

1                                   **STATE OF NEW HAMPSHIRE**2                                   **PUBLIC UTILITIES COMMISSION**3  
4   **June 17, 2015 - 9:12 a.m.**  
5   Concord, New Hampshire

NHPUC JUN18'15 PM 3:58

6  
7           **RE:   DE 14-236**  
8           **PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE:**  
9           **Petition for Adjustment to Stranded**  
          **Cost Recovery Charge.**  
          *(Hearing regarding a midyear adjustment)*10           **PRESENT:**   Chairman Martin P. Honigberg, Presiding11  
12  
13                               Sandy Deno, Clerk14  
15   **APPEARANCES:**   **Reptg. Public Service Co. of New Hampshire**  
16                               **d/b/a Eversource Energy:**  
                              Matthew J. Fossum, Esq.17                               **Reptg. Residential Ratepayers:**  
18                               Susan Chamberlin, Esq., Consumer Advocate  
                              James Brennan, Finance Director  
                              Office of Consumer Advocate19                               **Reptg. PUC Staff:**  
20                               Suzanne G. Amidon, Esq.  
21                               Grant Siwinski, Electric Division  
                              Thomas C. Frantz, Director/Electric Division22  
23                               Court Reporter:   Steven E. Patnaude, LCR No. 5224  
  
ORIGINAL

**I N D E X****PAGE NO.****WITNESS: CHRISTOPHER J. GOULDING**

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# **E X H I B I T S**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
4	Prefiled Testimony and Technical Statement of Christopher J. Goulding, including attachments (05-04-15)	7
5	Technical Statement and Updated Attachments of Christopher J. Goulding (06-11-15)	8
6	Corrected SCRC rates table, Attachment CJG-2, Page 4 of 4 (06-12-15)	8
7	Chart showing the Rate Changes Proposed for Effect on July 1, 2015, as Percentage Change in each Rate Component; Change in each Rate Component as a Percentage of the Total Rate for Each Class; and Residential Service Rate R - Typical Bill Comparisons, including Default Energy Service (3 pages)	10

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

CHAIRMAN HONIGBERG: I'm it today.

Commissioner Scott is on military duty these two weeks. We're going to be getting expedited transcripts for him. He'll be reviewing the transcripts, and we're going to get orders out as quickly as we can on the four dockets we have this morning.

I understand what we're going to do is we're going to do one hearing at a time, on the four separate dockets. So, we'll start one, complete it, then take whatever break we need to take for a few minutes, and then start the next one. Do I have that right?

MS. AMIDON: That's right.

CHAIRMAN HONIGBERG: All right. What else do I need to say? There's still an empty chair to my right. There's still only two commissioners, one of whom isn't here today. So, I actually don't have authority to rule on motions today by myself, to the extent that things come up. If they need to be ruled on, we can make tentative decisions about how to deal with those, but they wouldn't be final until Commissioner Scott and I have a chance to discuss and ratify whatever decisions I make.

All right. We are starting with 14-236, is that right?

[WITNESS: Goulding]

1 MS. AMIDON: That's correct.

2 CHAIRMAN HONIGBERG: Nod your heads.

3 Yes. That is the Stranded Cost Recovery rate charge,  
4 which is up for a mid year adjustment, correct?

5 MR. FOSSUM: Yes.

6 MS. AMIDON: Yes.

7 CHAIRMAN HONIGBERG: All right. How are  
8 we going to proceed? Are you going to have a witness come  
9 up here to the Bench, is that correct?

10 MR. FOSSUM: Yes, sir. Christopher  
11 Goulding will be the Company's witness on that one.

12 CHAIRMAN HONIGBERG: All right. Why  
13 don't we take appearances from lawyers who are going to be  
14 speaking today.

15 MR. FOSSUM: Good morning, Mr. Chairman.  
16 Matthew Fossum, here for Public Service Company of New  
17 Hampshire doing business as Eversource Energy.

18 MS. CHAMBERLIN: Susan Chamberlin,  
19 Consumer Advocate. With me today is Jim Brennan.

20 MS. AMIDON: Good morning, Commissioner.  
21 Suzanne Amidon, Commission Staff. Grant Siwinski, a  
22 Utility Analyst with the Electric Division is sitting with  
23 me at the table, and Tom Frantz, the Director of the  
24 Electric Division, is in the back of the room.

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[WITNESS: Goulding]

1 CHAIRMAN HONIGBERG: All right.

2 Mr. Fossum, why don't you proceed.

3 MR. FOSSUM: Mr. Goulding take the  
4 stand.

5 (Whereupon *Christopher J. Goulding* was  
6 duly sworn by the Court Reporter.)

7 **CHRISTOPHER J. GOULDING, SWORN**

8 **DIRECT EXAMINATION**

9 BY MR. FOSSUM:

10 Q. I suppose we'll go through the formalities first.

11 Mr. Goulding, could you state your name and place of  
12 employment for the record please.

13 A. My name is Christopher Goulding. I'm employed by  
14 Eversource Energy, 780 North Commercial Street, in  
15 Manchester, New Hampshire.

16 Q. And, what are your responsibilities?

17 A. I'm the Manager of New Hampshire Revenue Requirements.  
18 And, I'm responsible for revenue requirement  
19 calculations of Rate ADE and ES and SCRC and TCAM, and  
20 any other revenue requirement calculations.

21 Q. And, back on May 4th in this Docket 14-236, did you  
22 submit prefiled testimony and a technical statement?

23 A. Yes.

24 Q. And, is the information in that statement and that

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[WITNESS: Goulding]

1 testimony true and accurate to the best of your  
2 knowledge and belief today?

3 A. Yes, it is.

4 MR. FOSSUM: I guess then I'll just, for  
5 efficiency then, I would ask to mark the May 4th  
6 submission in this docket as the next exhibit for  
7 identification, which I believe is "Exhibit 4".

8 CHAIRMAN HONIGBERG: All right. So  
9 that, the May 4th submission, is "Exhibit 4".

10 (The document, as described, was  
11 herewith marked as **Exhibit 4** for  
12 identification.)

13 BY MR. FOSSUM:

14 Q. And, Mr. Goulding, on June 11th, 2015, did you submit  
15 an updated technical statement and attachments in this  
16 same docket?

17 A. Yes, I did.

18 Q. And, all the same questions then. Is the information  
19 in that technical statement true and accurate to the  
20 best of your knowledge and belief?

21 A. Yes.

22 MR. FOSSUM: And, I would submit the  
23 June 11th filing as the next exhibit for identification,  
24 number "5".

[WITNESS: Goulding]

1 CHAIRMAN HONIGBERG: So marked.

2 (The document, as described, was

3 herewith marked as **Exhibit 5** for

4 identification.)

5 BY MR. FOSSUM:

6 Q. And, lastly, on June 12th, Mr. Goulding, was there a

7 correction that you submitted to a portion of your

8 technical statement?

9 A. Yes, there was.

10 Q. Could you explain what that filing was.

11 A. There was a page, Attachment CJG-2, Page 4 of 4, the

12 incorrect page was filed. So, we updated the page with

13 the current information.

14 Q. And, so, the information in the June 12th submission

15 should replace then what was provided on that page in

16 the June 11th filing?

17 A. Yes.

18 MR. FOSSUM: And, so, then I would

19 provide that as a separate exhibit in this case for

20 identification, number "6".

21 CHAIRMAN HONIGBERG: So marked.

22 (The document, as described, was

23 herewith marked as **Exhibit 6** for

24 identification.)



[WITNESS: Goulding]

1 BY MR. FOSSUM:

2 Q. And, one last exhibit for this hearing. Mr. Goulding,  
3 did you prepare or have prepared under your direction  
4 what we have referred to in prior dockets as a "bingo  
5 sheet"?

6 A. Yes.

7 Q. And, could you very briefly describe what that document  
8 is.

9 A. Yes. So, the bingo sheet, what it has is each  
10 resident -- or, each rate class, and then the change in  
11 the Distribution, Transmission, SCRC, System Benefits  
12 Charge, Consumption Tax, Total Delivery -- Delivery  
13 Service Charge, Energy Service, and Total revenues.

14 Q. And, could --

15 A. One does the change as a percent of each rate component  
16 and one does the change as a percent of revenues.

17 Q. And, we can go into the detail on that in just a  
18 moment. Accompanying the bingo sheet, did you also  
19 prepare or have prepared under your direction a  
20 description of bill impacts as a result of the rate  
21 changes that will be discussed today?

22 A. Yes.

23 MR. FOSSUM: So, I would enter those as  
24 the next exhibits -- or, exhibit collectively for

[WITNESS: Goulding]

1 identification, number "7".

2 MS. DENO: You mean together?

3 MR. FOSSUM: Yes, as one exhibit. I  
4 have already provided copies of those exhibits to the  
5 Staff and the OCA.

6 CHAIRMAN HONIGBERG: Just so we're  
7 clear, Mr. Fossum. Exhibit 7 is three pages as they were  
8 handed to me, two are stapled together, one is separate?

9 MR. FOSSUM: That is correct, yes.

10 (The document, as described, was  
11 herewith marked as **Exhibit 7** for  
12 identification.)

13 CHAIRMAN HONIGBERG: As I'm looking at  
14 these, will it be helpful for me to have all three  
15 separated or can I staple all three together?

16 MR. FOSSUM: It's likely fine to staple  
17 all three of them together. So, I don't know, does  
18 anybody else need a copy?

19 MS. CHAMBERLIN: If you have an extra,  
20 we'll take an extra one.

21 BY MR. FOSSUM:

22 Q. All right. Having gone through the formalities.

23 Mr. Goulding, could you just very briefly explain what  
24 is being requested in this docket by the Company.

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[WITNESS: Goulding]

1 A. Okay. So, we're here requesting a rate change for the  
2 SCRC rate on July 1st, from the current rate of 0.110  
3 cents to 0.155 cents. And, the primary drivers of that  
4 change is an increase in actual and forecasted IPP  
5 costs, offset by a decrease in the RGGI rate, which was  
6 due to higher-than-anticipated clearing prices for the  
7 RGGI auctions. Additionally, there was additional  
8 allowances that were sold in the June auction that we  
9 had not forecast.

10 Q. Now, turning now to what has been marked for  
11 identification as "Exhibit 7", could you provide a  
12 description of what it is that that exhibit shows, and,  
13 in particular, as concerns the docket, the Stranded  
14 Cost Charge that's the subject of this docket.

15 A. Okay. So, the first page of Exhibit 7 is the "Percent  
16 Change in Rate Component". So, if we look at the  
17 "SCRC" rate column, the Residential SCRC rate is  
18 changing by 41 percent. Then, "General Service" is  
19 changing by 43 -- 43.08 percent, then the rest of the  
20 rate changes are below for the SCRC.

21 Q. And, on the second page of that exhibit, what is that  
22 demonstrating?

23 A. So, this is showing the total revenue change for SCRC  
24 revenue. So, with that rate change, because it's going

[WITNESS: Goulding]

1 up, the revenues are increasing. And, although the  
2 rate is changing by 43 [41?] percent for Residential  
3 customers, the total revenue collected from residential  
4 customers is increasing 0.26 percent.

5 Q. You just said "0.26 percent". Has that been rounded up  
6 to "0.3" for purposes of this exhibit?

7 A. Yes.

8 Q. And, turning to Page 3 of what has been marked for  
9 identification as "Exhibit 7", could you explain what  
10 is shown on that exhibit -- or, on that page of the  
11 exhibit.

12 A. So, Page 3 is a typical bill comparison. So, it's  
13 showing what the -- let's look at a monthly kWh of an  
14 average customer, residential customer, of 625  
15 kilowatt-hours. Currently, with the rates that are in  
16 effect right now, they would be paying \$118.33. With  
17 all the rate changes incorporated that we're requesting  
18 for July 1st, the SCRC, TCAM, and the distribution rate  
19 adjustments, would result in a decrease in the bill of  
20 \$7.74, down to \$110.59.

21 Q. I know that you mentioned it quickly. But, for  
22 purposes of helping to explain, could you turn back to  
23 Page 1 of Exhibit 7. And, taking the "Residential Rate  
24 R" line, the first row, --

[WITNESS: Goulding]

1 A. Uh-huh.

2 Q. -- could you explain how what's shown there relates to  
3 what is on the third page of Exhibit 7?

4 A. Okay. So, for Residential Rate, distribution rates are  
5 increasing by 2.01 percent, due to the two changes for  
6 removal of the Earning Sharing Mechanism credit and the  
7 increase in the distribution rate to extend the  
8 Reliability Enhancement Program. And, the SCRC -- or,  
9 the "Transmission" rate is the next column, that's  
10 going up 9.6 percent. The SCRC, we talked about how  
11 that one was changing, and the change was 41 percent.  
12 There's no change in the System Benefits or Consumption  
13 Tax. So, in the Total Delivery -- Total Delivery  
14 Service portion of the bill, excluding energy, the  
15 bill's going up -- the rates are changing 4.08 percent.  
16 Energy Service is decreasing. And, then, Total revenue  
17 is decreasing also -- or, Total Rates are decreasing  
18 also.

19 Q. And, so, how would those -- how are those percentages  
20 shown out, back on Page 3? How would I interpret that?

21 A. You'd want to look at the "Total Revenue" column.  
22 That's a decrease of 6.56 percent. And, if you look  
23 for the monthly kWh, "625 kilowatt-hours", the total  
24 decrease was, in the far right percent column, was

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1 "6.5 percent".

2 Q. And, just one last -- so, one last question, just to  
3 clarify. So, what is shown on the third page of  
4 Exhibit 7 takes into account the changes in all rates,  
5 including the rates for energy?

6 A. Yes.

7 MR. FOSSUM: Thank you. Nothing else.

8 CHAIRMAN HONIGBERG: Ms. Chamberlin.

9 MS. CHAMBERLIN: Thank you.

10 **CROSS-EXAMINATION**

11 BY MS. CHAMBERLIN:

12 Q. Looking at the stranded costs, are we dealing with the  
13 Part 2 costs in this filing? What is referred to as  
14 "Part 2" from the original Settlement Agreement that  
15 had --

16 A. Yes, of the ongoing SCRC costs.

17 Q. Right. So, the primary driver of any change in these  
18 costs would be the above-market IPP contract costs, is  
19 that a fair characterization?

20 A. Yes. And, then sometimes we do get DOE refunds, so  
21 that would drive it. But the primary driver is the  
22 above-market costs associated with the IPPs.

23 MS. CHAMBERLIN: Thank you. That's all  
24 I have.

[WITNESS: Goulding]

1 CHAIRMAN HONIGBERG: Ms. Amidon.

2 MS. AMIDON: Thank you. Good morning.

3 WITNESS GOULDING: Good morning.

4 BY MS. AMIDON:

5 Q. I understand that the current SCRC rate consists of two  
6 components -- two components. And, one is the RGGI  
7 rebate, which was approved by the Commission in an  
8 order related to a change in law that required any  
9 excess -- allowance amounts in excess of a dollar  
10 should be returned to customers. Is that right?

11 A. That's correct.

12 Q. And, the second component is what Ms. Chamberlin  
13 referred to as the "Part 2" or "IPP-related costs". Is  
14 that right?

15 A. Yes.

16 Q. Okay. Absent the -- if you take out the RGGI rebate  
17 amount, what is the base SCRC rate? The one that's  
18 totally -- that's solely related to the Part 2 costs,  
19 how much is that?

20 A. Okay. The current SCRC rate is 0.223 cents. The rate  
21 requested for July 1st is 0.300 cents.

22 Q. And, so, the primary -- that's the primary driver of  
23 the increased costs is the above-market costs for the  
24 IPP Part 2 costs, however that is offset by the

[WITNESS: Goulding]

1       increase in the amount rebated to customers in that  
2       RGGI auction allowance, is that right?

3   A.   Yes.  That's correct.

4   Q.   Would you please explain the changes that the Company  
5       made to calculating the RGGI rebate amount.  You  
6       indicated that that amount had increased, in other  
7       words, the pool of money that was eligible for return  
8       to customers had increased.  Could you briefly explain  
9       that?

10  A.   Sure.  So, the current RGGI rate was 0.113 cents in the  
11       June -- negative 0.113 cents, and the rate we filed for  
12       July 1st is a negative 0.145 cents.  And, the changes  
13       to that is that we have actual auction results for the  
14       month of March and the month of June.  In the June  
15       auction, there was additional allowances that were  
16       sold, so that, I think there was about 93,000  
17       allowances or so that were sold.  And, the price that  
18       we had forecasted I believe was \$5.10 allowance, but  
19       the clearing price for the June auction was \$5.50.  So,  
20       we've now forecasted for the September auction to be  
21       \$5.50 also, versus the \$5.10, to be consistent with our  
22       last auction.

23                   MS. AMIDON:  Okay.  Thank you.  I have  
24       no further questions.

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[WITNESS: Goulding]

1 CHAIRMAN HONIGBERG: All right.

2 BY CHAIRMAN HONIGBERG:

3 Q. Looking at Page 3 of Exhibit 7, Mr. Fossum helpfully  
4 got us to where the percentage decreases and how that  
5 relates to what's on the first page of Exhibit 3 [7?].  
6 Can you isolate for me what the dollar change is for  
7 that average customer on the SCRC portion of this? I  
8 know it's not a number on here, it's going to be some  
9 number of dollars up or down, and down, presumably, on  
10 the dollars that are in one of those left columns.

11 A. Just give me one second to do the math.

12 Q. Actually, it's going to be a higher number.

13 A. Are you looking for just residential or in total?

14 Q. Just residential. So, for that \$110, or the 118 to  
15 110, one of the -- one portion of the net move is the  
16 SCRC move. So, now that I think about it, it's going  
17 to be up.

18 A. Well, total SCRC revenues are approximately -- the  
19 July 1st rates will be approximately 5.4 million for  
20 residential customers. Under the current rates, they  
21 would be approximately \$3.8 million. So, there's a  
22 difference of \$1.6 million.

23 Q. That's the revenue amount total, correct?

24 A. Yes.

[WITNESS: Goulding]

1 Q. All right. So, if you look at Page 3 for the average  
2 customer, if no other changes were made there, just the  
3 SCRC change, how would the rate change -- how would the  
4 amount of money they pay per month change?

5 A. I don't have that data in front of me.

6 Q. Could we roughly estimate it by thinking to ourselves  
7 that the revenue change was, I think you said, "less  
8 than 3 percent", so for every \$100 that someone pays,  
9 the change here that we're talking about is going to be  
10 somewhere around \$3.00?

11 A. No, because that 3 percent -- that 3 percent is just  
12 the SCRC. So, --

13 Q. And, that's all I'm trying to isolate right here. If  
14 nothing changed but the SCRC, how would the average  
15 residential customer's bill change?

16 A. I believe it would go up 0.3 percent.

17 Q. 0.3 percent.

18 A. 0.3 percent.

19 Q. So, 30 cents for every hundred dollars?

20 A. Correct.

21 Q. Okay.

22 MR. FOSSUM: And, just to clarify, the  
23 "0.3" is what is shown on the second page of Exhibit 7.

24 CHAIRMAN HONIGBERG: That's right. I

1       said "3 percent", I meant "0.3 percent".

2       BY CHAIRMAN HONIGBERG:

3       Q.     So, about a 30 cent increase in that last page for the  
4             SCRC?

5       A.     Yes.

6                     CHAIRMAN HONIGBERG:   Okay.   I have no  
7       further questions.

8                     Mr. Fossum, do you have any further  
9       questions?

10                    MR. FOSSUM:   No thank you.

11                    CHAIRMAN HONIGBERG:   All right.   Does  
12       anybody have anything else for Mr. Goulding?

13                    (No verbal response)

14                    CHAIRMAN HONIGBERG:   All right.   We  
15       can -- we can let you metaphorically return to your seat,  
16       but I think you're going to stay where you are.

17                    We'll strike the ID from the exhibits  
18       that were marked during this hearing, any objection?

19                    (No verbal response)

20                    CHAIRMAN HONIGBERG:   Seeing none.   We're  
21       good there.   All right.   Anything else we need to do  
22       before we sum up?   Ms. Amidon.

23                    MS. AMIDON:   Just briefly, I want to  
24       note that Exhibit 7 in this docket will be referenced in

1 the subsequent proceedings that are scheduled this  
2 morning.

3 CHAIRMAN HONIGBERG: Okay. Are we going  
4 to mark it again in each one of the dockets?

5 MR. FOSSUM: Historically, we've gone  
6 either way on it. There have been hearings where it has  
7 been marked individually in each docket. There have been  
8 others where there's simply been a reference to it, to its  
9 existence in another docket. I suppose the Company has no  
10 strong feeling on how that's handled and would defer to  
11 your judgment.

12 CHAIRMAN HONIGBERG: I think -- I don't  
13 think Commissioner Scott will care, because I think, as  
14 long as he has it, he'll be able to refer to it as we all  
15 will.

16 So, if there's no objection, we'll just  
17 mark it in this one and refer to it in the others?

18 (No verbal response)

19 CHAIRMAN HONIGBERG: All right. Sounds  
20 good.

21 Ms. Chamberlin, would you like to sum up  
22 first please?

23 MS. CHAMBERLIN: Sure. The OCA accepts  
24 the Company's calculation. This is the Part 2 stranded

1 costs that have been recovered for some time. It's a  
2 function of the price of the IPP contracts. This is a  
3 cost that has been part of the customer rates for many  
4 years, and there is nothing new or unusual about this.  
5 The calculation has been offset by the RGGI rebate, which  
6 makes it less of an increase.

7 But, other than that, it's a very  
8 typical calculation, and, therefore, we accept it.

9 CHAIRMAN HONIGBERG: Ms. Amidon.

10 MS. AMIDON: Thank you. Staff has  
11 reviewed the filing, and we've determined that the Company  
12 appropriately calculated the SCRC costs, especially with  
13 the inclusion of the RGGI rebate amount.

14 And, we, therefore, support the Petition  
15 and recommend that the Commission approve it.

16 CHAIRMAN HONIGBERG: Mr. Fossum.

17 MR. FOSSUM: Thank you. I appreciate  
18 the comments of both the OCA and the Staff relative to the  
19 Company's filing. I think we've demonstrated sufficiently  
20 that this rate has been appropriately calculated and  
21 submitted for the Commission's approval.

22 And, I'd simply ask that the Commission  
23 review and approve the information in the docket, approve  
24 the filing and the proposed rates, and that it do so in

1 sufficient time to allow implementation of the rate for  
2 July 1st.

3 CHAIRMAN HONIGBERG: All right. Thank  
4 you all. We'll take that one under advisement. We  
5 understand we need to get an order out in time for rates  
6 to be effective on July 1. So, we'll adjourn the first  
7 hearing.

8 **(Whereupon the hearing was adjourned at**  
9 **9:36 a.m.)**