

1 STATE OF NEW HAMPSHIRE

2 PUBLIC UTILITIES COMMISSION

3 December 19, 2016 - 10:05 a.m.
4 Concord, New Hampshire

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6 RE: DE 14-216

7 ELECTRIC AND GAS UTILITIES:
8 2015-2016 CORE New Hampshire
9 Electric and Gas Energy Efficiency
10 Programs, which includes the
11 2017 CORE New Hampshire Energy
12 Efficiency Programs Proposal.13 **PRESENT:** Chairman Martin P. Honigberg, Presiding
14 Commissioner Robert R. Scott
15 Commissioner Kathryn M. Bailey

16 Sandy Deno, Clerk

17 **APPEARANCES:** Reptg. Public Service of New Hampshire
18 d/b/a Eversource Energy:
19 Matthew J. Fossum, Esq.20 Reptg. Unitil Energy Systems and
21 Northern Utilities:
22 Patrick H. Taylor, Esq.23 Reptg. Liberty Utilities (EnergyNorth
24 Natural Gas) Corp. & Liberty Utilities
(Granite State Electric) Corp. d/b/a
Liberty Utilities:
Michael J. Sheehan, Esq.Reptg. N.H. Electric Cooperative:
Mark W. Dean, Esq.

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

CERTIFIED
ORIGINAL TRANSCRIPT

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P R O C E E D I N G

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2 CHAIRMAN HONIGBERG: We're here this
3 morning in Docket DE 14-216, the Statewide
4 Energy Efficiency Plan docket. We're on a
5 continuation portion of the 2014 docket. We
6 have a Settlement Agreement, we have some other
7 testimony.

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

10 MR. FOSSUM: Good morning,
11 Commissioners. Matthew Fossum, here for Public
12 Service Company of New Hampshire doing business
13 as Eversource Energy.

14 MR. TAYLOR: Patrick Taylor, on
15 behalf of Northern Utilities and Unitil Energy
16 Systems.

17 MR. SHEEHAN: Good morning. Mike
18 Sheehan, for Liberty Utilities (Granite State
19 Electric) and Liberty Utilities (EnergyNorth
20 Natural Gas).

21 MR. DEAN: Good morning. Mark Dean,
22 on behalf of New Hampshire Electric
23 Cooperative.

24 MR. LABBE: Good morning. Dennis

1 Labbe, of New Hampshire Legal Assistance, on
2 behalf of The Way Home.

3 MR. MINARD: Richard Minard, Office
4 of Energy and Planning.

5 MS. OHLER: Rebecca Ohler, Department
6 of Environmental Services.

7 MS. BIRCHARD: Melissa Birchard,
8 Conservation Law Foundation.

9 MR. KREIS: Good morning. I'm D.
10 Maurice Kreis, the Consumer Advocate, here on
11 behalf of residential utility customers.

12 MR. DEXTER: And Paul Dexter, on
13 behalf of the Commission Staff.

14 CHAIRMAN HONIGBERG: How are we
15 proceeding this morning? Mr. Fossum.

16 MR. FOSSUM: Yes. We'll have a -- we
17 had discussed -- the various Parties to the
18 Agreement have discussed the process for this
19 morning. We will have a panel of witnesses
20 from the Utilities and the Staff. Before
21 bringing up that panel, though, I wanted to
22 note one thing that's perhaps a little bit
23 different.

24 In this docket previously, there was

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1 testimony filed on behalf of the Utilities back
2 with the initial filing in September. There
3 are four witnesses who filed testimony at that
4 time on behalf of the Utilities. It is not our
5 intention this morning to affirmatively bring
6 those witnesses up to the stand in the first
7 instance. The Settlement Agreement in this
8 docket has a provision that the witness
9 testimony would be admitted, and all the
10 Parties have agreed to that. So, it was our
11 intention not to bring those witnesses up for
12 direct testimony. But they are all available
13 in the hearing room should the Commission have
14 any questions about that testimony.

15 Similarly, on behalf of the Staff,
16 Staff witness Elizabeth Nixon filed testimony,
17 and the Parties have agreed that Ms. Nixon
18 would not be taking the stand affirmatively.
19 That her testimony would be admitted,
20 consistent with the language in the Settlement
21 Agreement that is before the Commission today,
22 and that she would be available for questions,
23 if there are any.

24 So, I wanted to put that on the

1 record for the benefit of the Commissioners.
2 As I said, that process has been vetted with
3 all of the Parties, and all the Parties have
4 agreed that that's how we would proceed this
5 morning.

6 CHAIRMAN HONIGBERG: Is there any
7 other -- anything else we need to know about
8 that? The concept is that all that testimony
9 would be made a full exhibit, whatever numbers,
10 I don't know what numbers we're on?

11 MR. FOSSUM: Yes. So, and we can do
12 that at this time. So, in the September filing
13 from the Utilities, that has been marked for
14 identification this morning as "Exhibit 8". As
15 part of that whole filing, there was testimony
16 from Karen Asbury, Heather Tebbetts,
17 Christopher Goulding, and Carol Woods. That
18 all of that testimony would be admitted as part
19 of Exhibit 8.

20 And, then, what has been marked for
21 identification this morning as "Exhibit 9" is
22 the November Staff testimony. That testimony
23 is from both Staff witness James Cunningham and
24 Staff witness Elizabeth Nixon. But

1 Mr. Cunningham would be on the panel this
2 morning, so only Ms. Nixon's testimony would be
3 given that treatment.

4 And, just finally then, while we're
5 on it, what has been premarked for
6 identification as "Exhibit 10" is the
7 Settlement Agreement and associated attachments
8 that were filed last week in the docket.

9 (The documents, as described,
10 were herewith marked as
11 **Exhibit 8, Exhibit 9, and**
12 **Exhibit 10**, respectively, for
13 identification.)

14 CHAIRMAN HONIGBERG: All right. That
15 works for me. If no one has any objections,
16 we'll proceed as Mr. Fossum has outlined?

17 *[No verbal response.]*

18 CHAIRMAN HONIGBERG: All right.
19 Then, are we ready to have the panel take its
20 place?

21 MR. FOSSUM: I have nothing further.
22 So, yes, I believe that we're ready to have the
23 panel.

24 CHAIRMAN HONIGBERG: All right.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 While they're moving, can we just dispense with
2 the necessity at the end of the hearing to
3 strike the ID from Exhibits 8, 9, and 10, and
4 we just deem them full exhibits now, and
5 everybody can stop using the words "marked for
6 identification"? Does that work for everyone?

7 MR. DEXTER: Yes.

8 *[Multiple parties indicating*
9 *"yes".]*

10 CHAIRMAN HONIGBERG: All right.
11 Without objection, that's how we'll proceed.
12 We'll see the first person who lapses into the
13 usual litany.

14 All right, Mr. Patnaude.

15 (Whereupon **Rhonda J. Bisson,**
16 **Eric M. Stanley,** and **James J.**
17 **Cunningham, Jr.,** were duly sworn
18 by the Court Reporter.)

19 CHAIRMAN HONIGBERG: All right.
20 Who's grabbing the microphone out there?

21 *[Atty. Fossum conferring with*
22 *Atty. Dexter.]*

23 CHAIRMAN HONIGBERG: Mr. Dexter.

24 **RHONDA J. BISSON, SWORN**

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ERIC M. STANLEY, SWORN

JAMES J. CUNNINGHAM, JR., SWORN

DIRECT EXAMINATION

BY MR. DEXTER:

Q. Mr. Cunningham, would you please state your name and business address for the record.

A. (Cunningham) Yes. My name is James J. Cunningham, Jr. And I'm a Utility Analyst here at the Commission. And the address here is 21 South Fruit Street, Concord, New Hampshire.

Q. And, Mr. Cunningham, did you submit prefiled direct testimony in this proceeding?

A. (Cunningham) Yes, I did.

Q. And do you have that testimony before you?

A. (Cunningham) Yes, I do.

Q. Do you have any corrections or additions that you'd like to make to that testimony at this time?

A. (Cunningham) No, I don't.

Q. Okay. And do you adopt the questions and answers submitted in your prefiled testimony as your sworn testimony in this proceeding?

A. (Cunningham) Yes, I do.

MR. DEXTER: Thank you.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 BY MR. FOSSUM:

2 Q. And, now, Ms. Bisson -- excuse me. Ms. Bisson,
3 if you could state your name, your place of
4 employment, and your responsibilities for the
5 record please.

6 A. (Bisson) Yes. My name is Rhonda Bisson. I
7 work for Eversource Energy. And I'm the
8 Manager of Regulatory Planning and Evaluation.
9 And, in that capacity, I manage our regulatory,
10 planning, and support requirements for New
11 Hampshire's energy efficiency programs.

12 Q. And, Mr. Stanley, if you could also state your
13 name, your place of employment, and your
14 responsibilities for the record please.

15 A. (Stanley) Yes. Eric Matthew Stanley. I'm
16 employed by Liberty Utilities Service Corp.
17 I'm the Manager of Energy Efficiency and
18 Customer Programs at Liberty. And I'm
19 responsible for all marketing, strategy,
20 planning, implementation, and reporting
21 activities related to the Company's energy
22 efficiency programs in New Hampshire.

23 Q. And, for Ms. Bisson and Mr. Stanley, did you
24 participate in the formulation of the

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 Settlement Agreement that has been filed as
2 "Exhibit 10" in this proceeding?

3 A. (Bisson) Yes.

4 A. (Stanley) Yes.

5 Q. And you're familiar with the terms of that
6 Settlement Agreement and its attachments?

7 A. (Bisson) Yes.

8 A. (Stanley) Yes.

9 Q. And, if you could please, one or the other of
10 you, however is most appropriate, if you could
11 please walk through what it is that Parties
12 assembled this morning have agreed to as set
13 out in that Settlement Agreement, and as we are
14 requesting that the Commission approve this
15 morning?

16 A. (Bisson) Great. Thanks, Matthew. The Settling
17 Parties do agree that the 2017 Energy
18 Efficiency Plan that was filed on
19 September 23rd, and was actually revised by the
20 Settlement Agreement, should be approved by the
21 Commission. And this includes approval of the
22 electric System Benefits Charge, including the
23 calculation of the energy efficiency portion,
24 as well as the lost base revenue portion of the

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 System Benefits Charge.

2 The 2017 Plan is actually a continuation
3 plan from our 2015-2016 two-year Plan. So that
4 the terms that are contained under that Plan
5 will continue in effect, except as revised or
6 modified by the 2017 Plan.

7 And there were four specific
8 recommendations that were made by the
9 Commission Staff that were adopted and included
10 in the 2017 Plan, and that is actually included
11 as Attachment B to the Settlement Agreement.
12 And, specifically, the lost base revenue
13 calculation for EnergyNorth was modified and
14 expanded to include the months of November and
15 December. And that's Attachment OG-1. And,
16 for consistency, Northern Utilities used a
17 similar format, and that's RG-1.

18 And the reason for this was because the
19 gas companies were on a different time schedule
20 with respect to their LDAC filings, and the new
21 attachments just simply provide a calendar year
22 estimate for lost base revenue.

23 Secondly, for consistency in future
24 filings, all Utilities have agreed to use the

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 same format used by Unitil. For the average
2 distribution rate for lost base revenue
3 calculations, that will actually be submitted
4 in June of 2018 for the reconciliation for the
5 Program Year 2017. In addition, all Utilities
6 will use the same 2017 data as the source for
7 calculating the average distribution rate.

8 In addition, in future filings, the
9 Utilities will include a line that shows the
10 savings associated with energy efficiency
11 measures that have been retired during the
12 Program Year. And those, as they retire, will
13 be removed from the lost base revenue
14 calculations.

15 As all new measures in 2017 have a measure
16 life less than one year, we wouldn't expect to
17 have any retirements for Program Year 2017.

18 And, then, finally, for consistency across
19 the Utilities, deferred taxes will not be
20 included in the calculation of under or over
21 recoveries of program costs. And we all agreed
22 to do that consistently across the board.

23 Q. I guess just one other question. So, subject
24 to the description of the settled provisions,

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 is it, just for clarity, is it the case that
2 the Plan for 2017 is essentially as was filed
3 by the Utilities back in September of 2016?

4 A. (Bisson) Yes, for the most part, other than the
5 items that we agreed to in the Settlement
6 Agreement. There were just a couple of
7 corrections that were also made to the Plan.
8 And those had to do with an error that was
9 found in the calculation of electric DRIPE
10 benefits, and so that error was corrected and
11 got incorporated within the 2017 Plan.

12 There was also a minor error in the
13 avoided cost table references that were
14 referencing both propane and kerosene, and
15 those -- that correction is included in the
16 revised Plan.

17 Q. And, Ms. Bisson and Mr. Stanley, is it your
18 opinion, on behalf of the utility Parties, that
19 the Plan, as amended as you described this
20 morning, is just and reasonable, and that the
21 SBC and LDAC are rates that result from that
22 Plan are just and reasonable?

23 A. (Stanley) Yes.

24 A. (Bisson) Yes.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 MR. FOSSUM: Thank you. I have
2 nothing further on direct for the utility
3 witnesses.

4 CHAIRMAN HONIGBERG: Mr. Dexter.

5 MR. DEXTER: Thank you. I have a
6 question or two for Mr. Cunningham.

7 BY MR. DEXTER:

8 Q. Mr. Cunningham, do you agree with this
9 characterization of the summary that the
10 Company witnesses just gave?

11 A. (Cunningham) Yes, I do.

12 Q. And do you, on behalf of Staff, support the
13 Settlement Agreement?

14 A. (Cunningham) Yes, I do.

15 Q. And could you explain briefly the basis for
16 Staff's support of the Settlement Agreement?

17 A. (Cunningham) Certainly. There is a nexus in
18 this Settlement Agreement. The savings targets
19 are aligned with the savings targets that the
20 Commission had in the EERS Docket, DE 15-137.
21 So, this filing bridges the savings from that
22 document [docket?] into this filing. The Order
23 Number was 25,932 that approved a target level
24 of savings for both electric and gas utilities,

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 and those savings levels are achieved in this
2 filing. So, that's the first reason why I'd
3 offer my support and recommend Commission
4 approval.

5 The second reason is the cost to achieve
6 the savings are very favorable, with respect to
7 a comparison of the cost to achieve these
8 savings versus the current retail price.

9 For instance, on the electric side, the
10 cost to achieve savings are about three and a
11 half cents per kilowatt-hour, versus the retail
12 price in the electric side of about 16 cents
13 per kilowatt-hour.

14 On the gas utility side, the cost to
15 achieve savings are about \$3.00, \$3.50 per
16 MMBtu, as compared to a retail price of natural
17 gas of about \$8.00 --

18 *[Court reporter interruption.]*

19 **CONTINUED BY THE WITNESS:**

20 A. (Cunningham) On the gas side, the cost to
21 achieved natural gas savings in this filing are
22 about \$3.36 per MMBtu, versus the current price
23 of \$8.10 per MMBtu.

24 Additionally, all of the measures and --

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 all of the programs, rather, in the filing are
2 cost-effective. The Settlement additionally
3 continues to expand and improve existing Core
4 Programs during 2017. Low income programs are
5 increased from 15 and a half percent to
6 17 percent. The lost base revenues are
7 introduced in 2017. Performance incentive
8 reductions are implemented also concurrent with
9 the introduction of lost base revenues.

10 Also, with respect to planning for the
11 future, the Utilities are implementing the 2017
12 Plan, but simultaneously are planning to work
13 on the three-year EERS docket for 2018 through
14 2020.

15 And, as Ms. Bisson just pointed out, there
16 are several clarifications in the Settlement
17 document that clarifies certain aspects of the
18 proposal.

19 So, with that, with those items, Staff is
20 supportive of the Settlement Agreement and
21 recommends that the Commission approve it.

22 MR. DEXTER: Thank you, Mr.
23 Cunningham. I have no further questions.

24 CHAIRMAN HONIGBERG: All right. Who

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 has questions for members of the panel?

2 *[Show of hands.]*

3 CHAIRMAN HONIGBERG: Mr. Kreis.

4 Anybody besides Mr. Kreis?

5 *[No verbal response.]*

6 CHAIRMAN HONIGBERG: All right.

7 Mr. Kreis, you may proceed.

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

9 I just have maybe two or three questions for
10 Ms. Bisson and Mr. Stanley. And they really
11 highlight the changes to the System Benefits
12 Charge.

13 **CROSS-EXAMINATION**

14 BY MR. KREIS:

15 Q. This is the -- first of all, the Utilities are
16 proposing an increase to the System Benefits
17 and LDAC charges in connection with this
18 Settlement Agreement, correct?

19 A. (Stanley) Yes.

20 A. (Bisson) Correct.

21 Q. First, as to the System Benefits Charge, when
22 was the last time there was an increase in the
23 energy efficiency portion of the System
24 Benefits Charge?

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 A. (Stanley) My understanding is 2001.

2 Q. So -- and that was, in fact, the initial
3 implementation of the System Benefits Charge?

4 A. (Stanley) Correct.

5 Q. So, in other words, this is the first time in
6 history we have increased the System Benefits
7 Charge in the 15 or 16 year history of that
8 charge?

9 A. (Stanley) Within the past 16, 17 years,
10 correct.

11 Q. And is that true of the LDAC as well?

12 A. (Stanley) It is not.

13 Q. When's the last time we increased the LDAC?

14 A. (Stanley) Specific to Liberty Utilities,
15 Liberty Utilities has adjusted upwards and
16 downwards its energy efficiency portion of the
17 LDAC over the past decade.

18 Q. Could you characterize the -- well, the
19 magnitude of the increase in the energy
20 efficiency portion of the System Benefits
21 Charge, in terms of what they are likely to do
22 with respect to a typical, say, residential
23 customer of either an electric or a gas utility
24 in New Hampshire?

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 A. (Bisson) I can take the electric side. The
2 increase in the EE portion of the SBC rate is
3 about one-tenth of 1 percent increase. On a
4 total bill basis, it ranges from about 11 cents
5 per month to 17 cents per month, depending on
6 the utility, for a residential customer
7 utilizing 625 kilowatt-hours per month.

8 Q. And maybe, Mr. Stanley, you could put that in a
9 similar perspective for gas customers, at least
10 for your company?

11 A. (Stanley) I don't have the specific numbers
12 right in front of me at the moment. In terms
13 of an example, I would say that's typically
14 around \$40 a year, plus or minus, that an
15 average residential customer might pay to fund
16 the natural gas programs.

17 Q. Okay. So, I guess my next question is
18 specifically for Ms. Bisson. And let's just
19 take that worst case scenario of a customer, a
20 typical residential customer, who will end up
21 paying 17 cents more per month for her electric
22 service. And let's assume that this particular
23 customer, for whatever reason, chooses not to
24 take direct personal advantage of any of the

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 programs that are offered to her through the
2 Core Energy Efficiency Programs. What is that
3 customer getting for her 17 cents a month?

4 A. (Bisson) For non-participants or participants?

5 Q. Yes. Yes, non-participants.

6 A. (Bisson) From a non-participant perspective,
7 the energy efficiency programs do contribute to
8 a reduced system heat load for New Hampshire.
9 So, in our 2017 Plan, we estimate that that's
10 about 8 megawatts. So, there is some overall
11 cost savings associated with reducing peak
12 demand here in New Hampshire.

13 They would also get -- have benefits
14 related to the environmental impacts associated
15 with the energy efficiency programs, in terms
16 of reduced emissions reductions.

17 I would say that also, in terms of the
18 energy efficiency programs, again, as customers
19 who do participate save money, that money does
20 get invested back into the New Hampshire
21 economy. And I would say that the New
22 Hampshire economy as a whole is impacted in a
23 positive way from the energy efficiency
24 programs.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 Q. So, Ms. Bisson, as to residential customers, I
2 didn't hear you describe any downside, even
3 from the standpoint of a residential customer
4 who, for whatever reason, is either unable or
5 unwilling or uninterested in participating
6 directly in the Core Programs. Would that be a
7 fair statement?

8 A. (Bisson) Correct.

9 Q. And, even though my office only cares about
10 residential customers, is there a different
11 answer for non-residential customers?

12 A. (Bisson) From my perspective, I would indicate,
13 and from the joint utility perspective, when we
14 made our initial proposal, we did still feel
15 that we did need to take into account the
16 impact of rate changes on our customers as a
17 whole as part of this process. So, I think I
18 would indicate that this -- that this, the 2017
19 Plan, is a reasonable rate impact adjustment
20 for all customers, but that we do need to be
21 mindful of rate impacts for all of our
22 customers, including business customers.

23 Q. Sure. I guess, but my specific question is,
24 from the standpoint of a commercial or

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 industrial customer of the electric utilities,
2 that chooses, for whatever reason, not to
3 participate directly in the Core Programs, is
4 there a downside from the impact of whatever
5 the monthly bill increase is for those
6 customers?

7 Is there a net benefit to them or does it
8 end up net costing them?

9 A. (Bisson) I don't have a quantified amount to
10 share.

11 A. (Stanley) I would add, possibly in the short
12 term, there's a short-term bill impact that can
13 be perceived as a negative to those customers,
14 both on the electric and natural gas side.
15 But, in the long term, and specifically we see
16 this on the natural gas side, our investments
17 in energy efficiency over the past decade, at
18 least at Liberty Utilities, we've seen and
19 would argue that that's helped defer
20 investments in capacity upgrades, that's
21 allowed us to add more customers, and help
22 defer costs in investments that would have been
23 passed on to customers if we weren't making
24 investments in energy efficiency.

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 MR. KREIS: Thank you, Mr. Stanley.
2 I'd say that's fairly close to the answer I was
3 fishing for.

4 [Laughter.]

5 MR. KREIS: And, with that, I think
6 those are all of my questions. Thank you for
7 answering them.

8 CHAIRMAN HONIGBERG: All right. No
9 one else indicated they had questions for the
10 panel. So, I will recognize Commissioner
11 Scott.

12 CMSR. SCOTT: I'm glad you recognized
13 me.

14 CHAIRMAN HONIGBERG: Sorry.

15 CMSR. SCOTT: Good morning,
16 everybody. My usual caveat, whoever feels best
17 to answer the questions, please do so, or, if
18 more than one of you wish to, that's fine with
19 me, too.

20 BY CMSR. SCOTT:

21 Q. So, let me talk about avoided energy supply
22 costs a little bit, or "DRIPE", of which
23 there's got to be a better acronym than
24 "DRIPE", but I'll leave that alone. In a lot

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 of my wholesale work, I look at the Regional
2 Network Service costs, or RNS costs. And my
3 understanding right now, that's around
4 \$2 billion for the region. We're roughly,
5 based on peak demand, New Hampshire is roughly
6 9.7 percent of that.

7 I know there's reference in the filing
8 about planned studies or studies that have been
9 initiated to kind of expand what we look at.
10 Is that currently part of the calculation, is
11 the impact of that 9.7 percent on RNS? And the
12 context of what I'm talking about is, there's a
13 cost for Regional Network Service for
14 transmission-related costs. It gets divvied up
15 among the states, obviously. To the extent
16 other states change their load profile for
17 peak, you know, we're kind of in competition
18 with other states, if you will, if that makes
19 sense. So, there's a -- the more we slide
20 behind other states, so we're, instead of 9.7,
21 we're at 10 or 11, etcetera, that obviously
22 costs our ratepayers more. Is that looked at
23 currently or is that something that's being
24 looked at for the future?

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 A. (Stanley) Well, as part of our Plan submittal,
2 if this is what you're getting at or asking
3 specifically, the Utilities have not included a
4 valuation for DRIPE in its -- in our
5 benefit/cost model in the past. DRIPE has been
6 studied as part of the Regional Avoided Energy
7 Supply Cost Study since 2005 in New England.
8 And the Utilities recommended, and there is
9 support as part of the Settlement Agreement in
10 our Plan submittal to include that valuation of
11 DRIPE in our Plan beginning this year, with the
12 caveat that we would continue to explore that
13 in '17 with Staff and stakeholders as we look
14 in developing our 2018 to 2020 plan.

15 But the argument is that we've been
16 studying it regionally and being an active
17 participant in that. We believe that it is
18 impacting, it is a value benefit that we're
19 not -- we haven't been recognizing as part of
20 our program modeling, and that we feel it
21 should be recognized, because it is impacting
22 our customers in terms of the impacts of our
23 programs, and what that means in terms of
24 helping reduce wholesale energy prices across

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 New Hampshire for customers.

2 So, I'm not sure if that answers your
3 question.

4 Q. It does globally. I was just curious if that
5 particular aspect, you know, that that's a part
6 of, obviously, wholesale prices. I'm not sure
7 how you quantify, you know, if Massachusetts
8 does a lot better on reducing peak than we do,
9 then our percentage goes up, as an example. I
10 don't know how to quantify that. I was just
11 curious if that was, on top of everything you
12 said, if that was being looked at now, or is
13 that a future thing?

14 A. (Stanley) It's a future thing for us to
15 evaluate, in terms of how we incorporate DRIPE
16 in our benefit/cost modeling, and what's
17 appropriate for New Hampshire, and what's the
18 appropriate methodology to apply. Because
19 there's various methodologies you could apply
20 or estimates. And our studying of other
21 jurisdictions and their application of DRIPE,
22 there are differences in some cases, in terms
23 of what fits best for their respective
24 jurisdiction.

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 Q. That's helpful. Thank you. On the same topic
2 of peak demand and trying to reduce that, can
3 somebody help me? Obviously, globally, the
4 more efficient you are, the less peak demand
5 you had. Are any of the programs contemplating
6 looking at precisely peak demand, rather than
7 just overall reduction in demand?

8 A. (Stanley) I think, at this stage, it's more
9 globally, not program-specific. And I think
10 that's an element that we want to explore
11 further, though, as part of the three-year plan
12 development under the EERS, and where there may
13 be better opportunities to have a more focused
14 approach, where applicable.

15 Q. Thank you. On I guess it's -- I forget my
16 exhibit numbers, I apologize. Exhibit 10,
17 Attachment B, whether its Bates 103 or 036, I
18 think 103 was the corrected part of that,
19 there's -- you probably don't need to actually
20 turn to it, I'll tell you what I'm asking you.
21 But you're welcome to, obviously. The
22 Utilities recommend establishing a work group
23 on non-energy impacts. Is that happening or is
24 that something you're asking the Commission to

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 approve? Or what -- can you fill that in a
2 little bit more?

3 A. (Bisson) Sure. That is going to happen as part
4 of our enhanced stakeholder process, in terms
5 of our preparation for the three-year plan.
6 So, that has been identified as a topic for a
7 workshop session with stakeholders.

8 Q. I think it's certainly something to look at.
9 One of my concerns, and you may have observed
10 it outside this room, there are some who are
11 skeptical of the programs and the
12 cost-effectiveness generally. So, the more we
13 get into non-direct rate impacts, the more the
14 skepticism sometimes rises.

15 So, just a little -- I'd be concerned, as
16 you look down this path, I'd be a little bit
17 concerned, maybe this isn't a question, I
18 guess, that, if the non-energy impacts start to
19 overtake the energy impacts, you know, that can
20 cause questions. Is that a concern for you
21 all?

22 A. (Stanley) Possibly. It's interesting, talking
23 with customers in terms of why they're
24 participating, a lot of the feedback we get

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 isn't always about reducing their bill. Many
2 times it's improved productivity, if you're
3 talking to, say, a manufacturing customer,
4 reduced maintenance, improved health and
5 safety, talking to schools and different
6 churches, for example. Sometimes customers
7 cite that their property value has increased
8 because they have made an investment, that
9 could be a motivation if, say, somebody is
10 trying to sell their home soon.

11 So, there could be a variety of benefits
12 to energy efficiency besides just reducing
13 someone's bill. We believe that's real,
14 because that's the feedback we're getting from
15 customers. And the question is, "how do you
16 quantify that and apply it to our program
17 modeling, if possible?"

18 Q. I agree. So, Mr. Kreis asked a little bit
19 about non-participants, and, again, I'm trying
20 to channel the skeptics and the -- outside our
21 room perhaps. How do you point specifically
22 for, you know, Ms. Bisson I think outlined some
23 of the factors that would be beneficial to
24 non-participants. Are you going to attempt to

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 quantify that better? You know, and, again,
2 I'm kind of looking to defend the program also.
3 And my concern is, if we end up going down the
4 path of effectively what looks like a social
5 program, it will have these social benefits,
6 not on your electric rate, though, if you
7 effectively are saying "well, the participants
8 get these benefits", and then we don't really
9 discuss the non-participants, it begs a lot of
10 questions. So, is that something that's going
11 to be quantified more? I think further looking
12 at DRIPE, obviously, that does help. Is that
13 something that's going to be explored further?

14 A. (Bisson) Certainly, we can explore that
15 further. I do think we have, you know, several
16 statistics that we can point to in our Plan, in
17 terms of the benefits of energy efficiency that
18 we can communicate with all stakeholders,
19 including those that who may be skeptical of
20 the programs. But we can certainly look to
21 enhance some of the additional statistics that
22 we can share.

23 CMSR. SCOTT: Okay. Thank you. I
24 think that's all I have.

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 CHAIRMAN HONIGBERG: Commissioner
2 Bailey.

3 CMSR. BAILEY: Thank you. I think
4 most of my questions are for Mr. Cunningham.

5 BY CMSR. BAILEY:

6 Q. Can you look at your prefiled testimony please?
7 Starting on Page 4. Can you explain to me the
8 idea that you raise around Lines 12 through 16
9 about "average distribution rates", and
10 "Liberty and Eversource incorporating
11 refinements". Can you explain those
12 refinements to me a little bit?

13 A. (Cunningham) Okay. I'll try. The average --

14 CHAIRMAN HONIGBERG: Let's go off the
15 record for a second.

16 *[Brief off-the-record discussion*
17 *ensued.]*

18 **BY THE WITNESS:**

19 A. (Cunningham) Okay. So, I think, and rereading
20 this part of my testimony, what I had in mind
21 here was overall consistency across all of the
22 Utilities. In this particular paragraph, I was
23 referring to consistency to ensure that the
24 distribution rates are calculated in a uniform

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 manner across each of the three electric
2 utilities.

3 For purposes of calculating lost base
4 revenue, one of the consistent exclusions for
5 each of the three utilities that are proposing
6 lost base revenue is the exclusion for customer
7 costs. Customer costs are fixed costs. And no
8 matter how much energy efficiency is done by an
9 electric utility, its revenues are not reduced
10 with respect to customer costs. So, it was
11 important for Staff to ensure that each of the
12 three electric utilities, when they're
13 calculating their average distribution rates,
14 they remove from the calculation of the
15 distribution rate that portion which pertains
16 to customer costs.

17 BY CMSR. BAILEY:

18 Q. And did the Settlement -- did the Settlement do
19 that for Unitil?

20 A. (Cunningham) Yes, it does. If I could refer
21 you to the filing, maybe I can clarify that
22 question for you.

23 Q. The December 12th filing?

24 A. (Cunningham) The revised, yes.

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 Q. Okay.

2 A. (Cunningham) The revised December 12, I think,
3 filing.

4 Q. Yes.

5 A. (Cunningham) Okay. I think a better place to
6 look at would be the testimony of the Company.
7 In the original filing, the testimony provided
8 by the witnesses Karen Asbury, Christopher
9 Goulding, Heather Tebbetts, and Carol Woods.
10 On Page 3 of their testimony, Line 13-14, they
11 talk about the "utility's average distribution
12 rates", but was not specific with respect to
13 removal of the customer charge portion in the
14 calculation of the average distribution rate.
15 So, Staff testimony addressed the issue of "are
16 those average" -- "are those costs associated
17 with customer charges removed from the
18 calculation of the average distribution rate?"

19 Now we go back to the filing, the revised
20 filing, and I'll try to find the page there
21 that shows the removal of the customer charge
22 from the calculation of the lost
23 distribution -- average distribution rate.

24 If you look at Bates 182, this is a

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1 representation by Unitil of the Calculation of
2 Average Distribution Rates, how it's applied.
3 In the residential sector, the average
4 distribution rate -- so, Bates is -- I'm sorry,
5 Commissioner Bailey, Bates Page 182, the Bates
6 Page is the upper page.

7 Q. Thank you.

8 A. (Cunningham) Sorry.

9 Q. Because I was looking at it and it was C&I
10 numbers.

11 A. (Cunningham) Yes.

12 Q. Okay. I'm with you. Thank you.

13 A. (Cunningham) Okay. So, that first upper block
14 is for the residential sector. And the rate --
15 average distribution rate that's used to
16 calculate lost revenues is 0.03726. Do you see
17 that rate on Page 1 -- on Page 6 of 16?

18 Q. Yes.

19 A. (Cunningham) Bates 182?

20 Q. Yes.

21 A. (Cunningham) "0.03726"?

22 Q. Yes. I see it.

23 A. (Cunningham) Okay. If we were to follow that
24 through the tariffed rates, we'd find that that

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 rate excludes the customer charge portion of
2 the tariff.

3 Q. Okay. Thank you.

4 A. (Cunningham) Does that help?

5 Q. Yes.

6 A. (Cunningham) Okay.

7 Q. So, you don't have to prove every single
8 answer -- no, that was helpful, I appreciate
9 that. But I'm going to ask you about your
10 recommendations in your testimony, and tell me
11 which ones were adopted and which ones were not
12 by the Settlement Agreement. Okay? So, you
13 had a number of recommendations on Page 17 of
14 your testimony.

15 A. (Cunningham) Uh-huh.

16 Q. Can you go through them and tell me which ones
17 were adopted and which ones were not?

18 A. (Cunningham) Certainly. Exhibit 10 is the
19 Settlement Agreement. So, I would have you put
20 that down to the right of your papers there.
21 And, to the left, I would put the Page 17 that
22 you just mentioned.

23 Q. Okay.

24 A. (Cunningham) And we'll go through each of these

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 bullets one at a time.

2 The first recommendation was for the
3 electric utilities and gas utilities to have a
4 standardized uniform format to facilitate the
5 Commission's review and to expedite the
6 examination by the Commission's Audit Division.
7 The Settlement Agreement, Number 2, captures
8 the uniform format that Staff had in mind.

9 Q. Okay.

10 A. (Cunningham) The very last page of the revised
11 filing gives you a perfect picture of how that
12 uniformity will be put forward going forward.

13 Q. Okay. All right. Thank you.

14 A. (Cunningham) The second bullet in my
15 recommendation is also reflected in the second
16 item in the Settlement Agreement.

17 The third bullet, with respect to
18 "tariffed rates", I believe is covered by the
19 third item in the Settlement Agreement, with
20 respect to the lost base revenue calculations.
21 Specifically, there was this concern about
22 retirements, and the retirements, as we heard
23 Ms. Bisson mention earlier, would be reflected
24 in the calculation of lost base revenues, i.e.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 they would be removed.

2 With respect to "installed savings", I
3 believe Bullet 2 in the Settlement Agreement --
4 Bullet 1 and 2 would address that, perhaps more
5 Bullet 1, the first item in the Settlement
6 Agreement.

7 Q. Okay.

8 A. (Cunningham) The sales that I mentioned
9 earlier, that the Commission approved as part
10 of the savings targets -- the savings that were
11 approved as part of the Energy Efficiency
12 Resource Standard, are reflected in the filing
13 for 2017. The installed savings are less than
14 the overall savings, because measures are
15 not -- all of the measures are not installed on
16 January 1st of the year. They're installed
17 throughout the year, percentage in each month.

18 Q. Uh-huh.

19 A. (Cunningham) So, the first and second bullet in
20 the Settlement Agreement addressed that issue.

21 I think we already mentioned
22 "retirements", that was the next bullet in my
23 testimony.

24 Q. Yes.

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 A. (Cunningham) Ms. Bisson addressed that issue.
2 And that's also addressed in the Settlement
3 Agreement in Item Number 3.

4 With respect to reporting, the Utilities
5 will be reporting their lost revenue
6 calculations in June of the subsequent year,
7 consistent with their filing of performance
8 incentives. So, they were agreeable to doing
9 that. We thought that would be expedient to
10 have one less filing for LBR, incorporated in
11 their final report on performance incentives,
12 as well as LBR.

13 Q. Okay.

14 A. (Cunningham) Next bullet in my testimony
15 pertained to "deferred taxes". The monthly
16 over and under reporting that the companies do
17 typically has not included deferred taxes.
18 And, initially, in the original filing, we
19 noticed that that was a line item in their
20 over/under reconciliation. We addressed that
21 briefly, and the companies were agreeable to
22 not show that, consistent with the past
23 practice, which had not included a "deferred
24 tax" line item in the over/under

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 reconciliation.

2 Q. Not show it or not include it?

3 A. (Cunningham) Not include it.

4 Q. Okay.

5 A. (Cunningham) Yes.

6 Q. Thank you.

7 A. (Cunningham) Then, the second last bullet in my
8 testimony pertained to the calculation of
9 installed savings and a uniform format for that
10 calculation. And Settlement Item Number 1
11 addressed that.

12 Q. Okay.

13 A. (Cunningham) And the last bullet in my
14 testimony pertained to "performance
15 incentives". And my testimony examined the
16 reduction in the performance incentive to
17 ensure that it was consistent with the
18 Commission Order 25,932. And the Settlement
19 Agreement does reflect that consideration.

20 CMSR. BAILEY: Okay. All right.

21 Thank you very much.

22 WITNESS CUNNINGHAM: You're welcome.

23 CHAIRMAN HONIGBERG: Commissioner

24 Scott.

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 CMSR. SCOTT: I had a couple more for
2 the utility representatives, a couple more
3 questions, as soon as I find it.

4 BY CMSR. SCOTT:

5 Q. Is, when we issued the order for the EERS, my
6 expectation is, in some circles, the increase
7 in the SBC, that's, again, as the Consumer
8 Advocate mentioned that hadn't been done
9 before, effectively, I was curious if you've
10 got any feedback from customers on the pending
11 increase? Is that something you've heard from,
12 do you know?

13 A. (Stanley) Not directly, speaking for myself, at
14 Liberty, certainly, where we've seen our
15 customers make statements in public forums
16 about it. But, no.

17 Q. Okay.

18 A. (Bisson) The same answer.

19 Q. All right. And my -- I have a softball
20 question, I guess. The Net Zero Home
21 Challenge, I was curious, you know, I
22 understand the concept, I think. I was curious
23 how the examples from whoever wins that, if you
24 will, and the lessons learned, how does that

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 get translated so that other builders can learn
2 from that? And, you know, I understand the
3 competition side of it should help. But how
4 does that message get carried across? Is that
5 going to be like a model home that others look
6 at or how is that going to be done?
7 A. (Stanley) It would really be up to the program
8 administrators for the Utilities, exemplifying
9 the results of that project and the competition
10 winner, and really setting an example for that.
11 Whether it's actually showcasing that home
12 that's built. It's really intended to be a
13 model for both customers looking to build a
14 home, as well as the builders themselves. So,
15 it's really to prove a concept that you can
16 build a more efficient, super efficient home,
17 at an affordable cost, that customers want,
18 without making unreasonable investment. It's
19 on us to market that and showcase the results.
20 We plan to do that through *NHSaves.com*, through
21 other communications going forward through our
22 direct interaction with builders, and with
23 realtors. So, it will be part of our marketing
24 of the program, our EnergyStar Homes Program

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 itself, but also all of our programs.

2 Q. And that's what I expected. You kind of -- I
3 was assuming you would have something on
4 *NHSaves*, on the website. So that, if a
5 potential new builder or existing builder could
6 look at and to maybe take inspiration or ideas
7 from that. Is that a correct assessment?

8 A. (Stanley) Correct. We've currently been
9 building out, for example, from videos
10 showcasing our programs and talking about
11 energy efficiency. And could be an opportunity
12 for us to create a video of the homes
13 themselves, in the example of the winner, and
14 showcasing, and opportunities that both the
15 builders can realize, and also the customers.

16 CMSR. SCOTT: Excellent. Thank you.

17 CHAIRMAN HONIGBERG: I have no
18 questions. The question I was going to ask was
19 the question Commissioner Scott just asked.
20 So, oh, well.

21 Yes, Commissioner Bailey. You may
22 ask another question.

23 CMSR. BAILEY: Sorry. I forgot about
24 these questions. Thank you, Commissioner

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 Scott, for raising them.

2 BY CMSR. BAILEY:

3 Q. Do you have any plans to, I don't know,
4 publicize conservation during the height, you
5 know, right around peak demand to customers to
6 say, you know, "turn your air conditioning down
7 a few degrees or turn it off if you're not
8 home", to reduce peak demand?

9 A. (Stanley) I think that's the requirement and
10 obligation for all of the utilities to be doing
11 that, as part of not just our energy efficiency
12 communications, but all of our communications.
13 And we need to continue to try to do that. And
14 I think it's how we engage with customers.
15 Most of our customers, in some senses,
16 especially residential customers, their only
17 interaction might be through the bill they
18 receive from us. And some customers don't even
19 receive a bill directly now, if they pay their
20 bill online. So, we need to be communicating
21 with customers in a variety of different ways,
22 and highlighting both the opportunities for
23 energy efficiency, as well as conservation.

24 Q. Would it make sense to do it through television

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 advertising or is that cost-prohibitive?

2 A. (Stanley) It has been, television and other
3 mass media, has been cost-prohibitive in the
4 past. I think, as our goals for our programs
5 will be increasing going forward, more mass
6 markets approach, as we need to reach a broader
7 audience, may make more sense going forward,
8 and that is certainly one avenue.

9 Certainly, most of our customers are
10 online and leveraging various social media
11 channels, and moving away from traditional
12 media or marketing methods, where sending
13 direct mail to customers may not be as
14 effective anymore, and we may need to be
15 reaching out to customers via television or a
16 variety of other channels as well.

17 So, it will take a multichannel effort to
18 reach our customers going forward and continue,
19 and that's the challenge right now, and that's
20 essentially what we need to do. So, one
21 channel doesn't hit all, that's for sure.

22 Q. And how will you notify your customers about
23 these bill increases, especially C&I customers?
24 I mean, is there a nice, fancy brochure that

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 goes with the explanation that says how great
2 these benefits are going to be?

3 A. (Stanley) With our large business customers, a
4 lot of it is through our account -- I'm sorry,
5 our account management function, in meeting
6 one-on-one with customers, our large customers.
7 With our smaller business customers and
8 residential customers, where we can't meet
9 one-on-one with each of those entities, it's
10 not manageable, it would be primarily through
11 bill communications, but also through our
12 website. We have e-newsletters that we send
13 out to customers. So, including information as
14 part of our overall communications to
15 customers, that will be the channels that we
16 would apply, specific to Liberty.

17 A. (Bisson) And I would say that that's similar
18 for Eversource. And, specifically, for the
19 January 1st rate changes, for our residential
20 and small business customers, there will be a
21 communication that will kind of describe the
22 overall rate changes that are going into effect
23 in January. So, that would be included in
24 customer bills beginning with their February

[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 bill cycle.

2 Q. Will it include information about the benefits
3 of the program?

4 A. (Bisson) I haven't seen the draft at this
5 point. But I think, at this point, the plan
6 was to include an overall kind of rate change,
7 that includes several rate changes in effect
8 for January 1st, that would also incorporate
9 the Energy Efficiency Charge change.

10 Q. Do you think that, while you're making these
11 communications, it might be beneficial to
12 remind customers about the importance and the
13 benefits of energy efficiency?

14 A. (Bisson) Certainly.

15 Q. Have you thought about giving that to
16 customers?

17 A. (Stanley) I know, speaking for Liberty, if not
18 every bill insert cycle, for example, at least
19 every other, we have highlights about our
20 energy efficiency programs. Typically, it's
21 topic-focused. So, we'll choose a particular
22 program for a specific month to highlight the
23 program itself, the benefits for participating.
24 We've tried to incorporate customer

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 testimonials as much as possible in our
2 messaging. So, we've deployed a number of case
3 studies to showcase, not just talking about a
4 program concept that might not be relatable, to
5 actually show a customer "here's how they can
6 benefit". So, we think that's an important
7 part of the messaging of what we do and, again,
8 make it tangible for other customers --

9 Q. So, customers -- sorry. Customers who get
10 their bill online don't see that?

11 A. (Stanley) Yes. And we -- so, that's why we
12 don't just rely -- we're not just trying to
13 rely on bill inserts. So, we're trying to rely
14 more on e-mail communications, information via
15 our website, because most of our customers are
16 going to our website to pay their bill or view
17 their bill online and not relying on their
18 paper bill. That's more of the trend that
19 we've been seeing. So, it's trying to
20 communicate customers via a variety of
21 channels.

22 Q. How about Eversource?

23 A. (Bisson) We do have an electronic newsletter as
24 well that goes with our e-mails. And, so,

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 similar to Liberty, there are a number of
2 different energy efficiency projects or
3 programs that do get showcased as part of that,
4 as part of that messaging. And I think that's
5 probably the more effective approach, in terms
6 of making it tangible and real and, you know,
7 seeing how another customer has benefited, and
8 kind of describing that, in order to get more
9 involvement in energy efficiency programs.

10 Q. Do you do customer surveys?

11 A. (Stanley) Liberty performs an annual customer
12 satisfaction survey, to both its electric and
13 gas customers. And we specifically ask about
14 awareness of our efficiency programs as part of
15 that survey.

16 Q. Can you ask about awareness of these mailings
17 or information that you send to customers, to
18 see if they're aware, if they have seen it?

19 A. (Stanley) We've, since 2012, since Liberty has
20 been serving the New Hampshire customers
21 specifically, we've seen an increase in
22 customer awareness of our programs each year
23 amongst the surveys we perform, both amongst
24 our gas and electric customers. And that

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 annual report is filed with the Commission.

2 Our 2016 results were just completed, and we'll
3 be filing that soon with the PUC.

4 Q. And Eversource?

5 A. (Bisson) And I apologize, I'm not aware of what
6 customer surveys are performed for Eversource.

7 WITNESS BISSON: And I'm looking at
8 my other folks to see if they have anything to
9 add? Kate?

10 CHAIRMAN HONIGBERG: Let's go off the
11 record for a minute. Mr. Fossum, why don't you
12 see if you can help develop an answer for the
13 Company.

14 *[Off-the-record.]*

15 *[Atty. Fossum conferring with*
16 *Ms. Peters.]*

17 CHAIRMAN HONIGBERG: Mr. Fossum, why
18 don't you share with us your understanding of
19 the situation.

20 MR. FOSSUM: Certainly. Ms. Bisson
21 has testified that she's not aware of the
22 survey information. The Company does have a
23 witness in the room who does have some
24 information, perhaps not as particularly

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[WITNESS PANEL: Bisson|Stanley|Cunningham]

1 detailed, but at least some information about
2 what the Company does presently in terms of
3 customer surveys. We could have that witness
4 seated to testify about that.

5 CHAIRMAN HONIGBERG: If you know what
6 she would say, why don't you just tell us what
7 she would say, rather than going through the
8 extra steps.

9 MR. FOSSUM: Certainly. My
10 understanding, from the very brief conversation
11 that I had, that the Company does do surveys
12 regularly. That we have included in those
13 there are questions, as similar to what Mr.
14 Stanley has described, to understand customers'
15 awareness of and engagement with our energy
16 efficiency programs. But, today, with the
17 witnesses that we have, we don't have any
18 specific information about percentages or
19 how -- and what exactly the results of those
20 surveys are, other than very generally what
21 they measure.

22 I suppose, if the Commission wishes,
23 we could take a record request and provide more
24 specific information, if that's not adequate

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1 for this morning.

2 MS. BAILEY: I don't think I need to
3 know exact percentages, although that may be
4 interesting. But I would encourage you, in
5 your development of the EERS, for the next plan
6 for the next three years, to really make sure
7 that customer awareness is considered and
8 increased, if you think it -- if everybody
9 thinks it's necessary. I think it might be.

10 So, just keep that in mind, I would
11 appreciate it. Thank you.

12 CHAIRMAN HONIGBERG: All right.
13 Mr. Fossum, Mr. Dexter, do you have any further
14 questions for the panel?

15 MR. FOSSUM: I do not.

16 MR. DEXTER: Nothing further.

17 CHAIRMAN HONIGBERG: All right. Who
18 would like to make a closing of some sort?
19 Let's just see, identify yourselves by show of
20 hands?

21 *[Show of hands.]*

22 CHAIRMAN HONIGBERG: I see Mr. Kreis,
23 Mr. Sheehan, Mr. Fossum, Mr. Dexter. Anybody
24 else?

1 [No verbal response.]

2 CHAIRMAN HONIGBERG: All right.

3 Mr. Taylor as well?

4 MR. TAYLOR: I was going to say that
5 Unitil will defer to the other utilities in
6 that regard.

7 CHAIRMAN HONIGBERG: Okay. Mr.
8 Kreis, why don't you begin.

9 MR. KREIS: Thank you, Mr. Chairman.
10 While I believe, I think it might be have been
11 Commissioner Bailey was asking the witnesses
12 questions, I noticed, on my handy-dandy
13 ISO-England app, that the price of electricity
14 this morning on the spot market here in the New
15 Hampshire load zone was briefly at \$150.
16 That's a very high price, presumably driven by
17 the fact that we're having a cold, wintery day
18 here in New Hampshire. And I am confident that
19 that price would be even higher but for the
20 existence of ratepayer-funded energy efficiency
21 programs in New Hampshire.

22 I heard the two utility witnesses
23 testify that the energy efficiency programs,
24 whose approval we are seeking here today,

1 deliver benefits not just to customers who take
2 the benefits directly and use them to reduce
3 their personal use of electricity, but all
4 customers who benefit from the fact that the
5 implementation of energy efficiency, which is
6 the lowest cost resource that utilities can go
7 and acquire, reduces the cost of electric
8 service for everybody, certainly over the long
9 term, if not the short term.

10 The refinements to the Core Proposal
11 for Calendar Year 2017 reflected in the
12 Settlement Agreement reflect improvements to
13 what the utility has -- the Utilities have
14 proposed. I think, in particular, we should be
15 grateful to Mr. Cunningham for the issues that
16 he pinpointed, and I think it was very useful
17 for him to go through in some detail what it
18 was that he identified that required some
19 fine-tuning.

20 And, with those fine-tunements, I
21 guess I'll say, the Settlement Agreement is
22 most assuredly in the public interest. The
23 Core Energy Efficiency Programs are in the
24 public interest. The Energy Efficiency

1 Resource Standard will be in the public
2 interest. And what we're proposing here is
3 designed as a reasonable glide path in the
4 direction of the Energy Efficiency Resource
5 Standard.

6 And, for all of those reasons, I
7 earnestly recommend, on behalf of the state's
8 residential utility customers, that the
9 Commission approve the Settlement Agreement
10 and, therefore, the 2017 Core Energy Efficiency
11 Programs as proposed.

12 CHAIRMAN HONIGBERG: Thank you, Mr.
13 Kreis. Mr. Dexter.

14 MR. DEXTER: Thank you. Staff
15 likewise urges adoption of the Settlement,
16 consistent with the reasoning that Mr.
17 Cunningham laid out in his testimony.

18 Thank you.

19 CHAIRMAN HONIGBERG: Mr. Fossum.

20 MR. FOSSUM: Thank you. I'll start
21 by noting my agreement with my colleagues in
22 the room, that we believe that the 2017
23 programs, as proposed in the December filing,
24 having been modified in recognition of the

1 points that Mr. Cunningham had raised, is in
2 the public interest and is just and reasonable.

3 I think, personally, it's fairly
4 interesting, it's an interesting time in the
5 energy efficiency business in New Hampshire,
6 with programs like these that are both at a
7 beginning and an end. An end to the
8 traditional Core Programs, as they have been
9 run for the last approximately 15 years, and a
10 move toward the EERS, a more comprehensive
11 program.

12 We look forward to both implementing
13 these programs in 2017, and to implementing all
14 of the changes, including the various rate
15 mechanisms related to them, as well as the
16 future of the EERS.

17 And, certainly, we take very much to
18 heart the comments from Commissioner Bailey
19 this morning about raising -- identifying and
20 raising customer awareness of these programs,
21 the benefits they provide both to participants
22 and non-participants, and to New Hampshire
23 generally.

24 And, so, with that, I would request

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1 that the Commission approve the 2017 Program
2 Plan as has been submitted as part of the
3 Settlement Agreement that's before you this
4 morning.

5 Thank you.

6 CHAIRMAN HONIGBERG: Thank you, Mr.
7 Fossum. Mr. Sheehan.

8 MR. SHEEHAN: Thank you. I support
9 what Mr. Fossum just said.

10 I asked to speak to simply answer --
11 point to the answer of a question that was left
12 unanswered this morning. You asked about the
13 bill impact of the SBC, and Ms. Bisson gave the
14 answer, which, of course, is true for all
15 electric utilities.

16 As far as EnergyNorth goes, we filed,
17 as part of this Plan, Mr. Simek's testimony
18 from our Cost of Gas proceeding this fall, and
19 that's attached at Page 148 of the revised
20 filing. And Mr. Simek says that "The Energy
21 Efficiency Charge is designed to recover the
22 projected expenses associated with the
23 Company's energy efficiency programs for
24 Calendar Year 2017", and that number was --

1 where did it go? 0.0402, four cents, for
2 beginning November '16 through '17. That's
3 actually a decrease from the year before. The
4 decrease was actually related to an over/under
5 collection issue, but mostly a rate associated
6 with the EE part of EnergyNorth. And, if
7 someone can do the math, they could convert
8 that into a bill impact.

9 Thank you.

10 CHAIRMAN HONIGBERG: Thank you,
11 Mr. Sheehan. If there's nothing else, and I
12 think there's nothing else, we're ready to take
13 this matter under advisement, adjourn the
14 hearing, and issue an order as quickly as we
15 can. Thank you all.

16 ***[Whereupon the hearing was***
17 ***adjourned at 11:13 a.m.]***