   **STATE OF NEW HAMPSHIRE**  
2   **PUBLIC UTILITIES COMMISSION**

3  
4     **June 21, 2019** - 1:06 p.m.  
5     Concord, New Hampshire

NHPUC 9JUL'19PM12:52

6  
7                   **RE: DE 19-057**  
8                   **EVERSOURCE ENERGY:**  
9                   **Notice of Intent to File Rate**  
10                   **Schedules. (Prehearing conference)**

11                   **PRESENT:**     Chairman Martin P. Honigberg, Presiding  
12                                   Commissioner Kathryn M. Bailey  
13                                   Commissioner Michael S. Giaimo

14  
15                                   Sandy Deno, Clerk

16                   **APPEARANCES:**   **Reptg. Eversource Energy:**  
17                                   Matthew J. Fossum, Esq.  
18                                   Matthew Campbell, Esq. (*Keegan Werlin*)

19                                   **Reptg. Clean Energy New Hampshire:**  
20                                   Elijah D. Emerson, Esq.

21                                   **Reptg. The Way Home:**  
22                                   Raymond Burke, Esq. (*N.H. Legal Asst.*)

23                                   **Reptg. the Acadia Center:**  
24                                   Ellen Hawes

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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**APPEARANCES: (C o n t i n u e d)**

**Reptg. Residential Ratepayers:**

D. Maurice Kreis, Esq., Consumer Adv.  
Brian D. Buckley, Esq.  
Pradip Chattopadhyay, Asst. Cons. Adv.  
James Brennan, Finance Director  
Office of Consumer Advocate

**Reptg. PUC Staff:**

Suzanne G. Amidon, Esq.  
Richard Chagnon, Assistant Director/  
Electric Division

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

1  
2 CHAIRMAN HONIGBERG: Good afternoon,  
3 everyone. We are here in Docket DE 19-057,  
4 which is Eversource's rate case. This is a  
5 prehearing conference on its permanent rate  
6 request. There will be a technical session  
7 that follows.

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

10 MR. FOSSUM: Good toasty afternoon,  
11 Commissioners. Matthew Fossum, here for Public  
12 Service Company of New Hampshire, doing  
13 business as Eversource Energy. With me this  
14 afternoon is Matt Campbell, from the law firm  
15 Keegan Werlin, assisting the Company with this  
16 case.

17 MR. EMERSON: Eli Emerson, from  
18 Primmer, Piper, Eggleston & Cramer, on behalf  
19 of Clean Energy New Hampshire.

20 MR. BURKE: Good afternoon,  
21 Commissioners. Raymond Burke, from New  
22 Hampshire Legal Assistance, here on behalf of  
23 our client, The Way Home.

24 MS. HAWES: Good afternoon. Ellen

1 Hawes, from Acadia Center.

2 MR. KREIS: Good afternoon. I'm D.  
3 Maurice Kreis, the Consumer Advocate, here on  
4 behalf of residential utility customers, with  
5 my entire team this afternoon.

6 MS. AMIDON: Good afternoon. Suzanne  
7 Amidon, for Commission Staff. There are  
8 several members of the Electric Division in the  
9 room, and to my left is the Assistant Director  
10 of the Electric Division, Rich Chagnon.

11 CHAIRMAN HONIGBERG: All right. I  
12 know we have dealt with some interventions  
13 already, but I think we have two new requests  
14 to intervene, from Walmart and from the Acadia  
15 Center.

16 Mr. Fossum, does the Company have any  
17 position?

18 MR. FOSSUM: The Company has no  
19 position on either.

20 CHAIRMAN HONIGBERG: Does anyone else  
21 have a position?

22 MS. AMIDON: No.

23 CHAIRMAN HONIGBERG: I see shaking  
24 heads all around.

1 All right. We'll grant both motions  
2 to intervene that were pending.

3 Anything else we need to do in the  
4 way of preliminaries, before we get the  
5 positions of the parties?

6 MR. FOSSUM: The only preliminary I  
7 can think of is I believe that counsel for  
8 Walmart is not physically present in the room,  
9 but is on the phone. And I don't know if she  
10 had an opportunity to mention that.

11 CHAIRMAN HONIGBERG: Is that true?  
12 Ms. Amidon.

13 MS. AMIDON: Yes. She is on the  
14 phone. But we told her -- we instructed her  
15 that she could listen only in this portion of  
16 the proceeding and not participate, because  
17 that has not proven to work out well in other  
18 instances.

19 CHAIRMAN HONIGBERG: Is the audio set  
20 up so that she is listening through the  
21 microphones or is she just listening to the  
22 ambient noise?

23 MS. AMIDON: I believe that the Clerk  
24 has set it up so that she's listening through

1 the microphones.

2 CHAIRMAN HONIGBERG: That means that  
3 anybody who speaks needs to have the microphone  
4 close enough to them so that it registers  
5 clearly. And I'm looking at, I guess,  
6 Mr. Emerson, because I could barely hear you  
7 when you said "hello". Ms. Amidon, you're  
8 going to need to make sure that that microphone  
9 is closer to you. Welcome to those who are on  
10 the phone.

11 Anything else? Mr. Fossum? Anyone  
12 else?

13 *[No verbal response.]*

14 CHAIRMAN HONIGBERG: Mr. Fossum, why  
15 don't you start us off with your preliminary  
16 position regarding this case.

17 MR. FOSSUM: Thank you. And I won't  
18 take terribly long.

19 Good afternoon, Commissioners. And I  
20 will start by acknowledging the work that has  
21 already been done in this case, that led to a  
22 settlement on the temporary rates proposal of  
23 the Company, and that was presented to  
24 Commission earlier this week.

1           As the Company made claim then, we're  
2 aware that the big work still lies ahead in  
3 this case. And so, with that in mind, I'll  
4 turn to the Company's permanent rate proposal  
5 that we're here to talk about today.

6           PSNH has put forth a comprehensive  
7 set of proposals and requests. And I'm going  
8 to highlight just a few this afternoon.

9           First, there are the programs that  
10 PSNH has included in its proposed Grid  
11 Transformation and Enablement Program, dubbed  
12 "GTEP", that will help to solidify the existing  
13 grid infrastructure in the state and prepare it  
14 for hosting new and expanded distributed energy  
15 resources and perhaps other technologies in the  
16 future.

17           On the issue of DERs, the Company has  
18 included two forward-thinking proposals, one on  
19 battery storage and on microgrids, that may  
20 serve both as demonstrations and significant  
21 learning opportunities. And we would ask the  
22 Commission to approve these proposals.

23           Relatedly, we have proposed a  
24 Distribution Rate Adjustment Mechanism, similar



1 to a mechanism of other utilities to recover  
2 costs related to the GTEP and other proposals,  
3 such as assessments and consulting costs, and  
4 we would request the Commission approve those  
5 as well.

6 Additionally, we are proposing new  
7 programs intended to enhance our customer  
8 service experience for those customers in New  
9 Hampshire, through our "fee free" proposal  
10 included in Ms. Conner's testimony, where we're  
11 looking to align the Company with the offerings  
12 of many other service providers, including at  
13 least one other electric company in New  
14 Hampshire, and allow customers to deal with  
15 PSNH in much the same way as other sellers of  
16 products and services on a "fee free" basis.

17 PSNH has also proposed an Arrearage  
18 Forgiveness Program to help shift the overall  
19 customer experience and avoid the negative  
20 consequences or to help avoid the negative  
21 consequences that can come from unpaid  
22 arrearages. Likewise, PSNH requests the  
23 Commission to approve those proposals.

24 Additionally, and importantly, though

1 perhaps not as headline worthy, PSNH has  
2 included other programs, proposals, and  
3 information in its filing, including that PSNH,  
4 since the time of its last rate case, has  
5 become part of a larger and stronger  
6 organization. It has used the scope of that  
7 larger organization to control its costs,  
8 standardize its equipment, and assist in the  
9 rollout of new offerings, such as a robust  
10 outage management system, that provides  
11 increased information to customers, regulators,  
12 and the Company itself. The benefits of that  
13 new organization will be borne out through this  
14 proceeding.

15 Also, using new information the  
16 Company has produced for this case, we're  
17 looking to update and redesign our rates to  
18 better align costs among classes.

19 Overall, the Company is showing and  
20 will show how it's -- through its entire case  
21 that what it's proposed is just, reasonable,  
22 and in the public interest.

23 Of course, some may not agree with  
24 our proposals, may think they go too far, or

1 perhaps not far enough. And we intend to  
2 constructively engage with those people and  
3 those groups, with the goal of reaching a  
4 resolution aligned with the Commission's  
5 directive to arbitrate between the interests of  
6 utilities and customers and to find a just and  
7 reasonable result.

8 In closing, PSNH is proud of the  
9 proposal that it's put in front of the  
10 Commission and specific items within it, and is  
11 ready to work to demonstrate the value that  
12 this proposal, as a whole, brings to its  
13 customers and to the State of New Hampshire.

14 Thank you.

15 CHAIRMAN HONIGBERG: Thank you,  
16 Mr. Fossum. Mr. Emerson.

17 MR. EMERSON: Thank you,  
18 Commissioners.

19 On behalf of Clean Energy New  
20 Hampshire, I just wanted to quickly highlight  
21 some of the issues I think in the initial  
22 passthrough of the filing we've identified that  
23 we'll be interested in and digging a little  
24 deeper into, and possibly providing testimony.

1 I do think that the GTEP is one that  
2 has two important components. One is overall  
3 grid modernization, which I believe, overall,  
4 is a positive step. I do think we're  
5 interested in how it interrelates with the Grid  
6 Modernization docket that's ongoing at the same  
7 time.

8 I think as well, there are two -- two  
9 demonstration projects which have been outlined  
10 in the testimony. Looking to find out a little  
11 bit more about the specifics of those. Then  
12 also as that relates to the DRAM, the  
13 funding -- the adjustment funding mechanism,  
14 how an ongoing funding mechanism works for  
15 those programs, how they're approved in  
16 advance, and then the costs for those  
17 incorporated into rates through adjustments.

18 Also noting there are some changes  
19 involving the outdoor lighting tariff that  
20 we'll be interested in, the mention of an  
21 electric vehicle charging corridor. And then,  
22 generally, to the degree other components of  
23 the rate case involve interests for which Clean  
24 Energy New Hampshire has been participating and

1 involved with.

2 That's it. So, I mean, at this  
3 point, we have no position on the rate filing.

4 CHAIRMAN HONIGBERG: Thank you,  
5 Mr. Emerson. Mr. Burke.

6 MR. BURKE: Thank you, Mr. Chairman.  
7 And good afternoon, Commissioners.

8 As you know, The Way Home petitioned  
9 to intervene in this docket because it is  
10 concerned about the impact that rate increases  
11 will have on the low income clients that it  
12 serves in New Hampshire.

13 But, at the outset, The Way Home  
14 would like to state that it applauds Eversource  
15 for proposing the New Start Arrearage  
16 Forgiveness Program that Attorney Fossum  
17 highlighted in his comments. The Way Home has  
18 been involved in discussions before the  
19 Electric Assistance Program Advisory Board  
20 about the need for an arrearage forgiveness  
21 program here in New Hampshire, and has been  
22 studying programs in other states, most notably  
23 in Massachusetts, where the Company also  
24 operates.

1           New Hampshire has not had an  
2           arrears forgiveness program since about 2004,  
3           when a preprogram arrears component was part of  
4           the Electric Assistance Program. The Way Home  
5           agrees with Eversource that an arrears forgiveness  
6           program can be a key component of  
7           providing just and equitable service to  
8           low-income customers, and that the time is  
9           right for implementing a program here in New  
10          Hampshire. When done right, an arrears forgiveness  
11          program can be beneficial for all  
12          customers, not just low-income ratepayers.

13           The Way Home is still analyzing the  
14          Company's New Start proposal, but anticipates  
15          it will likely have questions, and provide  
16          testimony or comments about the eligibility  
17          criteria and overall program design, including  
18          the cost recovery mechanism.

19           As the Commission noted in its Order  
20          of Notice scheduling this prehearing  
21          conference, The Way Home is also carefully  
22          considering whether a generic docket has some  
23          role to play in the development and/or  
24          monitoring of what would be a new initiative

1 for New Hampshire. And that we think raises  
2 issues that extend beyond the scope of this  
3 proceeding, which, of course, only involves one  
4 company that serves a segment of residential  
5 ratepayers in New Hampshire.

6 In addition, The Way Home also has  
7 some general concerns about whether the rate  
8 design and fixed customer charge proposed by  
9 Eversource are consistent with principles of  
10 conservation and with the goals of energy  
11 efficiency. Increases in the fixed customer  
12 charge tend to disproportionately impact low-use  
13 customers. And as we noted in our remarks in  
14 the prehearing conference for temporary rates,  
15 low-income customers tend to be low-use  
16 customers. And as we also noted previously,  
17 it's more difficult for low-income customers to  
18 absorb any increases, as these households  
19 struggle to afford their utility bills under  
20 current rates and charges.

21 The Way Home will also be taking a  
22 close look at other miscellaneous customer  
23 service fees that could impact low-use  
24 customers.

1           And we reserve the right to take  
2           other positions during the course of this  
3           docket, based on our continued review of the  
4           various filings and responses to data requests.  
5           But these statements represent our general  
6           concerns and interests at this time.

7           Thank you.

8           CHAIRMAN HONIGBERG: Thank you,  
9           Mr. Burke. Ms. Hawes.

10          MS. HAWES: Good afternoon,  
11          Commissioners. Thank you for approving our  
12          Petition to Intervene.

13          At this point, Acadia Center doesn't  
14          have an overall position on the rate, but we do  
15          have several concerns.

16          First of all, I think we would like  
17          to have a discussion/examination of an  
18          alternative of a full decoupling mechanism, in  
19          place of the LRAM that's currently in use and  
20          in place of the proposed Distribution Rate  
21          Adjustment Mechanism.

22          Second of all, while we are happy to  
23          see Eversource embrace the concept of non-wires  
24          alternatives in the two demonstration projects,



1 we would perhaps like to see this done as part  
2 of a full NWA analysis.

3 We are also a little bit concerned  
4 and interested to see how the GTEP is going to  
5 interplay with the open grid mod. investigation  
6 and the integrated distribution resource  
7 planning. I think there's -- there are some  
8 open questions, obviously, in that docket as  
9 well. And the creation of the GTEP and the  
10 DRAM at this point, while those issues are  
11 still open, I think might be a little bit  
12 premature and inappropriate.

13 Thank you.

14 CHAIRMAN HONIGBERG: Thank you,  
15 Ms. Hawes. Mr. Kreis.

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

17 Mr. Fossum alluded to the  
18 Commission's role as the arbiter between the  
19 interests of the shareholders of, in this case,  
20 Eversource, and the customers of Eversource.  
21 And in that regard, as the statutory  
22 representative of the Company's residential  
23 utility customers, we intend to participate in  
24 this docket fully, vigorously, and even

1           aggressively, so that at the end of the case  
2           the Commission has a fair and balanced and full  
3           record from which to make a determination about  
4           what rates are just and reasonable for this  
5           company as required by statute.

6                         We do not believe that the rates and  
7           other terms and conditions proposed by  
8           Eversource in its permanent rate filing  
9           currently meet that standard. And there are  
10          several issues that we would like to highlight  
11          at this very early stage in the case. And  
12          they're similar to some of the things that  
13          we've already heard from some of the other  
14          intervenors.

15                        What Eversource refers to as  
16          "demonstration and learning opportunities" are  
17          interesting proposals that, in our judgment,  
18          don't really have a comfortable home here in  
19          this rate case, and should probably be  
20          considered in some other docket in some other  
21          context.

22                        Here, in the context of what we're  
23          talking about here, which is "what deserves to  
24          be in rates now as currently used and useful",

1           these future investments that the Company would  
2           like to make on a "demonstration and learning  
3           opportunity" basis are just that, future  
4           opportunities, that really ought to be looked  
5           at elsewhere.

6                         We are skeptics about efforts to  
7           include costs related to EV charging and the EV  
8           charging corridor that I've been hearing so  
9           much about in electric rates that are paid for  
10          by all consumers. Our view is that, if the  
11          idea is to create EV charging opportunities for  
12          folks visiting New Hampshire from other states,  
13          then any costs should not be recovered from  
14          ratepayers who live in this state, because it  
15          isn't benefiting them.

16                        We are skeptics when it comes to the  
17          "fee free" proposal of the Company, because,  
18          obviously, any time a utility uses the word  
19          "free" in anything it proposes, it is worthy of  
20          a skeptical response from the ratepayer  
21          advocate, because we all know that nothing is  
22          free.

23                        And so, what we're really talking  
24          about here is taking certain costs that certain

1 customers are incurring, and spreading those  
2 costs across the entire customer base of  
3 Eversource, and that raises potential fairness  
4 issues.

5 Mr. Fossum mentioned that, since the  
6 last rate case, the Company, formally known as  
7 "Public Service Company of New Hampshire", is  
8 part of a -- he didn't quite describe it this  
9 way, but a much bigger corporate empire. And  
10 while I'm willing to concede, at least for the  
11 sake of argument, that that has provided  
12 certain benefits to customers here in New  
13 Hampshire, it probably has also made things  
14 slightly less advantageous from a customer  
15 perspective in some respects.

16 In any event, the transaction that  
17 led to the creation of the company we now know  
18 as "Eversource" was never blessed by this  
19 Commission, never considered by any parties in  
20 New Hampshire. It was simply a *fait accompli*  
21 with respect to anybody here in New Hampshire.  
22 And for that reason, and based upon  
23 longstanding Commission precedent, the recovery  
24 of merger costs in Eversource's rates here in

1 New Hampshire is an absolute nonstarter from  
2 the standpoint of the Consumer Advocate.

3 In general, what the Company is  
4 proposing here is a wholesale, maybe  
5 "wholesale" isn't the right word, a wide-scale,  
6 plenary transformation of the way this Company  
7 is regulated from traditional cost of service  
8 regulation into something that looks a lot like  
9 alternative regulation. The Company does that  
10 by proposing a multiyear rate plan, without any  
11 kind of decoupling mechanism. That is a  
12 massive transfer of business risk from the  
13 Company's shareholders to its customers. It is  
14 unfair. And we intend to oppose it vigorously.

15 We intend to be vigorous proponents  
16 of requiring this utility to decouple its  
17 rates. And by "decoupling", I mean severing  
18 the connection between the Company's sales and  
19 revenues, so that there is a symmetrical  
20 decoupling plan in place that is fair to  
21 shareholders and customers and progresses us  
22 into the 21st century.

23 On the question of risk, I would note  
24 that the Company's proposed return on equity is

1           vastly in excess of what this Company's risk  
2           profile would justify, particularly given that  
3           its rate case is, in our opinion, a massive  
4           transfer of risk from shareholders to  
5           customers.

6                         That said, I was pleased to hear  
7           Mr. Fossum refer to "constructive engagement".  
8           That is exactly what we seek with Eversource.  
9           And even though I'm obliged to express myself  
10          somewhat emphatically on an occasion like this,  
11          at the outset of a rate case like this, I go  
12          into this process with a great deal of optimism  
13          that, at the end of this case, there will be a  
14          settlement in place that all of the parties  
15          will find congenial to their interests, and  
16          represents a proposal that balances the  
17          interests of shareholders and customers --  
18          shareholders and customers that we can all  
19          recommend to the Commission for its approval in  
20          its statutory role of the arbiter that assures  
21          that rates are just and reasonable.

22                         And I guess that is all I have to say  
23          at this point.

24                         CHAIRMAN HONIGBERG: Thank you, Mr.

1 Kreis. Ms. Amidon.

2 MS. AMIDON: Thank you. Staff has  
3 only begun to review this very substantial  
4 filing. And we share many of the comments that  
5 you've heard from the intervenors and from the  
6 Consumer Advocate this morning -- I mean, this  
7 afternoon.

8 One of the things that Staff is  
9 concerned about is focusing on matters that  
10 need to be resolved within the 12-month tariff  
11 suspension period. And so, some of the -- some  
12 of those issues or proposals that are outside  
13 of permanent rates can, you know, we're  
14 thinking that we may want to see those aligned  
15 or dealt with in other dockets, in other  
16 proceedings, because the timeframe doesn't  
17 apply to certain of those matters. And I  
18 think -- I think two likely examples of that  
19 are the so-called "demonstration projects or  
20 learning experiences", which really don't have  
21 to be approved within a 12-month timeframe.

22 Having said that, we are going into  
23 the technical session with a proposed  
24 procedural schedule. And we have allowed in

1 that procedural schedule several rounds of  
2 discovery, the usual kind of investigation that  
3 you would anticipate in a permanent rate case.  
4 And we're ready to share that with the parties  
5 after this prehearing conference.

6 CHAIRMAN HONIGBERG: How many days do  
7 you anticipate for a hearing? Assuming you do  
8 not have a settlement, how many days do you  
9 think you'll need for a hearing?

10 MS. AMIDON: We have provided for  
11 five days of hearings.

12 CHAIRMAN HONIGBERG: When?

13 MS. AMIDON: In April of next year.

14 CHAIRMAN HONIGBERG: When does the  
15 12-month period expire on this?

16 MS. AMIDON: The end of May. And so,  
17 as I said, I think it's very important, given  
18 the fact that the Company chose to file its  
19 temporary rate, and then subsequently file its  
20 permanent rate, that we focus on those matters  
21 which need to be decided or investigated within  
22 the 12-month period.

23 CHAIRMAN HONIGBERG: I fully  
24 appreciate what you just said. I'm just doing



1 the math in my head as to finishing the hearing  
2 and needing to generate an order on a contested  
3 matter that may run well in excess of 100  
4 pages, depending on how many issues aren't  
5 resolved. I'm thinking back to the Liberty  
6 rate case. I think the order on that is about  
7 a hundred pages.

8 MS. AMIDON: Is that the gas case,  
9 Mr. Chairman? Is that right?

10 CHAIRMAN HONIGBERG: Yes. Sorry.  
11 Yes, Liberty's gas case, which is about a  
12 hundred pages, with, I don't know, something  
13 like seven or eight issues that needed to be,  
14 because, actually, we had to resolve the whole  
15 case, because there were documents called  
16 "settlements", but they weren't -- it wasn't a  
17 true settlement, we had all the issues that  
18 needed to be dealt with.

19 So, I just -- I just want you to  
20 think about that. And it sounds like you are  
21 thinking about it, so that you have enough time  
22 to do a contested case, and the Commission has  
23 enough time to resolve it, in the event that  
24 there's no comprehensive settlement here.

1 MS. AMIDON: And we've built in some  
2 additional time as well from -- to kind of play  
3 on the unexpected things. So, we have about, I  
4 don't know, about 60 days, would you say?

5 MR. CHAGNON: Yes.

6 MS. AMIDON: That's built in there  
7 where we could make adjustments to the  
8 schedule, just for that reason.

9 So, thank you.

10 CHAIRMAN HONIGBERG: All right.  
11 Anything else anyone needs from us?

12 *[No verbal response.]*

13 CHAIRMAN HONIGBERG: If not, we will  
14 close the prehearing conference and leave you  
15 to your technical session. Thank you all.

16 ***(Whereupon the prehearing***  
17 ***conference was adjourned at***  
18 ***1:29 p.m., and a technical***  
19 ***session was held thereafter.)***

20

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24