

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

July 17, 2012 - 10:15 a.m.
Concord, New Hampshire

IN RE:

**DE-12-171 UNITIL ENERGY SYSTEMS, INC.:
Stranded Cost Recovery and External
Delivery Charge Reconciliation and Rate
Filing**

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

Sandy Deno - Clerk

APPEARANCES:

Reptg. Unitil Energy Systems, Inc.:
Gary M. Epler, Esq.
Todd Bohan, Analyst, USC
Laura S. McNamara, Sr. Analyst, USC

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Grant Siwinski, Analyst - Elec Div.

COURT REPORTER: SUSAN J. ROBIDAS, N.H. LCR NO. 44

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WITNESS PANEL: TODD M. BOHAN
 LAURA S. McNAMARA

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P R O C E E D I N G S

CHAIRMAN IGNATIUS: It's now 10:15 I'd like to open the hearing in Docket DE 12-171, which is Unitil Energy Systems' annual reconciliation and rate filing.

On June 15, 2012 Unitil, UES, filed its annual reconciliation of adjustable rate mechanisms, which included its stranded cost charge and its external delivery charge. The changes, if approved, would result in increases for various classes of customers, ranging from 1.1 to 3.6 percent. And by order dated June 29th, 2012, we scheduled a hearing on this matter. So let's begin with appearances, please.

MR. EPLER: Good morning. Gary Epler, Chief Regulatory Counsel of Unitil Service Corp., appearing on behalf of Unitil Energy Systems, Inc.

CHAIRMAN IGNATIUS: Thank you.

MS. AMIDON: Good morning, Commissioners. Suzanne Amidon for Commission Staff. And with me today is Grant Siwinski, an analyst with the Electric Division.

[WITNESS PANEL: BOHAN|McNAMARA]

1 CHAIRMAN IGNATIUS: Good
2 morning. Do we have an affidavit of
3 publication? Good. Thank you for submitting
4 that.

5 Are there any preliminary
6 matters before we begin with evidence?

7 (No verbal response)

8 CHAIRMAN IGNATIUS: Appears
9 none. Mr. Epler, yes?

10 MR. EPLER: Yes. Chairman
11 Ignatius, if we could just have two documents
12 premarked, I think it would help the
13 procedure. The first is the blue binder, if
14 we could have that marked as Exhibit No. 1.

15 CHAIRMAN IGNATIUS: So marked.

16 **(The document, as described, was**
17 **herewith marked as 1 for**
18 **identification.)**

19 MR. EPLER: And the second, I
20 believe on the bench in front of you, we have
21 a short document, maybe 10 pages, that are
22 Unitil's responses to the Staff's first set
23 of data requests. If that could be premarked
24 as Exhibit 2.

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1 CHAIRMAN IGNATIUS: Any
2 objection to marking the documents?

3 MS. AMIDON: No.

4 CHAIRMAN IGNATIUS: All right.
5 We'll mark that as Exhibit 2 for
6 identification. Thank you.

7 (The document, as described, was
8 herewith marked as 2 for
9 identification.)

10 Anything else?

11 MR. EPLER: No.

12 CHAIRMAN IGNATIUS: If not,
13 will you swear the witnesses.

14 (WHEREUPON, TODD M. BOHAN AND LAURA S.
15 McNAMARA were duly sworn and cautioned
16 by the Court Reporter.)

17 TODD M. BOHAN, SWORN

18 LAURA S. McNAMARA, SWORN

19 MR. EPLER: Thank you.

20 DIRECT EXAMINATION

21 BY MR. EPLER:

22 Q. Mr. Bohan, could you please state your full
23 name and by whom you're employed and in what
24 capacity.

[WITNESS PANEL: BOHAN|McNAMARA]

1 A. (By Mr. Bohan) Todd M. Bohan, and I'm
2 employed in the Energy Contracts Department
3 with Unitil Service Corporation.

4 Q. Ms. McNamara, can you also state your full
5 name, by whom you're employed, and in what
6 capacity?

7 A. (By Ms. McNamara) My name is Linda S.
8 McNamara. I'm a senior regulatory analyst
9 for Unitil Service Corp.

10 Q. Okay. Mr. Bohan, if I could draw your
11 attention to what's been premarked as Exhibit
12 No. 1 and to the tabs that are marked Exhibit
13 TMB-1 and then Schedules TMB-1 through TMB-5.
14 Were these prepared by you or under your
15 direction?

16 A. (By Mr. Bohan) Yes, they were.

17 Q. And do you have any changes or corrections to
18 these?

19 A. (By Mr. Bohan) I do not.

20 Q. And do you adopt these as your testimony and
21 schedules in this proceeding?

22 A. (By Mr. Bohan) I do.

23 Q. Okay. Mr. Bohan, could you also turn to
24 what's been premarked as Exhibit No. 2, and

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1 to the last two pages of that, the responses
2 to Staff Request 1-6 and Staff Request 1-7.
3 Were these prepared by you and under your
4 direction?

5 A. (By Mr. Bohan) Yes, they were.

6 Q. And do you have any changes or corrections to
7 those two pages?

8 A. (By Mr. Bohan) I do not.

9 Q. And do you adopt these as your responses to
10 those data requests?

11 A. (By Mr. Bohan) Yes, I do.

12 Q. Ms. McNamara, could you please turn to
13 Exhibit No. 1 and to the tabs LSM-1 and
14 Schedules LSM-1 through LSM-4. Were these
15 prepared by you and under your direction?

16 A. (By Ms. McNamara) Yes.

17 Q. And do you have any changes or corrections to
18 these?

19 A. (By Ms. McNamara) No.

20 Q. Okay. And could you please turn to Exhibit
21 No. 2 and to the responses to Data Request
22 Staff 1-1 through Staff 1-5. And were these
23 prepared by you?

24 A. (By Ms. McNamara) Yes.

[WITNESS PANEL: BOHAN|McNAMARA]

1 Q. And do you have any changes or corrections?

2 A. (By Ms. McNamara) No.

3 Q. And do you adopt them as your responses to
4 Staff's data requests?

5 A. (By Ms. McNamara) Yes.

6 Q. Ms. McNamara, could you turn to Exhibit
7 No. 1, Tab Exhibit LSM-1, and turn to Page 7.
8 And on Page 7 there's a question and answer
9 that starts at Line 4 and goes through Line
10 12.

11 Now, at the time -- and this question
12 and answer pertains to adjustments as a
13 result of matters pending in Docket
14 DE 11-105; is that correct?

15 A. (By Ms. McNamara) Yes.

16 Q. And at the time you wrote this, was it your
17 understanding that a settlement in principle
18 had been reached by the parties, and that was
19 the basis for including this in your
20 testimony here?

21 A. (By Ms. McNamara) Yes.

22 Q. And can you also now turn the page to, well,
23 it's Bates stamped 9 on Page 7 of 9, and the
24 question and answer there that starts at Line

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1 11 and goes through 19. And similarly with
2 this, this was based on your understanding of
3 a settlement in principle in Docket DE
4 11-105?

5 A. (By Ms. McNamara) Yes.

6 Q. And has this settlement -- is it your
7 understanding that a settlement has not yet
8 been filed with the Commission?

9 A. (By Ms. McNamara) Yes.

10 Q. Okay. Now, in -- if you can turn to
11 Exhibit No. 2. And in response to data
12 requests from the Staff, did you delete the
13 changes to the external delivery charge and
14 to the stranded cost charge from your
15 testimony and schedules?

16 A. (By Ms. McNamara) Yes.

17 Q. Deleted the adjustments to those two charges
18 related to DE 11-105?

19 A. (By Ms. McNamara) I did, in response to Staff
20 Data Request 1-3 and 1-4.

21 Q. Could you please turn to Staff 1-3 and
22 explain what that shows.

23 A. (By Ms. McNamara) The filing made on
24 June 15th included \$36,423 relating to the

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[WITNESS PANEL: BOHAN|McNAMARA]

1 SCC, relating to the customer billing
2 adjustment; and \$48,526 relating to the EDC.

3

4 Q. And those were associated with Docket DE
5 11-105?

6 A. (By Ms. McNamara) Yes. I removed those two
7 amounts from the rate calculations, and the
8 results are shown on the page following the
9 written response to 1-3. I believe it's
10 labeled as "Staff 1-3 Attachment, Page 1 of
11 3." The first column entitled, Rates
12 Calculated in Staff Request 3" shows an
13 external delivery charge for all classes of
14 .01753 dollars per kilowatt hour. It shows a
15 stranded cost charge of .00009 dollars per
16 kilowatt hour for all classes, except for the
17 G1 and G2 demand classes. The G2 demand
18 class rate calculation shows .00002 dollars
19 per kilowatt hour, and .02 dollars per KW.
20 And the G1 shows .00002 dollars per kilowatt
21 hours, and the kVA charge of .02. Those
22 amounts exclude the customer billing
23 adjustment.

24 Q. Okay. And then turning to the next page of

[WITNESS PANEL: BOHAN|McNAMARA]

1 the attachment, Page 2 of 3, what does that
2 show?

3 A. (By Ms. McNamara) Page 2 of 3, and also Page
4 3 of 3, are both red-lined versions of our
5 current tariff. On both pages, the left-hand
6 section shows the rates and the rate
7 calculations that are currently in effect,
8 and the right-hand section of both pages
9 shows the revised rate calculations, with the
10 customer billing adjustment removed.

11 Q. And then you also referenced Staff Request
12 1-4; is that correct?

13 A. (By Ms. McNamara) Yes. Staff 1-4 shows a
14 comparison of the rates that are currently in
15 effect as compared to the rates that were
16 calculated in Staff 1-3.

17 MR. EPLER: Chairman Ignatius,
18 by way of explanation, may I just discuss the
19 reason for these changes?

20 CHAIRMAN IGNATIUS: Please do.

21 MR. EPLER: At the time we
22 submitted the testimony, the Company had
23 reached an agreement in principle with Staff
24 and the Consumer Advocate Office in the

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1 matter that's before the Commission in Docket
2 DE 11-105. Unfortunately, because the
3 changes in the rates that are proposed in
4 this docket were to start August 1st, and the
5 issues that were involved in 11-105 impact
6 these rates, we thought it would be helpful
7 at the time to include those anticipated
8 changes in this filing. Unfortunately, and
9 certainly due to nobody's fault, we have --
10 although, there's still an agreement in
11 principle, we have not been able to commit
12 that agreement to writing and file it with
13 the Commission. So, therefore, it's
14 premature to include those amounts, both
15 because there's no settlement, and obviously
16 because the Commission has not considered
17 that. So it's premature to include them in
18 our filing and to request that they be
19 included in these changes. So, therefore,
20 the Staff had requested that we do this
21 calculation that's in Exhibit 2, removing
22 those changes. And Ms. McNamara has just
23 indicated that that's what was performed by
24 the Company. So if the Commission is looking

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1 for the calculations for what we're
2 requesting about those changes, that is in
3 the discovery.

4 CHAIRMAN IGNATIUS: Let me
5 just clarify with you.

6 First, 11-105, is that the
7 dispute involving Exeter at River Woods --

8 MR. EPLER: Yes.

9 CHAIRMAN IGNATIUS: Or River
10 Woods at Exeter, or whatever it's called?

11 MR. EPLER: Yes.

12 CHAIRMAN IGNATIUS: And are
13 you saying that you now are requesting the
14 figures that are shown and corrected in two
15 exhibits --

16 MR. EPLER: Yes.

17 CHAIRMAN IGNATIUS: -- the
18 attachments? Okay.

19 And Staff, is that your
20 understanding of the current request as well?

21 MS. AMIDON: Yes.

22 CHAIRMAN IGNATIUS: All right.
23 Go ahead.

24 MR. EPLER: So I apologize for

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1 any confusion that may have caused. But we
2 are now, I think, at the point where we
3 should be.

4 CHAIRMAN IGNATIUS: Thank you.

5 MR. EPLER: That's all the
6 direct examination I have. Thank you.

7 CHAIRMAN IGNATIUS: Ms.
8 Amidon.

9 MS. AMIDON: Thank you.

10 **CROSS-EXAMINATION**

11 **BY MS. AMIDON:**

12 Q. Good morning. I guess this question is for
13 you, Mr. Bohan.

14 As I understand it, the SCC costs are
15 stranded costs that the Commission authorized
16 for a recovery in connection with the
17 restructuring docket that was conducted for
18 Unitil. Is that your understanding as well?

19 A. (By Mr. Bohan) That is correct. That was
20 Docket DE 01-247.

21 Q. Thank you. And I understand from your
22 testimony there were -- is it three
23 categories of stranded costs, and two of
24 those categories have ended, in terms of

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1 recovery from customers? Is that right?

2 A. (By Mr. Bohan) That is correct.

3 Q. Could you just provide a little detail about
4 what those costs were and when they expired?

5
6 A. (By Mr. Bohan) Certainly. If we could turn
7 to... it would be Schedule TMB-3, which is
8 Bates stamped Page 063. And there are three
9 pages here. And I can -- I'll speak, I
10 guess, from Page 065, Page 3 of 3, Schedule
11 TMB-3. The three main categories of costs
12 here for the stranded cost charge are the
13 portfolio sales charge, the residual contract
14 obligations and the Hydro-Quebec support
15 payments.

16 The portfolio sales charge has ended,
17 and that ended in October of 2010. The last
18 payment was made then. The residual contract
19 obligation, the last contract payment that
20 was due was September of 2009. So those have
21 since expired, and there will no longer be
22 any costs in those categories. Third, the
23 Hydro-Quebec support payments, those are
24 currently in effect, and we are under

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1 contract through 2020 for those payments.

2 Q. Thank you. And the way -- and I'm sure you
3 can answer this more elegantly than I can ask
4 it. But the way the Hydro-Quebec support
5 payments work, there's also a benefit to the
6 Company; is that right?

7 A. (By Mr. Bohan) That is correct. We have
8 interconnection rights with Hydro-Quebec, and
9 we get to sell those. We have an arrangement
10 with CDPS, where they can bid those and sell
11 those on our behalf. And when they do that,
12 we get a revenue stream that comes back to
13 the Company that helps to offset some of
14 those costs. So there are costs and revenues
15 as part of that relationship.

16 Q. Thank you. And then I believe this is for
17 you, Ms. McNamara.

18 With the exclusion of the River Wood
19 cost, the stranded cost charge is still
20 increasing in small increments; is that
21 correct?

22 A. (By Ms. McNamara) Yes, it is.

23 Q. And could you explain why it's increasing,
24 since we understand that the only remaining

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1 obligation is the Hydro-Quebec?

2 A. (By Ms. McNamara) The increase in the
3 stranded cost charge is due to the change in
4 the prior period balance and the current
5 rate. There is an over-collection of
6 approximately \$259,000. In the proposed
7 rate, the over-collection is approximately
8 \$59,000.

9 Q. And most of the increase, then, is attributed
10 to this change in the prior year's balance?

11 A. (By Ms. McNamara) It is.

12 Q. Thank you.

13 And in addition, there were rate impacts
14 associated with the filing as it was made on
15 June 15th. With the exclusion of the River
16 Wood costs, are there any discernible changes
17 in the rate impacts for customers?

18 A. (By Ms. McNamara) There are not. The rate
19 changes that the bill impacts, rather, that
20 are presented on Schedule LSM-4, Bates Stamp
21 Page 34, the rate impacts shown on that page
22 are essentially unchanged.

23 Q. Thank you. And I think this is for you, Mr.
24 Bohan.

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1 The EDC costs are costs principally
2 implemented by passing through costs under
3 FERC-approved tariffs; is that correct?

4 A. (By Mr. Bohan) That is correct.

5 Q. And does the Company have any ability to
6 influence those costs?

7 A. (By Mr. Bohan) Well, we have -- we
8 participate in a group, you know, the
9 transmission owners. So we have our ability
10 to exercise our rights through that venue.

11 Q. Okay. Thank you.

12 And over the years, have you observed a
13 trend with these tariff costs? In other
14 words, has the trend been incrementally
15 increasing or leveling or decreasing?

16 A. (By Mr. Bohan) The trend has generally been
17 for those to increase.

18 Q. Okay. Thank you.

19 MS. AMIDON: We have no
20 further questions, Madam Chair.

21 CHAIRMAN IGNATIUS: Thank you.
22 Commissioner Harrington, questions?

23 CMSR. HARRINGTON: Just a
24 couple quick questions.

[WITNESS PANEL: BOHAN|McNAMARA]

INTERROGATORIES BY CMSR. HARRINGTON:

Q. On that, the mention of the Hydro-Quebec cost there on Bates Stamp Page 63, just let me -- if someone could explain what happened between December 2010 and January 2011. It goes from what looks like had been \$8200 and then switches to \$25,218. What happened at that particular point?

A. (By Mr. Bohan) There is just a -- well, this changes -- the requirements change on a calendar-year basis. So, come January 1, the determinant for the billing change, we ended up with credit for that time period.

Q. Okay. It's just the way the market performed during that year? I'm just trying to -- you know, it's a 30-something thousand dollars difference, so --

A. (By Mr. Bohan) Yes.

Q. Just the way the market performed?

A. (By Mr. Bohan) Yeah.

Q. And one other question I didn't quite follow. It was about the current rate and proposed rate, and they were both over-collecting was the response to the question that was asked

[WITNESS PANEL: BOHAN|McNAMARA]

1 by Staff. You said the current rate is
2 over-collecting 200-something thousand, and
3 then the proposed rate is going to
4 over-collect 50-something thousand? I'm a
5 little confused? Why are we resolving a
6 over-collection with a continued
7 over-collection?

8 A. (By Ms. McNamara) Well, I believe Ms.
9 Amidon's question was specifically asking why
10 the stranded cost charge was increasing, even
11 though certain costs -- the actual costs
12 feeding into the rate were decreasing. The
13 over-collection that is currently being
14 collected existed as of August 1st, 2011. It
15 was a number that we included in our last
16 filing. And the effective rate was 259,000.
17 Over this past year, we -- the rate has
18 over-collected \$59,000. So it's two
19 different periods. Am I answering your
20 question?

21 Q. No, I understand what you're saying. But how
22 are we -- it looks like there was 259
23 over-collected. When did that get resolved
24 so that there was no over-collection? How

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1 did that get zeroed out?

2 A. (By Ms. McNamara) Well, if sales and cost and
3 everything were perfect, that 259,000 would
4 be eliminated as of July 31st of this year
5 when that rate expired.

6 Q. Did that happen?

7 A. (By Ms. McNamara) Well, the way that the
8 revenue, that we don't have two pieces of the
9 stranded cost charge rate, it's just the one
10 number which collects the prior period
11 balance as well as the current period cost.
12 So, to say how much of the \$59,000 estimated
13 over-collection for August 1st, 2012 relates
14 to how much of the prior period
15 over-collection we didn't collect, as well as
16 cost variances that came in throughout the
17 year, as well as sales variances throughout
18 the year, there's no way to break that figure
19 apart.

20 Q. I'm just trying to -- I guess maybe put in
21 simpler terms. When does this get trued up?
22 When does this 259,000 from last year and
23 59,000 from the present year get trued up?
24 How is that done? Somewhere along the line,

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1 if you under-collect, you have to make up for
2 it; if you over-collect, you have to make up
3 for that. So how is it trued up?

4 A. (By Ms. McNamara) Well, I guess I'm sorry. I
5 probably am not answering --

6 A. (By Mr. Bohan) Can I jump in? I'd like to
7 add one thing here. First of all, there's
8 timing here where we're setting the rate.
9 For example: Today we're coming to you with
10 these proposed rates. In the filing, we only
11 have nine months of actual data. So we
12 have -- for the last three months, just
13 coming in through the end of July, we do --
14 we provide estimates or projections. So part
15 of that over and under recovery could be
16 influenced or changed by actuals in those
17 three months.

18 I think specific to your question is, if
19 we go back a year, you're seeing there's this
20 \$259,000 over-collection. And you would
21 want -- you're asking where is that going.
22 The rate that has been set to go into effect
23 August 1st, 2011 includes that
24 over-collection. So the rate was lower by

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1 \$259,000. Come today, the rate is going to
2 include an over-collection of \$59,000, all
3 other things being equal. If revenues and
4 cost and everything were exactly what we
5 projected, that balance would be zero, and
6 nothing would be included in the rate.

7 Q. Okay. So you true it up going forward --

8 A. Yes.

9 Q. -- by rolling that into your revenue
10 requirements for the next year.

11 A. (By Mr. Bohan) Correct.

12 Q. I think I understand.

13 CMSR. HARRINGTON: That's all
14 I have.

15 CHAIRMAN IGNATIUS: Before we
16 go on, let me just follow up on that --
17 Commissioner Scott, if you could hold off for
18 a second, because it's on the same topic.

19 INTERROGATORIES BY CHAIRMAN IGNATIUS:

20 Q. I understand the description, Mr. Bohan, of
21 how you effectively credit the
22 over-collection when you're setting the new
23 rate and would lower it. What's confusing to
24 us is, both in the written testimony and this

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1 morning -- for example: If you look at
2 Page 6, Ms. McNamara, of your testimony,
3 Bates 6, Line 5, the statement, "The uniform
4 rate is increasing," and then later you say,
5 "due to a change in the prior period
6 balance." So the logic would tell you the
7 rate would be decreasing because of the prior
8 over-collection and not -- it seems like
9 those increases due to an over-collection is
10 just logically not making sense to me. So,
11 what is it that we're missing here?

12 A. (By Ms. McNamara) Okay. The prior period, we
13 had been crediting 259 -- ignoring everything
14 else, let's just look at the over-collection.

15 We had been crediting \$259,000. This
16 time we proposed to credit \$59,000. So, to a
17 customer, they're seeing an increase in cost
18 of \$200,000, from 259 to -- so there's an
19 increase to the rate, even though the rate
20 is -- the rate itself that we're proposing
21 for August 1st, 2012 is lower by \$59,000
22 compared to last time. Customers are seeing,
23 for just that one component, a \$200,000
24 change.

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1 Q. So you have sort of artificially knocked down
2 the rate because of the over-collection, and
3 now this is approaching the actual cost.

4 A. (By Ms. McNamara) Correct. Yes.

5 A. (By Mr. Bohan) And just to add? Maybe why
6 there's a little bit of confusion here is the
7 magnitude of that over-collection a year ago
8 is actually larger than the amount of cost
9 currently before the Commission today. So it
10 was a very large over-collection last time.

11 CHAIRMAN IGNATIUS: I think I
12 got it. Commissioner Scott?

13 CMSR. SCOTT: Thank you.

14 **INTERROGATORIES BY CMSR. SCOTT:**

15 Q. I wanted to delve into a little bit more
16 regarding the transmission rights and
17 capacity sales. And obviously, Staff has
18 asked you about that. It's on Bates 49 and
19 then 68.

20 So, just for my edification, the
21 implication there is the rights of capacity
22 being sold on the short term are capacity,
23 obviously, that your company doesn't need.

24 A. (By Mr. Bohan) Correct.

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1 Q. And it would appear that 100 percent of the
2 proceeds from that offset the EDC cost; is
3 that true?

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

5 Q. So you don't collect the -- I mean,
6 obviously, there's some administrative work
7 involved in entering into these agreements.
8 So that's not covered; is that correct?

9 A. (By Mr. Bohan) Not in here.

10 Q. Where is that covered?

11 A. (By Mr. Bohan) We have a very small category
12 in our EDC costs. If you turn to Bates Stamp
13 062, we have a category of Administrative
14 Service Charges. It's minimal fees.

15 Q. Okay. That's Category J; is that correct?

16 A. (By Mr. Bohan) Correct.

17 Q. Thank you. That's all I have.

18 A. (By Mr. Bohan) You're welcome.

19 **INTERROGATORIES BY CMSR. IGNATIUS:**

20 Q. Just a couple of questions about the River
21 Woods issue.

22 I assume by pulling it out of the
23 proceeding today, those adjustments out of
24 the proceeding today, it is likely, if there

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1 is a settlement filed and ultimately
2 approved, we'd see something similar in terms
3 of adjustments at a future reconciliation?
4 Would that be the proceeding where we would
5 see it?

6 MR. EPLER: I think we'd have
7 to discuss with Staff what the proposal would
8 be going forward, whether to postpone it
9 again for another year, the next
10 reconciliation, or whether to make an
11 adjustment prior to that. So that would be
12 something that we would come before the
13 Commission with a proposal on.

14 CHAIRMAN IGNATIUS: All right.
15 And by pulling it out, those adjustments out
16 of this, it doesn't prejudice the disposition
17 of any of those charges down the road?

18 MR. EPLER: I don't believe
19 so.

20 CHAIRMAN IGNATIUS: And I
21 assume, at some point, as part of either a
22 settlement proposal if it is filed with us,
23 or in a future proceeding, there would be a
24 demonstration of why it's appropriate that

[WITNESS PANEL: BOHAN|McNAMARA]

1 those costs be considered stranded, to go
2 under the stranded cost charge?

3 MR. EPLER: Yes.

4 CHAIRMAN IGNATIUS: Then I
5 think I have nothing else. No other
6 questions from us. Any redirect?

7 MR. EPLER: No. Thank you.

8 CHAIRMAN IGNATIUS: Then the
9 witnesses are excused. Thank you.

10 Are there any other matters
11 other than striking identification?

12 (No verbal response)

13 CHAIRMAN IGNATIUS: Seeing
14 none, is there any opposition to striking the
15 identification and making the two exhibits
16 full exhibits?

17 (No verbal response)

18 CHAIRMAN IGNATIUS: Seeing no
19 objection, we'll do that.

20 Opportunity for closings then.
21 Mr. Epler -- or Ms. Amidon. I'm sorry I
22 fumbled that this morning.

23 MS. AMIDON: Thank you.

24

[WITNESS PANEL: BOHAN|McNAMARA]

CLOSING STATEMENTS

MS. AMIDON: First of all, Staff wants to thank the Company for its cooperation in working through this customer adjustment billing issue. And while it's not a lot of money, in terms of the overall rate, we were concerned that the settlement agreement be approved by the Commission before those costs commence recovery. And therefore, I just want to appreciate, you know, Ms. McNamara's and Attorney Epler's work in that regard.

Having said that, without those River Wood costs, we believe that the Company appropriately calculated the stranded costs and the EDC rates, and the calculations support those rates, and we would recommend that the Commission approve the petition as modified.

CHAIRMAN IGNATIUS: Thank you.
Mr. Epler.

MR. EPLER: Yes, I appreciate Staff's acknowledgment there.

As indicated, we have pulled

1 the costs associated with DE 11-105 out of
2 this filing. And with that, I think these
3 reconciliation filings have become relatively
4 routine, in terms of the procedure and how
5 things are calculated. And so we have
6 followed that routine that's been set as
7 precedent in the prior filings, and we'd ask
8 the Commission to approve it.

9 CHAIRMAN IGNATIUS: Thank you.
10 Is it an August 1st date that you would need
11 an order? Is that correct?

12 MS. McNAMARA: Yes.


13 CHAIRMAN IGNATIUS: We'll take
14 this under advisement and do everything we
15 can to meet that deadline. Thank you. We
16 stand adjourned.

17 (Whereupon the hearing was adjourned at
18 10:47 a.m.)
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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)