

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

 **ORIGINAL**

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Concord, New Hampshire

DAY 3

RE: DE 10-188
2011 CORE ELECTRIC PROGRAMS AND
NATURAL GAS ENERGY EFFICIENCY
PROGRAMS:

NHPUC JUN28'12 PM 4:30

Energy Efficiency Programs

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Michael D. Harrington
Commissioner Robert R. Scott

Sandy Deno - Clerk

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I N D E X

WITNESS PANEL: JAMES J. CUNNINGHAM, JR.
AL-AZAD IQBAL

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1 P R O C E E D I N G S

2 CHAIRMAN IGNATIUS: Welcome
3 back everyone. I'd like to reopen the
4 hearing in DE 10-188, which is the CORE
5 Electric Programs, Natural Gas Efficiency
6 Programs. We were not able to finish at our
7 last hearing date and scheduled to return
8 this morning for final examination of the
9 witnesses on the stand -- thank you -- and
10 then move to redirect and closing
11 statements; is that correct?

12 I think there was some
13 question initially about whether we were
14 going to do closings in writing or orally.
15 Everyone seemed happy with orally, except
16 for Mr. Steltzer, who wasn't able to be here
17 today. Does anyone have a report on the
18 status regarding closings?

19 MS. HOLLENBERG: Yes. Good
20 morning. Mr. Steltzer did ask us to relay
21 his statements, and we have it in writing.
22 I'm happy to provide it to the Commission
23 and parties in writing, or I can read it
24 into the record, whatever you'd prefer.

1 CMSR. IGNATIUS: I guess it
2 depends on how long it is and if it's
3 lengthy --

4 MS. HOLLENBERG: It's about
5 a page and a half.

6 CHAIRMAN IGNATIUS: All
7 right. Have you read the record in, and
8 we'll give a copy to the stenographer,
9 'cause sometimes it's hard to transcribe
10 writings because people speak a lot faster.
11 There's no objection on doing it that way, I
12 take it?

13 MS. THUNBERG: None.

14 CHAIRMAN IGNATIUS: There is
15 one other matter I want to raise with you
16 and let people have a chance to think it
17 over and, if need be, take a break before
18 we're done to respond to it, and that is, we
19 noticed in going through the file this
20 morning that there's one matter that relates
21 to this docket and actually pretty close to
22 the issues under discussion here. And if we
23 could resolve it today and get everyone's
24 responses and not have to do anything

1 further on paper, that would be a good
2 thing, and we could address it in the order.
3 It's a letter received here on June 15th
4 from Unitil and Northern, from Ms.
5 Goldwasser. It involves a request for a
6 waiver of certain standards for the Park
7 Place Home Performance with ENERGY STAR
8 project. And Park Place, if I could
9 summarize this -- I have copies of everyone
10 to take a look at if you don't have it in
11 your files -- is an electrically heated
12 96-unit rental community. It doesn't meet
13 the Home Heating Index criteria, but it does
14 meet other tests of cost efficiency. And
15 the Company makes out arguments on why it
16 would be appropriate to allow it to be done
17 in the HPwES program, exceed the cap number
18 of homes for this year, but not exceed the
19 budgetary limits for the program. If I got
20 any of those details wrong, I'm sorry. But
21 we've got copies of the letter that you can
22 come get from the clerk if you don't have
23 it.

24 My hope is at the end of the

1 morning we have a chance for any oral
2 responses to the request for waiver so that
3 we know if there are any concerns that we
4 should consider, and then we can take the
5 matter under advisement and address in a
6 final order. So, if anyone doesn't have a
7 copy of that, please come get one from Ms.
8 Deno, who's got extras.

9 MR. EATON: On that issue,
10 we reviewed the letter before it was
11 submitted, and PSNH has a practice similar
12 to that which we'll comment on, you know, if
13 that's acceptable. And if you don't want
14 the attorney testifying on the record, we
15 could have Mr. Galineau explain what we do.
16 But we do similar things, and we'll comment
17 on why we think it's acceptable for Unitil
18 and PSNH.

19 CHAIRMAN IGNATIUS: I think
20 your offer of proof is fine on those things.
21 But thank you.

22 All right. So, unless
23 there's anything further -- if anyone needs
24 a copy, please pick one up -- we can

1 dispense with that for a bit and go back to
2 witnesses, unless there's anything else we
3 need to take up first.

4 MS. THUNBERG: I just want
5 to clarify. Staff hasn't developed a
6 position on this yet. So we will have a
7 break to caucus first?

8 CHAIRMAN IGNATIUS: That'll
9 be fine. We'll take a break to make sure
10 everyone has a chance to look it over and
11 discuss it. I didn't mean to spring it. I
12 just thought we're so close to the comment
13 period, and we're here today, so if we could
14 do it all at once it would be more
15 efficient.

16 All right. Unless there's
17 anything further, the witnesses remain
18 sworn. And I think, if I've got it right,
19 we've been around the room for questioning,
20 and it's time for Commission questions.

21 Commissioner Harrington.

22 INTERROGATORIES BY CMSR. HARRINGTON:

23 Q. Good morning. Just a few questions. I want
24 to clarify some points in your testimony.

1 The presumption of this docket was that
2 the legal basis for the fuel-neutral issue
3 has already been established by previous
4 Commission orders. So, is it therefore safe
5 to say that what you're arguing today, or in
6 this Commission docket, is the fairness
7 issue and not the legal issue?

8 A. (By Mr. Iqbal) Yes, you are correct.

9 Q. And following along with that, it appears
10 the fuel-neutral barrier has already been
11 breached, if you will, under two programs:
12 The low-income program, which allows the
13 system benefit charge money to go to
14 weatherization and low-income housing, as
15 well as the Home ENERGY STAR program, which
16 allows the system benefit charge money to go
17 to new home construction for things not just
18 related to electrical energy efficiency, but
19 also could be heat savings, which may not be
20 electric heat savings; is that correct?

21 A. (By Mr. Iqbal) That's correct. On that, in
22 our testimony we explain that those are
23 exceptions. The commission took exception
24 of those, particularly for low-income group.

1 There are two exception. One is that first
2 one. The other one is that is funded by
3 both residential customers and C & I
4 customers. And on the other hand, the other
5 one, the ENERGY STAR Home, that is also an
6 exception because it is a practical matter.
7 Why? In our testimony, we explain that when
8 somebody is building a house, the idea is
9 that we want all these new houses to be
10 energy-efficient. But when somebody is
11 building the house without knowing which one
12 is the best available energy-efficient
13 measures, they cannot decide on that. So if
14 that is not fuel blind, then we face a
15 situation when the builder or the owner will
16 be given all this information and said that,
17 okay, these are the best option you have.
18 And if the best option is not electric
19 heating, then, okay, we cannot help you. In
20 that situation, we are not -- we are not
21 progressing to achieve that all these houses
22 are most energy-efficient. So, by choice,
23 it is giving them a choice based on all this
24 information they are getting and then choose

1 without any bias that whether they will get
2 equity based on their choice on the heating
3 system. They don't have to be pushed
4 towards electric heating or not.

5 Q. So it sounds as if your concern, then, is
6 not absolutely that no system benefit charge
7 that's taken from the electric ratepayers
8 should be used for anything but electric
9 energy-efficiency savings, but to what
10 degree that may be used in other programs.

11 A. (By Mr. Iqbal) That is correct. Yeah.

12 Q. Referring to your testimony on Exhibit 55,
13 on Page 6 -- actually, tell you what. I'll
14 ask you another question and come back to
15 that one. No, let's do that one now. We'll
16 take them in order of the pages. That would
17 be easier.

18 All right. What you stated here in the
19 middle of Page 6 is that this results in
20 PSNH's residential electric customer who
21 heats with natural gas paying twice but
22 benefiting only once, with the idea being
23 that a residential electric customer will
24 pay the system benefit charge, and they'll

1 also pay the LDAC charge if they happen to
2 be a natural gas customer as well.

3 So, are you suggesting that there
4 should be a change, such that a PSNH
5 ratepayer who is also a natural gas customer
6 not pay the LDAC, but only the system
7 benefit charge?

8 A. (By Mr. Iqbal) We are not proposing that,
9 but we are saying that that would be a
10 fair -- if the Commission wants to go that
11 route, then that would be fair. But without
12 going that route and opening this program up
13 for everybody as proposed, that is creating
14 the unfairness.

15 Q. Okay. So, kind of following up on what you
16 just said, so I think we can say, if not
17 absolute, just about a hundred percent of
18 people who have natural gas also have
19 electric service and they pay a system
20 benefit charge. So, would you recommend
21 that if the Commission were to accept this
22 fuel-neutral charge that we're talking about
23 here, that they have a program such that
24 those customers would only pay the system

1 benefit charge and not the LDAC charge if
2 they were both electric and natural gas
3 customers?

4 A. (By Mr. Iqbal) That would be fair.

5 Q. Okay.

6 A. (By Mr. Iqbal) And on that point, I also --
7 we also ought to point out that the electric
8 heat customers are also paying SBC for their
9 heating portions. So if we take care of the
10 gas customers, we have to take care of the
11 electric customers, too.

12 Q. Now, down on Page 7 of the same exhibit, in
13 the middle of the page you're talking about
14 how 98 percent of the savings are
15 transferred from residential customers who
16 heat with electricity to residents who heat
17 with natural gas, et cetera, et cetera. Are
18 you saying that under the proposed program,
19 that people who heat with electric -- use
20 electric heat are less likely to receive
21 weatherization subsidies if this HPwES
22 program is continued?

23 A. (By Mr. Iqbal) Less likely because their
24 numbers are fewer. Because if we look at

1 the whole program, like we said in our
2 testimony, we found that 8 percent of the
3 electric customers are heating with
4 electricity. And if we don't do any -- we
5 don't -- just not putting any assumption on
6 that, if hundred people are participating in
7 HPwES, that is a possibility that only eight
8 people who will be in this program who will
9 be heating with electricity. So, yes, you
10 are right. That is a lower possibility that
11 electric customers will be participating
12 here because of the proportionality of whole
13 customer base.

14 Q. So you think that there will be a -- someone
15 who heats with electric heat will try to
16 participate in the program, and they'll be
17 told there just isn't enough funds because
18 the funding needs to be given to someone who
19 doesn't participate in -- who doesn't have
20 electric heat?

21 A. (By Mr. Iqbal) Right now, it is first
22 come/first service. So that could be the
23 possibility not only for electric customers,
24 but for oil customers or gas customers, too.

1 Q. Okay. I'll come back to that issue in just
2 a little bit.

3 Again, on Page 7, towards the bottom,
4 you talk about the two benefits: One is, of
5 course, to the customer who actually
6 participates in the program; and the other
7 is a lower cost for all ratepayers. And I
8 think in previous discussions and questions
9 that I've asked -- I've mentioned about how
10 the system benefit funds, where they result
11 in electric savings only can be used to
12 enter bids into the Forward Capacity Market,
13 which results in additional funding of load
14 reductions, which saves people money all
15 across the board, especially during peak
16 times, huge transmission costs due to
17 electric energy efficiency is also a
18 savings. Can you quantify any of those
19 savings? What are we talking about here?
20 If we take a dollar that would have gone to
21 electric energy efficiency and moved that
22 dollar and used -- allowed somebody to use
23 it to insulate their house when they're
24 heating by oil, what's it going to cost the

1 electric ratepayer?

2 A. (By Mr. Iqbal) On that point, I think we can
3 look at the predecessor HES program, that
4 how much we are saving -- how much the peak
5 load we are saving. And if you look at
6 that, right now we are spending \$1.6 million
7 for PSNH, and we are serving peak load
8 1.5-megawatt.

9 Q. I'm sorry. I didn't follow you. You're
10 spending 1.6 million --

11 A. (By Mr. Iqbal) Million, and we are -- on
12 peak load, we are saving only 1.5 megawatt.
13 But if you look at a similar program which
14 is not fuel blind, like Co-op or National
15 Grid, they are spending much less than that,
16 and they're saving more, almost 10 times, I
17 think -- you might have the numbers --
18 almost 10 times more than that. So, on
19 the -- when you are talking indirect
20 benefit, those are the benefit we are
21 talking about.

22 Q. Again, can I just back you up here, because
23 I'm not really following you, what you're
24 saying.

1 You're saying under the existing
2 program, which includes the pilot, Public
3 Service spends 1.6 million, and that results
4 of a peak shaving of 1.5 megawatts.

5 A. (By Mr. Iqbal) Or maybe I'm wrong. It's 15
6 megawatts.

7 Q. Fifteen megawatts?

8 A. (By Mr. Iqbal) Yes.

9 Q. Okay.

10 CHAIRMAN IGNATIUS: And to
11 clarify, are you talking about the HES
12 program has those numbers, just what you
13 said earlier, or are you saying it's the
14 HPwES Program has those numbers?

15 WITNESS IQBAL: HES Program.
16 The budget number is almost similar.

17 BY CMSR. HARRINGTON:

18 Q. So it's the low-income program --

19 A. (By Mr. Iqbal) No.

20 Q. -- the Home ENERGY STAR Program --

21 A. (By Mr. Iqbal) Yes.

22 Q. -- which also includes weatherization for
23 people that could have oil heat as well.

24 A. (By Mr. Iqbal) Yes.

1 Q. Okay. For that program only, it's 1.6
2 million spent results in 15 megawatts of
3 savings.

4 A. (By Mr. Iqbal) Yeah.

5 Q. And then you were saying something about the
6 Co-op?

7 A. (By Mr. Iqbal) Yeah. What I'm trying to
8 say, first of all, that we can look at the
9 HES program, that what is the peak load we
10 are reducing with the same amount of money.
11 In 2009, actual HES program peak load was
12 saved was 583 kilowatts.

13 Q. Excuse me. Are you reading from your
14 testimony someplace, or is this someplace
15 else? Do you have a document? It would be
16 easier if we -- I'm not saying you have to
17 put it in evidence. It's too late. But if
18 it's already there, if you can tell us where
19 it is, it would be helpful.

20 A. (By Mr. Iqbal) This is on the docket book,
21 but it is not a part of the evidence.

22 Q. Okay.

23 A. (By Mr. Iqbal) But it is from their filing,
24 the performance incentive filing. But

1 everything is actual. How much peak savings
2 they achieve in 2009, it shows 583
3 kilowatts. And this planned one, planned
4 HPwES, which is fuel blind, we are saving
5 only 15-kilowatt. So the reduction is
6 almost 97.4 percent.

7 Q. Okay. I'm having a little trouble. I
8 understand the HES program, 1.6 million
9 results in 15 megawatts of peak savings.
10 And then, from there you're talking about
11 some other program. What's the other
12 program you're talking about?

13 A. (By Mr. Iqbal) When it was not fuel blind,
14 the same program would save 583 kilowatt.

15 Q. Okay. So you're not talking about HES,
16 because that's always been fuel blind. So
17 you're talking about the pre --

18 A. (By Mr. Iqbal) HES was not fuel blind in
19 2008.

20 Q. Okay. So back then it was not fuel blind.

21 A. (By Mr. Iqbal) No.

22 Q. Okay. And during that time you spent how
23 much money?

24 A. (By Mr. Iqbal) Around the same amount of

1 money. And peak saving was 583. In 2012,
2 we are using the same amount of money, and
3 we are -- peak savings is 15 kilowatt.

4 Q. Do you have any similar analysis for -- I'm
5 trying to get the overall savings. Now
6 you're talking about peak savings. What
7 about loss of funding for the FCA, loss of
8 funding for energy -- electrical energy
9 efficiency that will reduce transmission
10 costs in the future? Do you have any
11 estimate for -- I'm trying to get a handle
12 on if we take a dollar of system benefit
13 funds that -- well, if we didn't have a
14 fuel-neutral program at all, pilot or
15 otherwise, if we go to energy-efficiency --
16 electrical energy efficiency, and we took
17 that dollar and moved it over and used it in
18 a fuel-blind program, where it went to
19 insulating houses that are heated not with
20 electricity, how much would it cost the
21 electric ratepayers, approximately, in loss
22 of savings from these various mechanisms I
23 mentioned?

24 A. (By Mr. Iqbal) We haven't done a full

1 analysis on that. But it is possible to do
2 an analysis on that, what is the actual
3 amount we are not saving. But we can have
4 an idea from utility filings, which is --
5 while they're showing all these benefits,
6 electric benefits and non-electric benefits,
7 that will give us an idea that whether --
8 how different those are.

9 Q. And going on this idea of savings, one of
10 the things that was brought up by the
11 utilities' testimony was ancillary savings.
12 And they mentioned things like lighting the
13 boiler less so that the pump would be less
14 and the fan would be less. But there was
15 also this discussion on -- appropriately
16 over the last couple days -- a better
17 insulated house uses less air conditioning.
18 And just about, I think it's fair to say, a
19 hundred percent of the air conditioning in
20 New Hampshire is charged by electricity. So
21 how much -- would you care to comment on how
22 much that would be?

23 A. (By Mr. Iqbal) It is reported that -- Cadmus
24 did this study for the HPwES program. And

1 their finding, preliminary finding is it is
2 only 40 kilowatt hours per year. And their
3 overall savings, which is fuel-blind savings
4 we can say, are 22.3 MMBtu, which is almost
5 6,500 kilowatt hours. So, 40 out of 6,500.
6 So that's why we are saying that it is
7 insignificant. It is below, actually,
8 one-tenth of one percent.

9 Q. And in the discussion when we had the
10 utility witnesses up there, they talked
11 about, I guess for lack of a better term,
12 not being to get their foot in the door
13 without weatherization; by that, they sent
14 out mailers to identify customers who used
15 electric heat. And even with sending very
16 specific things saying here's a way you can
17 save a lot of money, we'll do all these
18 things for you, they still only got a
19 participation rate of around 4 percent. So,
20 it appears what they're saying is that, in
21 order to take the money that the legislature
22 says go out and use it for energy savings,
23 that they're getting to the point where it's
24 very -- especially on the residential side,

1 it's getting extremely difficult to find
2 enough people who are willing to go along
3 with the program. So their response is we
4 need to have weatherization, and that gets
5 us in the door, if you will, and then we can
6 work on some of the electrical savings as
7 well. Can you care to comment on that?

8 A. (By Mr. Iqbal) There are several layer of
9 that argument. First of all, why run this
10 energy-efficiency program? We don't want to
11 serve every household in this country
12 through this program. The idea is just form
13 the market, and market will take care of it.

14 What they are trying to say now, that
15 they already serve all these customers.
16 They already transformed the market and
17 serve all these customers. There's no more
18 customers, or very few customers. So then
19 the question is: Then why do we need this
20 program at all?

21 Q. Well, that may be a good question. But the
22 legislature has said you will take so much
23 from the system benefit fund, and you will
24 use it for energy-efficiency programs. That

1 may be a very valid question to give to the
2 Science and Tech Committee over at the
3 House, but that decision's already been made
4 for us. We have to figure out the best way
5 to spend it, not whether we spend it at all.

6 A. (By Mr. Iqbal) I think your comment is "best
7 way to spend it." So that ultimately means
8 that, okay, we already weatherized all these
9 electric-heated houses, so we have to
10 weatherize somebody else's house without
11 [sic] fuel oil and all these things, and
12 that makes sense.

13 That doesn't make sense, because all
14 this money is coming from electricity. If
15 we didn't have any opportunity on the
16 electricity savings, then I understand.
17 There is no legislative requirement that you
18 have to run a weatherization program. It
19 only says that we have to save
20 electricity -- or electric energy
21 efficiency. Weatherization program is not
22 required under any law.

23 So, by choosing that we do
24 weatherization, and showing that the

1 delivery costs of weatherization doesn't
2 make it cost-effective, it's almost like
3 saying the pizza guy who got a order from
4 50 miles away, and he found that delivery of
5 one pizza will not be cost-effective for
6 him. So, best way to do it, he calculate it
7 and find that we have to deliver 10 pizza to
8 make this trip -- this delivery
9 cost-effective. So the decision is, okay,
10 let's give nine pizza to neighbors and
11 charge him for 10 pizza and give him one
12 pizza. That's what their solution is. That
13 make delivery cost cost-effective, we have
14 to deliver 10 pizza. But ultimately, that
15 guy has to -- who is getting only one pizza
16 but paying for all the other nine pizza.

17 Q. Now, so your position is that there's plenty
18 of opportunities there on the residential
19 side for continued use of these funds
20 exclusively on electrical energy savings.

21 A. (By Mr. Iqbal) Yeah, that's our position.
22 And the GDS found that there are lots of
23 energy-savings opportunity. And utility
24 witness also agree with that, that they are

1 not saving almost two thirds of potential
2 energy -- potential electric savings.

3 Q. And where would these be in residential
4 homes? Can you give us an example?

5 A. (By Mr. Iqbal) GDS pointed out -- GDS did a
6 very good job, thorough job. And if you
7 look at the appendices, Appendix E, which
8 actually point out what are the potential
9 measures, and Appendix H, which talks about
10 whether those measures are cost-effective,
11 so if we combine these two, we can find lots
12 of opportunity which are cost-effective and
13 which could be run. And as overall savings
14 potential-wise, they actually took
15 consideration of both of those.

16 Q. Well, could you give me a couple examples.
17 Typical residential house, you're not going
18 to do any weather stripping. So we've
19 already tried to reach out for the people
20 who have electric heat, and apparently, for
21 whatever reason, a very low percentage of
22 them want to participate in the program. So
23 how do you deal with the other house? What
24 is it you're selling them that they're going

1 to be able to spend the money to save
2 electricity on? I mean, we have the ENERGY
3 STAR program which affects if you buy light
4 bulbs or certain appliances you can get
5 rebates. But people don't -- you know,
6 people can go a couple years or more without
7 buying a major appliance.

8 A. (By Mr. Iqbal) On that, I think one of the
9 potential would be water heating. And it is
10 almost 5 percent of the total potential of
11 electric savings. And as long as I
12 remember, PSNH, out of their thousand, more
13 than thousand of their customer they serve,
14 there is only one water-heating customer
15 they serve. And if you look at the
16 potential from water heating, and if you go
17 back to PSNH --

18 Q. Excuse me. When you say "water heating,"
19 you're talking about replacing the standard
20 35- to 50-gallon tank that's
21 resistance-heated with something else. What
22 would the something else be? Where are you
23 getting the efficiency from?

24 A. (By Mr. Iqbal) I think most of the water

1 heaters are old water heaters. If you
2 replace those -- and from the data, as long
3 as I remember, the PSNH has 33,000 electric
4 water-heating customers, and they serve
5 only, last year, serve one of them. So...

6 Q. But my question is, when you say "serve
7 them," this typical customer has the 35-
8 gallon hot water tank in their basement, and
9 it's resistance-heated. So now you're going
10 to come up with a new energy-efficiency way
11 of providing them with hot water using
12 electricity. What is that method? That's
13 what I'm asking you. You say you're going
14 to serve these customers. I'm trying to
15 figure out what are you doing. Are you
16 going to double-insulate their tank? Or is
17 it a different technology that still uses
18 electricity? Clearly, you're not going to
19 be putting any gas to heat the
20 electricity -- to heat the hot water.

21 A. (By Mr. Iqbal) There are several measures
22 GDS pointed out on that particular -- they
23 also talk about alternative water heating
24 system, like heat-pump water heater, solar

1 water heating, which reduce -- those are
2 very high-efficiency and low electric
3 consumption. So those are some of the ideas
4 they have provided.

5 But if you look, we go back to GDS and
6 look deeper into that, I am sure that we can
7 find lots of opportunities.

8 Q. All right. Well, just moving on to another
9 subject. Let's assume that what you're
10 saying is that, if I can scale it down to a
11 few words, that you believe there's plenty
12 of opportunities out there for spending
13 system benefit charge dollars to save
14 electric use without having to go to a
15 fuel-neutral program; is that correct?

16 A. (By Mr. Iqbal) Exactly.

17 Q. Let's just say, though, we did go to a
18 fuel-neutral program. We've already got the
19 pilot program now. And, you know, of
20 course, one of the issues I think there
21 is -- and I think it's been brought up by
22 Commissioner Scott -- is we have a
23 weatherization funding. So, someone comes
24 in and we say we'll insulate your house for

1 you and you'll see an instant savings next
2 winter of so-much money, but we also think
3 you should replace your refrigerator or your
4 hot-water heater or your light bulbs or
5 whatever. Should there be some type of a
6 tie between those programs; so if you want
7 the money for the insulation, then you also
8 have to take the money and spend your half
9 for the electric energy savings as well? Or
10 should they just be able to pick and choose
11 which of the savings they want?

12 A. (By Mr. Iqbal) On that, I think that it is
13 all about the program design, because we
14 already have an appliance program where they
15 can do that. We already have a lighting
16 program where they can do that. So, tying
17 into this program is a good idea, but --

18 Q. You think it should be linked.

19 A. (By Mr. Iqbal) Yes, linked. But that's one
20 of the program design issue. Because if you
21 look at the HPwES program all around the
22 country, there are several model of HPwES
23 program. One is the PSNH program design
24 which ties everything and which builds the

1 lighting and appliances in HPwES program.

2 But on the other hand, some of the
3 programs are -- they just do the audit and
4 prescribe the owner that these are the
5 potential savings you can have and these are
6 the cost-effectiveness and these are the
7 rebate for each of those. Then owner
8 actually choose and participate on those
9 stand-alone program. That's another one.
10 And so it's about design issue.

11 Q. Okay.

12 A. (By Mr. Iqbal) And we have a concern about
13 that, too, because if you look at the
14 electric service from HPwES, that two
15 percent we are talking about, most of those
16 are electrical lighting or the appliances.
17 So -- but we have a stand-alone lighting
18 program. So we are saying that, okay, you
19 are counting these savings under HPwES, but
20 those are really not HPwES savings. Those
21 are lighting savings, which we have another
22 program; and those are appliance savings,
23 which have another program. So if we were
24 to take those out, even the HPwES program is

1 not saving the 2 percent of the savings.

2 Q. So you're saying that when somebody comes in
3 and does a HPwES energy audit, that they
4 sort of lump the savings into the package,
5 and they include the captured electric
6 savings that goes along with the savings
7 from weatherization. And your point is that
8 those savings might have happened, anyways,
9 through the lighting and appliance program.

10 A. (By Mr. Iqbal) Exactly.

11 Q. Thank you.

12 CMSR. HARRINGTON: That's
13 all the questions I have.

14 CHAIRMAN IGNATIUS: Thank
15 you.

16 Commissioner Scott.

17 CMSR. SCOTT: Thank you.

18 Once again, Commissioner Harrington's been
19 so thorough, most of my questions have been
20 asked and answered. So mine will be pretty
21 quick.

22 INTERROGATORIES BY CMSR. SCOTT:

23 Q. As you're probably aware -- I assume you're
24 aware -- House Bill 1490 is going to change

1 the way the original greenhouse gas
2 emissions initiative program funds are
3 treated; so in the future, those funds will
4 also be required to be part of the CORE
5 program. Once -- my word, not yours -- once
6 those funds are "mixed," the systems benefit
7 charge and the RGGI funds, do you have the
8 same concerns once that happens?

9 A. (By Mr. Iqbal) If you look at our options we
10 put forward in our testimony, that our
11 position is that legislature already decided
12 that how RGGI money should be used. It is
13 based on fuel bind because their focus is on
14 saving tons of carbon emission. So it is
15 not directly related to either electricity
16 or fuel oil or anything. They are talking
17 about carbon reduction.

18 So when it comes into CORE Program, I
19 think that idea will still prevail. Whether
20 it is under CORE or not, we have to adhere
21 to that idea.

22 Q. Thank you. Also in your testimony, you talk
23 a little bit about performance incentives.

24 A. (By Mr. Iqbal) Yes.

1 Q. And if I remember correctly, I don't have it
2 in front of me -- oh, yes, I do -- that you
3 suggest that the performance incentive
4 working group should reconvene and fully
5 analyze? That's on Page 27 of your
6 testimony.

7 A. (By Mr. Iqbal) Yes, that's our point, our
8 position.

9 Q. Can you elaborate a little bit more? Can
10 you flush out a little bit of what you think
11 they should look at?

12 A. (By Mr. Iqbal) First of all, when we are
13 doing -- when electric customers are paying
14 for performance incentive, electric
15 customers has to look into what they are
16 getting out of it. If electric customers'
17 benefit is only 2 percent of the whole
18 benefit, so is it fair to ask them to pay
19 the profit for the utilities hundred
20 percent? So that's one perspective, that
21 from electric customer perspective, okay, we
22 are already paying for this program and then
23 we have to pay for this profit that is
24 performance incentive. How do we do that?

1 Is that fair?

2 Second of all, that when we are talking
3 about -- the utility witness talks about how
4 difficult it is to find these electric
5 customers. So when the customer base is
6 then hundred percent of the whole
7 customer -- of the statewide customers, so
8 it is not that difficult to find customers
9 anymore. So we are talking about one
10 difficulty level to another difficulty
11 level, which is much bigger customers. You
12 don't really have to choose.

13 Just like, for example: If we take a
14 jar with let's say 8 red balls and 92 blue
15 balls. And if you ask somebody to find red
16 balls, it will be a little bit difficult,
17 because out of 100, 8 are red balls. But if
18 you ask somebody to choose only blue balls,
19 it's so easy because 92 of them are blue
20 balls. So, if to find the red ball requires
21 low percent of the incentive, finding the
22 blue balls should not be the same level
23 because it's so easy.

24 And the other aspect of this is, in our

1 testimony we talked about high hanging fruit
2 and low hanging fruit. That goes to that
3 example, that when you are trying to find
4 low hanging fruit, you have to work harder
5 because those are -- high hanging fruit, you
6 have to work harder. But when you have
7 enormous opportunity to pick the low hanging
8 fruit, then do we need the same level of
9 incentive or not? That's another issue.

10 The third issue is there's several
11 model of performance incentive all around
12 this region in particular. If we look at
13 the bottom one, they are doing the same type
14 of program with only 3 percent of
15 performance incentive. If you look at the
16 neighboring states, Massachusetts, their
17 performance incentive before tax is around
18 8 percent. So when we talk about
19 performance incentive, we have to compare it
20 with the peers: What is other people are
21 doing? How much incentive they require to
22 do this type of program.

23 And that is also alluded in the VEIC
24 report. They also talk about this. So we

1 are thinking that we are not taking any
2 position on all these issues, but we think
3 that we have to look into those issues.

4 Q. So if I could paraphrase it, if I remember
5 correctly, the OCA's recommendation on
6 performance incentives was that we look at
7 other programs in the country. So is it
8 safe to assume you agree with that?

9 A. (By Mr. Iqbal) Yes.

10 Q. Thank you.

11 A. (By Mr. Cunningham) I'd also like to
12 mention, performance incentives, as they
13 currently are formulated by the Commission
14 in order -- approved in Order 23,574, had a
15 focus on electric savings. The HPwES
16 program is 98.5 non-electric savings. And I
17 would refer you to the New Hampshire Energy
18 Efficiency Working Group Report that's on
19 the Commission's Web site, Appendix 6, Page
20 A68. That shows the focus on kilowatt-hour
21 savings, not MMBtu savings. So the HPwES
22 program would better be limited to just the
23 cost to achieve electric savings, we
24 believe, than the cost to achieve electric

1 and non-electric savings, which is what the
2 Company is proposing.

3 Further, in Commission Order 20,186
4 which we reference in our testimony, the
5 Commission has established that the
6 performance incentives rest, in part, on a
7 broad array of energy-efficiency programs.

8 With the proposal for the HPwES that we
9 have before us today, the residential sector
10 programs will become 70-percent fuel-blind
11 programs, up from 45 percent, without HPwES
12 programs.

13 Other issues that have to be analyzed
14 are included in the VEIC report -- a number
15 of issues, and I can't recite them all. But
16 one of them was different metrics perhaps
17 should be used in the establishment of a
18 performance incentive.

19 Finally, I just add that we need time
20 to fully flush out all these issues. I
21 think on the first day, the Chairman
22 mentioned that the game plan of this hearing
23 would be to determine whether full or
24 limited performance incentives would be

1 decided, and it would be decided in time --
2 in a timely way so that it could be
3 incorporated into the multi-year filing
4 which is due in August of this year. So I
5 think it would be very challenging, near
6 impossible, to examine and fully analyze all
7 the issues that we have before us with
8 respect to the performance incentive.

9 A. (By Mr. Iqbal) One more point, that when I
10 talk about the perspective of the electric
11 customers, if you look at the benefit of the
12 electric customers from this program, it is
13 two percent of the total savings if you
14 convert it in dollar. And if you convert
15 utility benefit -- utility performance
16 incentive, if it is 12 percent, those dollar
17 are almost equal. Almost equal. So we are
18 saying that, from electric customers'
19 perspective, that we are getting the benefit
20 investing in \$1.6 million, the same level of
21 benefit the utilities' shareholders get. Is
22 that fair? All investment is ours. But
23 benefit-wise, utility and we are the same
24 level. So that's another issue we have to

1 look into.

2 A. (By Mr. Cunningham) Perhaps just to cap this
3 off, getting back to Commissioner
4 Harrington's questions with respect to peak
5 summer demand savings, the HPwES program
6 greatly diminishes the peak summer demand
7 savings, as Iqbal has pointed out. And I
8 just wanted to indicate that in my analysis
9 of drawing off some numbers for our
10 presentation this morning, we found that in
11 2009, the last year before HPwES went to the
12 pilot version, went from -- in 2009, it was
13 an electric program for half the year,
14 focusing on electric-only savings, and
15 halfway through the year it changed to a
16 fuel-blind program. During that year which
17 was half and half, which is the first year
18 we have these data, during that 2009 year,
19 the actual kilowatts saved by the HES
20 program was 583 kilowatts. The plan savings
21 that we have in the filing today for the
22 HPwES program, the fuel-blind program, is
23 only 15 kilowatts. That's a reduction of
24 568 kilowatts on this HPwES program. The

1 15 kilowatts, by way of reference, can be
2 found in Exhibit 23, Page 24. The reduction
3 in kilowatt savings in 2012 as proposed
4 versus the actual kilowatt savings in 2009
5 is a 568-kilowatts reduction, which
6 represents a 97.4-percent reduction in the
7 peak demand savings as a result of this
8 program being changed from fully electric to
9 full blind -- fuel-blind.

10 Furthermore, with respect to peak
11 summer demand savings, we drew off some
12 numbers with respect to HPwES as it compares
13 to the lighting program, both in the year
14 2012. And on Exhibit 23, Hearing Exhibit
15 23, Page 24, you'll find that the lighting
16 program delivers peak summer demand savings
17 of 441 kilowatts and the HPwES program for
18 this year delivers 50 kilowatts; a
19 94.3 percent reduction, HPwES versus the
20 lighting program.

21 Q. Back to my question on performance
22 incentives. If I understood correctly,
23 Staff's position is, once the RGGI funds are
24 introduced into the CORE program, then,

1 again, back to that position and the
2 performance incentives. Once that happens,
3 would it not be -- should this working group
4 also look at how that is integrated? Once
5 the RGGI funds happen, should that also be
6 re-looked at, as far as performance
7 incentives also?

8 A. (By Mr. Iqbal) I think so, because if you
9 look at the RGGI fund and how it was spent,
10 then we have to work with sustainable energy
11 division because they're on this RGGI
12 program. And we have to look at their --
13 how much performance incentive they
14 provided. But they're the same for the same
15 type of programs.

16 And another concern is how much
17 administrative cost they provide. If you
18 look at our -- that's another concern.

19 So, just focusing on performance
20 incentive -- forget about administrative
21 costs -- then we have to look on that model
22 running under SED, how much is spent on
23 performance incentive, should that not be
24 reflected when it is under CORE or not? We

1 have to investigate that, too.

2 Q. Okay. Thank you.

3 And finally, I just want to clarify.
4 Regarding participation in the electric-only
5 program, again, the implication has been
6 that there's -- we're kind of getting away
7 from the low hanging fruit -- meaning,
8 there's -- the low hanging fruit's been
9 eaten and we're moving up the tree. I'm
10 almost getting a different impression, that
11 you feel there's still plenty of low hanging
12 fruit that people will participate.

13 As a good example, you were questioning
14 the effectiveness of the HPwES program, if
15 through the HPwES program there was some
16 lighting changes, if I understood right,
17 because it's only a lighting program. But
18 that implies that independently that
19 lighting program would be tapped. And I'm
20 getting a different feel from the other
21 testimony. Can you comment on that?

22 A. (By Mr. Cunningham) Well, I would like to
23 say that the other testimony that you might
24 be referring to is the utility testimony

1 which had a fundamental misunderstanding of
2 Staff's testimony and presented the idea
3 that Staff was looking at a program that was
4 drawing down to the end of life in its
5 Option 1. And that was a significant,
6 fundamental misread of Staff's testimony.

7 Staff is not recommending an Option 1
8 to focus on an electric-only program in the
9 context of the HES. Staff is focusing on
10 delivering service to electric customers as
11 they continue to show up; however, to focus
12 the balance of the budget towards electric
13 energy-efficiency programs, such as lighting
14 programs and appliance programs.

15 So, Option 1 is not a program that's
16 very restrictive. It's a program that's
17 very active and alive and still dynamic. As
18 we talk about the GDS potential study, there
19 are plenty of additional opportunities to
20 pursue electric savings, and that's what our
21 Option 1 recommends.

22 A. (By Mr. Iqbal) And just to clarify, are you
23 suggesting that if the HPwES program there
24 is not enough customers for HPwES program as

1 designed, then are you talking about the
2 ancillary savings we talked about or -- I
3 was not sure of your question.

4 Q. Well, my question was -- I'll phrase it in a
5 different way.

6 In the discussion you had with
7 Commissioner Harrington, you were talking
8 about concern over double-counting, for
9 instance, with the HPwES program. And the
10 context was somebody has come into the HPwES
11 program. Part of the audit said do your
12 lights also. And even if they did do the
13 lights, you were saying, well, that should
14 have been counted, or would have been -- or
15 the implication was it would have happened
16 under the lighting program. And I'm
17 questioning: Is that true, though? Would
18 it necessarily have happened under the
19 lighting program?

20 A. (By Mr. Iqbal) No, we didn't imply that they
21 were double-counting. We didn't. But the
22 point we are trying to make, that when we
23 are talking about saving electricity through
24 this weatherization program because of

1 ancillary service, we are pointing out that
2 if you take out this lighting program,
3 because we have a separate -- several
4 separate lighting program and appliance
5 savings, there is not much ancillary
6 service, because lighting should be done by
7 lighting program, appliance could be done by
8 the appliance program. So the point
9 utilities are making, that to get all this
10 service we have to do weatherization,
11 otherwise we are keeping out a huge
12 potential of electric savings, that is not
13 true. Even GDS says that only 10 percent
14 is -- 10-percent potential is coming from
15 weatherization, which includes electric heat
16 customer and all these other ancillary
17 savings from weatherizing other heating fuel
18 customers.

19 So that's why we raise that issue, that
20 we are already spending 43 percent of our
21 total resources to get those ancillary
22 savings, and those ancillary savings is only
23 14 percent of the total potential. And now
24 we are saying that we should invest

1 70 percent of our total resources to get
2 those same 14 percent of savings. And we
3 all agree, and the utilities agree, that we
4 don't have enough money to save electricity.
5 So, when we don't have any money, enough
6 money, almost one fifth, GDS pointed out
7 that every year, to get those potential, we
8 have to spend 38 million, and we have only
9 7 million every year; and now we are saying,
10 okay, let's focus on this 14 percent and
11 invest all our money in there. That is --
12 from my common sense, it says that is
13 unreasonable.

14 Q. Okay. Thank you.

15 A. (By Mr. Cunningham) If I could just add?
16 The point that my colleague is making about
17 ancillary savings was a significant point
18 that was used by the Commission -- in fact,
19 called "significant." At least the
20 Commission expected a "significant ancillary
21 savings" from the fuel-blind program. The
22 Company has said we disagree with the
23 Commission. We don't disagree with the
24 Commission. We want to clarify the record

1 on that. We believe the Company's proposal
2 disagrees with the Commission's
3 expectations. The Company's proposal
4 includes zero ancillary savings. The
5 Commission thought it could include
6 "significant" electric savings.
7 Furthermore -- and that can be found on the
8 Company's testimony, Page 12, Line 22.

9 Furthermore, the Cadmus report that the
10 Commission asked the companies to pursue to
11 evaluate the HPwES program identified zero
12 ancillary savings, electric ancillary
13 savings.

14 Subsequent to our testimony, the
15 companies went back to Cadmus to try to cull
16 out of their report, "Aren't there any
17 ancillary electric savings for this
18 fuel-blind program?" And they found 43
19 kilowatt hours of savings. Just to put that
20 into perspective, there's maybe 28,000
21 equivalent kilowatt hours of usage every
22 year, and the ancillary savings that the
23 Cadmus folks identified for the Company were
24 43 out of 28,000 per year, or one-tenth of

1 1 percent of the savings. Thank you.

2 CMSR. SCOTT: I'm all set.

3 CHAIRMAN IGNATIUS: Thank
4 you. Yes, Mr. Iqbal.

5 WITNESS IQBAL: Just one
6 more clarification. When we talk about the
7 38 million, I remember the utility witness
8 talks about whether that includes customer
9 cost or not. And there is that issue that
10 38 million is a good number, but it might
11 not reflect the whole cost. And I went back
12 into that, and that 38 million include
13 customer cost, but it doesn't include
14 administrative cost and PI. And if you look
15 at that, how much administrative costs are,
16 it is -- administrative cost alone is
17 24 percent, and customer cost is also
18 23 percent. So it crosses out each other.

19 So when we are talking about
20 38 million, we are talking about without
21 customer cost, because if you exclude
22 customer cost and include administrative
23 cost only, and if you add another
24 12 percent, it will be more than that. So

1 we need more than \$38 million from utility
2 cost only, according to the GDS.

3 CHAIRMAN IGNATIUS: I have a
4 few questions.

5 INTERROGATORIES BY CHAIRMAN IGNATIUS:

6 Q. Mr. Cunningham, you were given some figures
7 from an exhibit, and I'm not -- from a
8 document, and I'm not sure if it's an
9 exhibit in the record or not. You said that
10 you were reading from something to get that
11 in the 2009 period, when HES had been
12 electric-only program, it was achieving
13 538 kilowatts of savings. What were you
14 reading from?

15 A. (By Mr. Cunningham) That is a filing that --
16 that was the actual data for 2009 that the
17 companies filed in their filing for
18 performance incentives for the year 2009,
19 and the docket number is 08-120.

20 Q. And in the column heading that you're
21 reading from that gets to the 583 kilowatts
22 was that? I just want to make sure we're
23 comparing apples to apples.

24 A. (By Mr. Cunningham) Column heading, okay.

1 Yeah. See if I can find that piece of
2 paper. The specific reference is from
3 Public Service Company of New Hampshire's
4 filing for performance incentive in Docket
5 08-120, Attachment F, revised June 30th,
6 2009, Page 1A of 4, column heading --
7 exhibit title, "2009 Actual," column heading
8 second from the right, quote, Summer
9 Kilowatt Savings, 582.9.

10 Q. Thank you.

11 A. (By Mr. Cunningham) You're welcome. My
12 pleasure.

13 Q. And that document should be in the -- that's
14 made available to all the parties as part of
15 the performance incentive filings, or is
16 that only part of --

17 A. (By Mr. Cunningham) Yes. That's correct.
18 Everybody would have that.

19 A. (By Mr. Iqbal) It is available online.

20 Q. Is the Staff's recommendation to continue
21 HPwES as a pilot and continue to study it,
22 or to abandon it as of this Commission
23 order?

24 A. (By Mr. Iqbal) I think we think that HPwES

1 program as filed should not continue. It
2 should focus on electric customers only. If
3 in the future HPwES program is saturated, or
4 all electric customers have been served,
5 then, just like any other program, when it
6 is saturated, that means we achieved our
7 goal. So we have to shift this money and
8 get other electric opportunities. One
9 question might be: Then how that is fair?
10 That is fair because when we are saving
11 electricity, everybody is benefiting from
12 the secondary benefit. But when we are
13 saving fuel, nobody -- electric system is
14 not benefiting. So if your choice is to
15 save oil or save electricity, we be
16 overwhelmingly for electricity savings.

17 And it is not that we have to run a
18 HPwES program or weatherization program.
19 The difference is whether the market is
20 transformed or not, whether all the
21 customers are served or not.

22 Just like we see that when a program is
23 mature and saturated, or market is
24 transformed, the obvious path to take is

1 reduce this funding of this program to lower
2 and lower and lower and then get out of this
3 program. It is nowhere in any legislation
4 or any order or anywhere which says there
5 has to be a weatherization program. And on
6 that matter, we already have a
7 weatherization program, which is low-income
8 weatherization program. Even when this
9 weatherization program doesn't exist anymore
10 in the future, we still have a
11 weatherization program which will be
12 achieving the same 10-percent goal we are
13 talking about through that program. And we
14 are -- nobody is suggesting that that
15 program don't have to -- that program has to
16 be electric only, because those are special
17 program and a good exception for low-income
18 group. So, the notion that we have to have
19 a weatherization program for everybody is
20 false -- is not correct.

21 Q. Let me -- I still, though, am not sure of
22 your recommendation, because I'm trying to
23 ask you, is your recommendation that, as of
24 the new budget for the next two-year cycle,

1 there would be no fuel-blind HPwES program?

2 A. (By Mr. Iqbal) Yes, that's our
3 recommendation. We say that we think that
4 there is enough electric heat customers, and
5 those customers have to be served if
6 required. Just like when Commission
7 approved this pilot program, they also
8 said -- the Commission also suggested that
9 they limit it to 200 customers for PSNH and
10 100 customers for UES. And another
11 suggestion in that order was that the extra
12 money could be used in other programs. And
13 unfortunately, or fortunately, it has chose
14 to keep it within that program and still
15 serving some of the electric measures for
16 lots of customers.

17 Like, if you look at 2009 -- I don't
18 remember exact number of how many customer
19 they serve -- their fuel blind was limited
20 to 100, 200 customers. And ultimately, end
21 of the year they serve almost 1700
22 customers. So that also says something
23 about that, that they can find customers.
24 But they don't shift the money either. They

1 keep and find all those other 1500 customers
2 somehow, somewhere. So that raise another
3 issue.

4 So what we are saying, that serve these
5 customers, electric heat customers with
6 electric money. And if you think that this
7 budget is too high to serve those segment of
8 the customers, then shift this extra money
9 to some other program where we save
10 electricity.

11 Q. I know your concern is that it's a first
12 come/first serve program, and you had said
13 that that may result in some electric heat
14 customers not being served if they weren't
15 in the line at the right point and the caps
16 had been met before you get to them. Could
17 you solve that program by having a
18 requirement that any electric heat customer
19 be taken to the top of the list, and the
20 first come/first serve really apply only to
21 non-electric heat customers?

22 A. (By Mr. Iqbal) I think that would be tougher
23 to do, because if they commit to somebody,
24 and after that the electric heat customer

1 comes in, then what they do with that
2 customer who is not electric heat customer?
3 Should they kick them out? Or how they
4 accommodate that? So, if you change it to
5 from first come/first serve to something
6 that if you're electric heat customers you
7 are at the top of the list, it might create
8 another problem for the utilities: How do
9 you deal with those customers who are being
10 demoted from the list?

11 Q. Other than the administrative difficulties,
12 if there were a way the utilities felt they
13 could handle that, would you have an issue
14 with that approach?

15 A. (By Mr. Iqbal) We still have this fairness
16 issue. That may solve one problem, that now
17 we are prioritizing electric customers. But
18 fairness issue is not gone. Fairness issue
19 still there.

20 Q. And I know you explained to Mr. --
21 Commissioner Harrington why the other
22 fuel-blind programs weren't -- didn't raise
23 the same fairness issues. And I just -- I
24 confess I don't understand why fairness

1 isn't a significant worry to you in the
2 other programs, but it is in this program.
3 A. (By Mr. Iqbal) Particularly for low-income
4 group, that is no-brainer, because they
5 cannot afford it, afford the co-payment.
6 And if you just select -- because of the
7 Commission's decision to serve them and
8 create an exception. So -- and the ENERGY
9 STAR program is also an exception.
10 Commission created that exception. Now we
11 are seeing a trend using those exception and
12 making that as a rule. Exception is
13 exception. If we take exception and protect
14 it in other field, then it would not be
15 exception because it will be the rule. So
16 that's the point we are in right now.

17 And when we look at the budget level,
18 43 percent of the budget; so, another
19 57 percent of the budget is dedicated for
20 electricity. So we can still say that this
21 program is electric energy-efficiency
22 program. But if it goes beyond
23 50 percent -- or right now it's
24 70 percent -- can it still call this a

1 electric energy-efficiency program? It will
2 be called by the fuel-blind program. And
3 unfortunately, this fuel-blind program is
4 funded by electric customers.

5 Q. You had given an example, and I realize it
6 was kind of off the cuff. But you had the
7 pizza deliveryman making his trip efficient
8 by charging 1 person for 10 pizzas and
9 giving 9 of them away for free. It doesn't
10 really fit our situation, does it, because
11 the other nine who are receiving it for
12 free, in this context, are people who have
13 paid into the SBC every year; correct?

14 A. (By Mr. Iqbal) That's correct. But I have
15 concern of that, too, because then I have to
16 use another analogy, that those customers
17 who are paying into that for their lighting
18 and appliances, they're getting their
19 benefit from the lighting and appliances.
20 We have program for those. So it doesn't
21 mean that they have to get all this benefit
22 from all other programs.

23 It's almost like the insurance
24 situation, that if we say that if you have

1 car insurance, your car is covered. And if
2 you need your home covered, you have to pay
3 something else, home insurance. But here we
4 are trying to say that everybody who has car
5 insurance, their houses should be -- their
6 homes should be covered, too. That is the
7 situation we are in. Then, that is okay
8 until we ask some of the homeowners to pay
9 for the home insurance. That is happening
10 right now.

11 So we are saying that everybody paying
12 for lighting and appliances, they should get
13 the benefit of lighting and appliance
14 service. But those who are paying for
15 heating, they should only get the heating.
16 So, you get what you pay for. That is the
17 basic idea of all the whole thing.

18 Q. And you had said you thought it would be
19 fair if your customer, who pays a SBC for
20 electric power and light and paying an LDAC
21 for gas heat, that it would be fair to drop
22 the LDAC payment for those customers and
23 only pay the SBC?

24 A. (By Mr. Iqbal) In that situation, they will

1 be on the same playing field, yes. But
2 still, electric proportion of electric
3 customers will still be paying for the
4 heating portion of the SBC portion.

5 Q. So if I'm following you right, you're asking
6 the Commission to roll back how many years
7 we've had of gas energy-efficiency programs
8 and no longer fund those?

9 A. (By Mr. Iqbal) No. We are saying that that
10 is perfect model. We should be doing that.
11 And how we do that? We ask the oil
12 customers to pay for their weatherization.

13 Q. But you're not making that recommendation,
14 that the oil customer -- that we create an
15 SBC for oil I thought you said earlier.
16 That's a theoretical possibility, but that
17 wasn't your recommendation; right? Did I
18 get that wrong?

19 A. (By Mr. Iqbal) That's the fair way to deal
20 with it. But whether practically we can do
21 that or not, that's another issue.

22 A. (By Mr. Cunningham) Just with respect to the
23 point my colleague made about the heating
24 customers: Oil-heating customers are not

1 paying an energy-efficiency surcharge but
2 are getting the weatherization program; is
3 that fair? The Commission has a long
4 history of determining what's fair, in terms
5 of allocating monies for programs, all the
6 way back to 98,174 and Commission Order
7 23,172 it talked about the importance of
8 allocating budgets/benefits based on
9 kilowatt-hour sales. And the Commission was
10 talking in that order about the equity of
11 allocating an energy-efficiency budget to
12 residential customers and C & I customers.
13 What we have before us today is a similar
14 kind of an equity issue. We are looking
15 within the residential customer class, and
16 we're identifying the usage, the sales
17 within that class, as the basis for
18 allocating the cost benefits of this
19 program. And that's a continuation of our
20 Schedule 1, is a replication of the
21 Commission's Order 23,172 with respect to
22 the equity of allocating energy-efficiency
23 monies to various customer groups.

24 A. (By Mr. Iqbal) Just to add to that, Exhibit

1 33, it talk about running this program like
2 HPwES program. And the last page of the...
3 No. 8 circle, the last sentence says --

4 CMSR. HARRINGTON: What page
5 number?

6 WITNESS IQBAL: Circle Page
7 8 of evidence Exhibit 33.

8 A. (By Mr. Iqbal) The last sentence says that
9 recommended non-electric measures may be
10 installed at the customer expense. So when
11 Commission approved that, they -- the
12 Commission actually took the position that
13 when you are not paying into that, then all
14 those things should be paid by the
15 participant. So that's another way to go
16 there, that all electric measures could be
17 dependent -- or incentivized, but all other
18 measures has to be paid by the customers.

19 Q. In your testimony, prefiled and on the
20 stand, you took issue with the utilities'
21 numbers on the number of customers who heat
22 with electricity. And I don't want to get
23 into a debate about the numbers, but I do
24 want to ask you, 'cause you said that -- you

1 questioned it and noted that it hadn't been
2 verified by a third party, therefore somehow
3 suggesting it wasn't reliable. But you rely
4 on every other number that the utilities put
5 forward, so why is that a particular area
6 that you took such issue with?

7 A. (By Mr. Iqbal) Main issue of that, that if
8 it is close to all of the DOE number -- we
9 understand that there is some discrepancy
10 because of sampling and all these other
11 things. But it is not even near that
12 number. And we know that DOE do a very
13 detailed and very particular question --
14 they ask very particular question and very
15 detailed question, 46 pages of questions
16 about their energy use. So -- and it has
17 been done for years and years. And
18 everybody use that. So, when there is
19 another study which comes in and say that
20 that number doesn't match, then it is
21 their -- the burden of proof is on them,
22 that why there is a big difference. But we
23 didn't see any evidence from utilities which
24 actually, with valid data, justified the

1 difference. That's all.

2 Q. Is it your suspicion that the companies are
3 manipulating the data to get the result they
4 want?

5 A. (By Mr. Iqbal) I have not said that. It is
6 all about the methodology they might be
7 using, the data they might be using, the
8 sampling size they might be using. It could
9 be anything in their methodology and their
10 data. So our position is that we should be
11 looking -- when we are talking policy
12 decision in particular, that we should be
13 using reliable, reputable and available to
14 everybody, that type of data, not a very
15 specific data which is not reviewed, which
16 is not -- which is not tested, which
17 methodology is not tested, and we don't even
18 know the methodology and details.

19 Q. And are you suggesting that when the Company
20 testifies -- both companies testify they're
21 having a hard time locating willing electric
22 heat customers to come forward and
23 participate, that they're being dishonest
24 about that?

1 A. (By Mr. Iqbal) No, we are not saying that.

2 Q. And if they say we are running out of people
3 and measures to do on the electric-heat-only
4 customers, what is it that gives you the
5 comfort that there are sufficient programs
6 and savings and customers out there to
7 funnel efforts into if the utility says they
8 just can't find very many of them?

9 A. (By Mr. Iqbal) Because we have several study
10 which supports our position. We have the
11 GDS study in 2008, and they found there are
12 lots of opportunity. So if we took -- and
13 which PSNH is taking a contradictory
14 position. So when you take a contradictory
15 position on a study, which PSNH was also
16 part of it, then if they didn't raise that
17 issue that your numbers are not correct,
18 then they should have raised that, and GDS
19 might look into that details. So when we
20 have the study and we ignore that and take
21 another study which is not verified, and
22 take our policy decision on that, that might
23 not be a good policy decision overall,
24 because we didn't know how those numbers

1 came to be.

2 On the other hand, the other
3 documentation, like DOE number or GDS
4 number, which is verified, which is done by
5 third party, if the choice is my number or
6 GDS number or DOE number, I will always take
7 DOE number, because everybody agrees with
8 that. Even if my analysis showed lower than
9 that, then I have to justify or find reason
10 why my numbers are lower and justify that;
11 otherwise, I would not even use my number,
12 let alone the utility number.

13 Q. Let me ask about performance incentives.
14 You had suggested that it would be
15 appropriate to develop different kinds of
16 incentives for the varying degree of
17 difficulty in achieving savings; correct?

18 A. (By Mr. Iqbal) That is -- those are some of
19 the issues we should think about. But we
20 are not -- as I said, we didn't take any
21 position on those issues. But we are saying
22 that we have to look into those issues.

23 Q. But your position as to performance
24 incentives right now in this case is that it

1 should continue to -- they should be paid
2 only on the electric savings and not on
3 anything further?

4 A. (By Mr. Iqbal) That's correct.

5 Q. And is that the same treatment given to the
6 other fuel-blind programs for performance
7 incentives?

8 A. (By Mr. Iqbal) It depends on the analysis we
9 are planning to do. And we find that that
10 makes sense for other fuel-blind programs.
11 I think should also apply to other programs
12 as well.

13 Q. But currently, they're not separated out.
14 The other fuel-blind programs earn an
15 incentive without separating gas -- excuse
16 me -- electric from other savings.

17 A. (By Mr. Iqbal) Yes. That's correct.

18 CHAIRMAN IGNATIUS: All
19 right. I think that concludes the questions
20 from us.

21 Is there any redirect, Ms.
22 Thunberg?

23 MS. THUNBERG: Yes.

24 REDIRECT EXAMINATION

1 BY MS. THUNBERG:

2 Q. Can we pick up with the most recent issue?
3 The Commissioner -- Chairman Ignatius was
4 asking about the performance incentive on
5 HPwES. Mr. Al-Azad, when you spoke that
6 Staff would -- Staff's position is a
7 performance incentive only on the electric
8 savings, your response is only with respect
9 to SBC funds; is that correct?

10 A. (By Mr. Iqbal) Right now, yes, that is
11 correct. But if RGGI can come in, and after
12 our evaluation or the subgroup comes up with
13 some other ideas, we can include that, too.
14 So, yes, right now what you said is correct.

15 Q. Let me ask it another way, just to make sure
16 we're clear. Staff's position is that it
17 would not oppose full performance incentive
18 if there were other sources out there after
19 it had gone through a review; is that
20 accurate?

21 A. (By Mr. Iqbal) That's accurate. But when we
22 are talking about full performance
23 incentive, it depends on the outcome of this
24 study group, what that full performance

1 incentive is. Right now it's 12 percent.
2 What it will be after that, we don't know.
3 We have to go through the whole process.

4 Q. Understood. I was just trying to exact our
5 present position on -- Staff's present
6 position on a full performance incentive on
7 HPwES or not.

8 Next question. You were asked
9 questions about why isn't Staff concerned
10 about fairness with low income. Are you
11 aware that the legislature has directed
12 spending on low income? Either one of you
13 can answer.

14 A. (By Mr. Cunningham) Yes, we're aware of the
15 separate fund for the low-income folks.
16 We're also aware of the low-income program
17 and the Commission orders that specified how
18 the low-income program is to be allocated --
19 is to be determined each year in the context
20 of the energy-efficiency CORE filings.

21 Q. And has any legislative directive on how to
22 treat low income factored into your decision
23 on why the present low-income program would
24 be fair or not fair?

1 A. (By Mr. Iqbal) When you define "low income,"
2 I guess you're talking about low-income
3 energy-efficiency program.

4 Q. Yes.

5 A. (By Mr. Iqbal) On that, I don't remember
6 there is any incentive direction --
7 directives on that. But we know that part
8 of this SBC money goes for Home Energy
9 Assistance Program, almost half, 1.5 million
10 of the 3.3 million. So if that is an
11 indication, that means that legislation want
12 us to treat low-income group as a special
13 group.

14 Q. Next question -- and I want to get at this
15 question or this issue. Aside from market
16 saturation issues, we're talking about the
17 progression of HPwES and it being a useful
18 program going forward. Presently, how many
19 sources of funding fund energy-efficiency
20 programs?

21 A. (By Mr. Iqbal) Mainly two source of fund:
22 One is SBC, and one is FCM, Forward Capacity
23 Market.

24 CHAIRMAN IGNATIUS: And Ms.

1 Thunberg, that seems to me to be questions
2 that certainly could have been done in
3 direct. So let's be careful that you're
4 really raising things that relate to
5 cross-examination or questions from the
6 Bench.

7 MS. THUNBERG: This is
8 questioning from Commissioner Scott.

9 BY MS. THUNBERG:

10 Q. Is it Staff's position that HPwES could
11 be -- could continue if other sources of
12 funding, aside from the systems benefit
13 charge, were incorporated?

14 A. (By Mr. Iqbal) That's our position. We
15 think that SBC should be focusing on
16 electric savings. If there is some other
17 form, that could be used for this fuel-blind
18 program, given that the other fund is
19 fuel-blind as well. So, our position is
20 electric funds should be used for electric
21 savings, and fuel-blind funds should be used
22 for fuel-blind savings.

23 Q. On Day 2 of the hearing, we had a
24 bogged-down discussion about your direct

1 testimony and Schedule 1. And that's
2 Exhibit 35. And I just have a couple of
3 highlight -- or high-level questions on this
4 schedule, if you have it in front of you. I
5 just want to ask, what is this schedule
6 intended to show? Briefly.

7 CHAIRMAN IGNATIUS: And
8 again, we're not rehashing all of this. So
9 can you tailor your question to what you
10 feel needs clarification? I think we've
11 been through what is this intended to show.
12 So, what is your specific question that
13 needs clarification now on redirect?

14 MS. THUNBERG: I thought it
15 got very confusing when I was listening to
16 the dialogue between the Bench and the
17 witnesses as to what this was to show. So I
18 wanted to just have him succinctly state it.
19 If the Commissioners feel that they have an
20 understanding, a high-level understanding of
21 what this schedule depicts, then that's
22 fine. I can move on.

23 CHAIRMAN IGNATIUS: I think
24 we're okay as is.

1 MS. THUNBERG: Okay.

2 BY MS. THUNBERG:

3 Q. And I just want to clarify, Mr. Iqbal. My
4 last question here, there was a discussion
5 about low hanging fruit and high hanging
6 fruit, and I thought there was a
7 misstatement. I believe you had stated that
8 low hanging fruit is harder to get. Did you
9 mean to say that low hanging fruit is easier
10 to get and that high hanging fruit,
11 therefore, would be a higher incentive -- or
12 that the incentive would differ?

13 A. (By Mr. Iqbal) I think I said that -- I
14 corrected that in the next sentence, what I
15 meant, yeah.

16 Q. You did.

17 MS. THUNBERG: That's all
18 the questions I had on redirect. Thank you.

19 CHAIRMAN IGNATIUS: Thank
20 you.

21 All right. Then the
22 witnesses are excused. Thank you.

23 I think it would make sense
24 to take a break and let people organize

1 their thoughts about response to the request
2 for waiver from Unitil Energy Systems and
3 Northern Utilities and make some notes for
4 oral closings. Why don't we take a break
5 until 12:00. That gives us 15 minutes to
6 get organized. That work for everyone?

7 MS. THUNBERG: Sorry. Until
8 what time?

9 CHAIRMAN IGNATIUS: Until
10 12:00. I mean, an alternative is to take a
11 lunch break and come back. But I'm hoping
12 that's not necessary. We've got the
13 afternoon already scheduled up. Can we do
14 that, run through lunch and be done, you
15 know, I would think by 1:00?

16 (No verbal response)

17 CHAIRMAN IGNATIUS: All
18 right. Then let's take a break until 12:00.
19 Thank you.

20 (WHEREUPON a brief recess was taken at
21 11:45 a.m., and the hearing resumed at
22 12:01 p.m.)

23 CHAIRMAN IGNATIUS: All
24 right. Our first order of business is to

1 see if there are any objections to any of
2 the exhibits being -- that are marked for
3 identification being made full exhibits.

4 MS. THUNBERG: No.

5 CHAIRMAN IGNATIUS: I see no
6 one rising to that one. So let's strike the
7 identification and make all of the exhibits
8 full exhibits. Thank you.

9 Are there any other matters,
10 other than closings and then the waiver
11 issue, which we should take up?

12 MS. THUNBERG: Can I just
13 say that it's been a pleasure working with
14 Attorney Eaton in his last docket, last
15 hearing. And I think my colleagues and the
16 rest of the parties in this room would also
17 agree.

18 (Audience applauding.)

19 CMSR. HARRINGTON: You have
20 to admit, we made you work until the last
21 one.

22 CHAIRMAN IGNATIUS: Yes,
23 thank you for saying that. Our theory was
24 if we could keep extending this docket out

1 longer, you wouldn't retire. But even
2 10-188's got to come to an end at some
3 point. You have a couple days left and a
4 party next week; correct?

5 MR. EATON: Yup.

6 CHAIRMAN IGNATIUS: I hope
7 people can get there and wish you well
8 there. And we are going to make you work
9 down to the very end. So, thank you for
10 everything all these years.

11 Do we want to go first to
12 closings, or do people want to speak to the
13 waiver? I don't know if you think they sort
14 of cross back and forth and have a preferred
15 order of doing it.

16 MR. EATON: The utilities
17 heard a great many factual misstatements in
18 the testimony of Staff today, and we find
19 that we must await a transcript and file
20 written comments. They were -- apples and
21 oranges doesn't begin to describe the
22 testimony of Staff today. It's apples and
23 kumquats. For instance: 42-kilowatt hours
24 for ancillary savings is savings in a year,

1 and it's compared to lifetime kilowatt-hour
2 savings. And we need the time to look at
3 the transcript and compare it to the rest of
4 the record. So I'm afraid we're going to be
5 asking for written closing statements of at
6 least 15 pages to be filed after the
7 transcript is available.

8 But I do think we're all
9 prepared to go ahead and speak to the Unitil
10 and Northern request for Park Place Home
11 Performance. I'm ready to do that today.

12 CHAIRMAN IGNATIUS: Thank
13 you. Have you discussed this with others?
14 Do others have a position on the written
15 versus oral statements today? Is there
16 anyone opposed to Mr. Eaton's suggestion
17 that we not do oral statements and, instead,
18 have a transcript and a written submissions?

19 MS. THUNBERG: I guess Staff
20 is commenting on an unknown, because, I
21 mean, this is a hearing that has disputed
22 issues, disputed issues of fact. And Staff
23 has opinions of factual representations that
24 were made with Company witnesses as well.

1 But Staff would prefer to go forward with
2 oral closings. If there are egregious
3 facts, I mean, certainly, you know, Staff
4 would welcome corrections of that record.
5 But I'm just hesitant to agree to 15 pages
6 of written closings without really knowing
7 what facts. And I understand the position
8 that PSNH is putting -- or is in, that it
9 wants to see the transcript because it's
10 perceiving that there are misstatements of
11 fact.

12 CHAIRMAN IGNATIUS: Mr.
13 Eckberg, did you have a comment?

14 MR. ECKBERG: While I would
15 certainly prefer that Attorney Hollenberg
16 deliver the comments of the OCA, she
17 unavoidably had to leave for a few minutes.
18 We expect her back shortly. But we -- I do
19 feel that I can represent that our office
20 has no objection to the written closings.
21 We were likewise surprised with many of the
22 statements and new information that was
23 provided this morning, and it may be very
24 appropriate for us to comment or offer some

1 input on some of those pieces of information
2 that were presented this morning. So we
3 have no objection to the written closing
4 request. We are aware that that will add
5 additional work and perhaps cost to the
6 overall proceeding. We're sensitive to
7 that. But we feel that the parties need to
8 have every opportunity to represent their
9 position as appropriate.

10 CHAIRMAN IGNATIUS: Any
11 other comments on the request to do written
12 rather than oral closings? Mr. Linder?

13 MR. LINDER: We do not
14 object to having written closings.

15 Just a clarification
16 question. I assume there would be no
17 response closings, that everybody would just
18 submit their closing at one time and that
19 would end it.

20 CHAIRMAN IGNATIUS: That
21 would be our expectation as well.

22 Any other comments? I
23 guess, most importantly, any objection to
24 the request, other than Staff's preference?

1 MS. THUNBERG: Can I modify
2 the objection to can we do it in 10 pages
3 instead of 15, if you have to have
4 attachments to corroborate? I mean, I
5 suppose that would be acceptable. But 15
6 pages just seems an awful lot to make
7 corrections to testimony.

8 CHAIRMAN IGNATIUS: Well,
9 it's not just corrections. It's the closing
10 positions on the policy issues; is it not?

11 (Commissioners conferring off the record.)

12 CHAIRMAN IGNATIUS: All
13 right. We will grant the request to go to
14 written closings with a 15-page limit. That
15 doesn't mean a minimum of 15. It means a
16 maximum. So please don't go on longer than
17 you need to. But that's fine.

18 Can we set it -- we don't
19 know the exact date of the transcript,
20 although I understand we're pretty caught
21 up, because Mr. Patnaude's heading out next
22 week and so he's trying to get everything
23 done in advance. So if we say two weeks
24 after receipt of transcripts, which I think

1 will be fairly soon...

2 MS. GOLDWASSER: Sorry,
3 Chairman Ignatius. I would respectfully
4 suggest that perhaps we could do it faster
5 than that, I mean, given the schedule for
6 filing the next year's programs. Just if we
7 can buy the Commission another week, I know
8 Unitil would be happy to do that. I know
9 that Attorney Eaton is retiring before that
10 two-week period will be up. I don't want to
11 force any undue hardship on the other
12 parties. But I would respectfully ask --
13 and we haven't discussed it. But given the
14 August 30th, I believe, deadline for the
15 next year's filing, if we can buy the
16 Commission a week, I'd be happy to do that.

17 CHAIRMAN IGNATIUS: Meaning?

18 MS. GOLDWASSER: One week
19 after the transcript, 'cause most of us can
20 do most of our closings before we receive
21 transcripts. It's only a question of these
22 other factual questions that would have to
23 be supplemented.

24 CHAIRMAN IGNATIUS: Any

1 objection to that?

2 (No verbal response)

3 CHAIRMAN IGNATIUS: All
4 right. So one week after the transcript is
5 received is fine with us.

6 And then I guess the only
7 other issue is responses to the waiver
8 request from Northern and UES.

9 Ms. Goldwasser, you
10 submitted the request. And it's fairly
11 detailed, so I don't know if there's
12 anything you need to clarify or add to it,
13 or whether the letter alone covers it.

14 MS. GOLDWASSER: Chairman, I
15 think the letter stands for itself, although
16 we're happy to respond to any questions that
17 either the Bench has or the other parties
18 have. We haven't had a quarterly meeting
19 since this letter was submitted. There have
20 been telephone conversations between UES
21 staff and Commission staff. But that said,
22 we're happy to respond to any questions that
23 either the Bench has or the parties have
24 today.

1 CHAIRMAN IGNATIUS: All
2 right. We can go around the room. I guess
3 I'm -- if there's any -- maybe it's useful
4 to know, just sort of a show of hands, are
5 there people who are opposed to the request
6 for a waiver? And if there are none, then
7 we don't need to have people go through
8 lengthy explanations of why they're not
9 opposed. Ms. Hollenberg.

10 MS. HOLLENBERG: Sure. I
11 don't have to go out of turn, though. I was
12 only going to say I wasn't prepared to
13 respond to this today, and so I'm really
14 feeling a little unprepared to do that. And
15 I guess to the extent that -- I'm wondering
16 if the Commission would consider the parties
17 including comments in their briefs in this
18 docket, you know, basically their position
19 statements, they could respond in that way?

20 CHAIRMAN IGNATIUS: All
21 right. That's fine. That's fine. We're
22 cutting the 10-day response date by a few
23 days. So I'm not trying to cut off
24 anybody's rights. I just thought while we

1 were all here. But if you'd rather roll
2 that into the written submissions, which are
3 not that far off, anyway, that's fine.

4 MS. HOLLENBERG: I think it
5 would be helpful, too, for us to have an
6 opportunity to just have a conversation with
7 the Company and clarify issues; that way,
8 it's efficiently presented to the Commission
9 as possible and we don't have to do that in
10 the context of this hearing today.

11 CHAIRMAN IGNATIUS: Maybe
12 then, after we're done here, people do that
13 as a group in case -- because I know, Mr.
14 Eaton, you said PSNH has its own similar
15 analysis it does. Maybe share that with
16 everyone.

17 MR. EATON: I'd like to
18 share it with the Commissioners, not to make
19 this go any longer than it needs to.

20 Yes, we do projects like
21 this ourselves. And I asked some questions
22 of Mr. Galineau about it. And the
23 individual customers, the tenants that are
24 electrically heated, do not apply for the

1 program. It's the landlord who applies for
2 the program. He provides the customer-side
3 money. And the reason the apartments often
4 don't qualify under the Home Heating Index
5 is because two walls, at least, are not
6 exposed to the outside, so they don't have
7 as much heat loss as a freestanding home.

8 The other thing that I think
9 is important is, at the same time, we also
10 do energy improvements to the common areas
11 as well by replacing lighting with more
12 efficient lighting.

13 So it doesn't really fit in
14 the commercial side because it's not a
15 master metered apartment. These are
16 individual customers. But the application
17 is really done by the landlord, and he
18 provides the matching funds to match the
19 rebates.

20 So it's -- the bottom line
21 is that we agree with the statements made in
22 the letter, that these are all
23 cost-effective, and they're all done within
24 the budget of a HPwES program, and ought to

1 continue to be done because -- and I don't
2 want to make a blanket statement -- but
3 perhaps apartment dwellers are perhaps not
4 more -- they need some help with their
5 electric bill as well, and their heating
6 bill, even if they're not qualified for home
7 energy assistance or other low-income
8 programs, that we should continue to do
9 this. And maybe we need to flush it out
10 more as to what the guidelines for this
11 ought to be in our next filing. But I think
12 it ought to be allowed, and we fully support
13 the request that Unitil made.

14 CHAIRMAN IGNATIUS: Thank
15 you. Ms. Thunberg.

16 MS. THUNBERG: Staff would
17 just like to make a couple comments, because
18 when Staff reviewed these waiver requests,
19 it struck us that these would have been
20 covered under the old Home Energy Solutions
21 Program. And it's these kind of programs
22 that we just -- we're very supportive to get
23 funding, even if we have to do a waiver of
24 the program, because these are the kind of

1 programs that we don't want to get bumped as
2 programs such as HPwES develop in areas that
3 we've discussed today. And also, this was
4 consistent with, I think, Option 1 that
5 Staff had suggested in its testimony. So
6 that was the only comment, that Staff is
7 very supportive of monies going to these
8 kind of programs. Thank you.

9 MS. GOLDWASSER: Can I?

10 CHAIRMAN IGNATIUS: Sure.

11 MS. GOLDWASSER: I just have
12 a clarification.

13 As we state in our request,
14 we found that we wanted to bring this to the
15 Commission's attention with the interest of
16 shining a light on a really exciting
17 project, but also in the interest of shining
18 a light on a project we knew that Staff
19 would have an interest in, in the context of
20 this proceeding.

21 That said, when I reviewed
22 the filings regarding these programs and
23 discussed the rules with UES, it was unclear
24 to us whether we needed waivers for this

1 project. So we are seeking waivers to the
2 extent they are necessary. We wanted to
3 make sure this project happened, and
4 happened quickly. And so we ask the
5 Commission to rule, if necessary, and to let
6 us know what rule we should be following.
7 And, of course, should a fuel-blind program
8 go forward, we would like to seek means of
9 avoiding this in the future and also
10 creating a -- seek means of creating a
11 preference for a project like this one and
12 to make sure that they get done, because
13 they should be prioritized.

14 CHAIRMAN IGNATIUS: And that
15 sort of protocol for the future could be
16 developed as part of the next filing?

17 MS. GOLDWASSER: Yeah, the
18 '012, whatever it's going to be for the CORE
19 filing in August.

20 And then, I believe in the
21 last paragraph of the letter we say, you
22 know, we say that that's our position. We'd
23 like to find ways of doing this in the
24 future should the Home Performance Program

1 be approved.

2 CHAIRMAN IGNATIUS: All
3 right. Anything further on the waiver
4 request?

5 (No verbal response)

6 CHAIRMAN IGNATIUS: Then,
7 although it sounds like there's support for
8 it from most people, OCA still wants an
9 opportunity to go through it a little more
10 closely and submit something in writing. I
11 take it there's no -- waiting another week
12 doesn't throw off any ability to perform the
13 project?

14 MS. GOLDWASSER: No, it
15 won't impact the project. The project has
16 actually occurred. And that's indicated --
17 or it was in process when we realized, and
18 this is part of the timing situation. It
19 was in process when we realized that we had
20 this question regarding the rules associated
21 with it, and we expedited getting a letter
22 to you as soon as possible about it. But I
23 don't think that there's anything that's
24 going to change from one week to another.

1 CHAIRMAN IGNATIUS: All
2 right. So feel free to make comments on
3 that, to the extent you haven't already, or
4 need to supplement. If you feel you've said
5 what you need to say, don't feel you need to
6 restate it in the brief, but you may do so
7 if you'd like.

8 Mr. Linder, yes.

9 MR. LINDER: Just for the
10 record, we support the request.

11 CHAIRMAN IGNATIUS: Thank
12 you.

13 Unless there's anything
14 further, we will close this hearing, await
15 the written submissions a week from the date
16 the transcripts are received. And we
17 appreciate everyone's participation. We
18 regret that Mr. Eaton has to work down to
19 the absolute wire writing the closing. But
20 I wish you luck. And I thank everyone in
21 this case for all of your work.

22 (WHEREUPON the hearing was adjourned
23 at 12:18 p.m.)

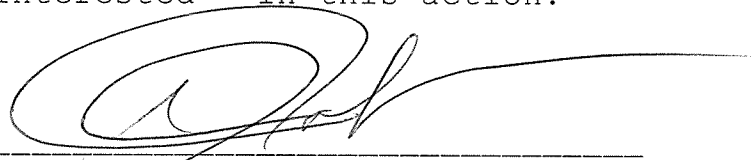
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[WITNESS PANEL: CUNNINGHAM|IQBAL]

C E R T I F I C A T E

I, Susan J. Robidas, a Licensed Shorthand Court Reporter and Notary Public of the State of New Hampshire, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of these proceedings taken at the place and on the date hereinbefore set forth, to the best of my skill and ability under the conditions present at the time.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action; and further, that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.



Susan J. Robidas, LCR/RPR
Licensed Shorthand Court Reporter
Registered Professional Reporter
N.H. LCR No. 44 (RSA 310-A:173)