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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

December 16, 2015 - 1:33 p.m.  
Concord, New Hampshire

NHPUC JAN04'16 PM 3:39

RE: DE 15-416  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
d/b/a EVERSOURCE ENERGY:  
*Petition for Adjustment to the Stranded  
Cost Recovery Charge.*

PRESENT: Chairman Martin P. Honigberg, Presiding  
Commissioner Robert R. Scott  
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Company of  
New Hampshire d/b/a Eversource Energy:  
Matthew J. Fossum, Esq.

Reptg. Residential Ratepayers:  
Susan Chamberlin, Esq., Consumer Advocate  
James Brennan, Finance Director  
Office of Consumer Advocate

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.  
Grant Siwinski, Electric Division  
Richard Chagnon, Electric Division

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

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**I N D E X**

**PAGE NO.**

**WITNESS: CHRISTOPHER J. GOULDING**

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\* \* \*

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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>
1	Petition for Adjustment to Stranded Cost Recovery Charge filing, including petition, Testimony of Christopher J. Goulding, and attachments thereto (09-28-15)	5
2	Eversource Technical Statement and updated exhibits of Christopher J. Goulding (12-11-15)	5
3	Chart entitled "Rate Changes proposed for Effect on January 1, 2016 Percentage Change in each Rate Component"	5
4	Chart entitled "Residential Service Rate R Typical Bill Comparisons, Including Default Energy Service"	5
5	<b>RESERVED FOR RECORD REQUEST</b> (Breakdown and description of each rate element for a monthly bill of 625 kilowatt-hours)	15

[WITNESS: Goulding]

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

2                                   CHAIRMAN HONIGBERG: All right. We're  
3 on the record now. So, we're here this afternoon first in  
4 Docket DE 15-416, adjustment to the Stranded Cost Recovery  
5 Charge for Eversource.

6                                   Before we go any further, let's take  
7 appearances.

8                                   MR. FOSSUM: Good afternoon,  
9 Commissioners. Matthew Fossum, for Public Service Company  
10 of New Hampshire, doing business as Eversource Energy.

11                                  MS. CHAMBERLIN: Susan Chamberlin,  
12 Consumer Advocate. And, with me today is Jim Brennan.

13                                  MS. AMIDON: Good afternoon. Suzanne  
14 Amidon, for Commission Staff.

15                                  CHAIRMAN HONIGBERG: All right.  
16 Mr. Fossum, I assume you are probably the only person who  
17 has witnesses for this?

18                                  MR. FOSSUM: That's correct.

19                                  CHAIRMAN HONIGBERG: You want to have  
20 them come up, and then we can talk about marking exhibits,  
21 and go from there.

22                                  MR. FOSSUM: Okay.

23                                  (Whereupon **Christopher J. Goulding** was  
24 duly sworn by the Court Reporter.)

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[WITNESS: Goulding]

1 MR. FOSSUM: Now, before beginning, the  
2 parties have conferred prior to the start of this hearing.  
3 And, just for ease, we have agreed to mark the Company's  
4 September 28th, 2015 filing in this docket as "Exhibit 1"  
5 for identification; to mark the December 11th update  
6 filing as "Exhibit 2" for identification. And,  
7 distributed to the parties, and I believe to the  
8 Commissioners as well, two documents. There's a -- the  
9 first document, it's a chart of various -- containing  
10 various percentages, typically referred to as a "bingo  
11 sheet", we have agreed to mark that as "Exhibit 3" for  
12 identification. And, finally, there is a "Typical Bill  
13 Comparison" spreadsheet that we've agreed to mark as  
14 "Exhibit 4" for identification.

15 CHAIRMAN HONIGBERG: All right. Thank  
16 you.

17 (The documents, as described, were  
18 herewith marked as **Exhibit 1** through  
19 **Exhibit 4**, respectively, for  
20 identification.)

21 MR. FOSSUM: And, I'll have the witness  
22 go through those in the course of the discussion this  
23 afternoon.

24 **CHRISTOPHER J. GOULDING, SWORN**

{DE 15-416} {12-16-15}

[WITNESS: Goulding]

**DIRECT EXAMINATION**

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BY MR. FOSSUM:

Q. Mr. Goulding, could you state your name, your employer, and your position and responsibilities for the record in the docket please.

A. Okay. My name is Christopher Goulding. I'm the Manager of Revenue Requirements for New Hampshire. I'm employed by Eversource, 780 North Commercial Street, in Manchester. My responsibilities include the coordination and implementation of revenue requirement calculations for Eversource, and mainly PSNH.

Q. And, Mr. Goulding, did you file testimony as part of what has been marked as "Exhibit 1" in this docket back on September 28th?

A. Yes, I did.

Q. And, was that testimony prepared by you or under your direction?

A. Yes.

Q. And, are there any changes or updates to that testimony today?

A. No.

Q. And, if you were asked those same questions today, your answers would be the same today?

A. Yes.

[WITNESS: Goulding]

1 Q. And, looking now at what has been marked as "Exhibit 2"  
2 for identification, did you prepare a technical  
3 statement or was it prepared under your direction that  
4 was filed back on December 11th?

5 A. Yes, it was.

6 Q. And, are there any changes or updates or corrections to  
7 the information in that technical statement?

8 A. No.

9 Q. Now, very briefly, could you please describe what it is  
10 that the Company is requesting as part of the filings,  
11 referencing Exhibit 1 or Exhibit 2 as may be  
12 appropriate.

13 A. Sure. So, the purpose of my testimony is the  
14 Company is requesting a change in the SCRC rate,  
15 from the current rate of 0.155 cents, down to a  
16 negative 0.017 cents. And, the primary drivers of  
17 that change is lower above-market IPP costs for 2016,  
18 as well as increased estimated auction proceeds for the  
19 2006 [2016?] calendar year, as well as the December of  
20 2015 auction.

21 Q. Mr. Goulding, turning now to what is marked for  
22 identification as "Exhibit 3", could you explain that  
23 exhibit in the context of the hearing right now, on the  
24 Stranded Cost Recovery Charge?

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[WITNESS: Goulding]

1 A. Okay. So, the first page of Exhibit 3 I want to look  
2 at was the "Percentage change in each rate component".  
3 So, what that is, is it's the change in each rate  
4 component in isolation. So, if we look at column  
5 "SCRC", you'll see, for the residential class, the rate  
6 has gone down 104.2 percent, which is because the SCRC  
7 rate currently is -- SCRC rate, plus the RGGI adder,  
8 currently is 1.55 cents, and it's going down to 0.017  
9 cents.

10 So, if we slide over, a same residential  
11 customer, for "total delivery service". So, the total  
12 delivery service rate has gone down 2 percent. And,  
13 then, the "total revenue", which includes the Energy  
14 Service, has gone down 4.7 percent for a residential --  
15 or, up 4.7 percent for a residential customer.

16 If we want to -- if we turn to the next  
17 page of the exhibit, which is the "Change in each rate  
18 component as a percentage of total rate for each  
19 class", it says what is the -- this is what is the  
20 total -- or, what is a change on a total rate basis.  
21 So, if you combine your Distribution, Transmission,  
22 SCRC, System Benefit Charge, and Energy Service, it's  
23 identifying what the driver -- or, what that one  
24 specific component, how that contributes to the change

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[WITNESS: Goulding]

1 in the total rate. So, the total SCRC, on a total bill  
2 basis or total rate basis, goes down 1 percent. And,  
3 then, you'll see the same residential, total delivery  
4 service goes down 1 percent, that's a customer who's  
5 not taking energy service. And, then, the total  
6 revenue, coupled with the increase in the Energy  
7 Service rate, goes up 4.7 percent.

8 Q. So, if I'm understanding correctly, looking at Page 1  
9 of Exhibit 3, and relative to the Stranded Cost Charge,  
10 is it a correct understanding to say the Stranded Cost  
11 Charge is going down 100 -- approximately 104 percent  
12 for a residential customer, and that results in an  
13 approximately 1 percent decrease in their total bill?

14 A. Yes.

15 Q. As shown on Page 2?

16 A. Yes. That's correct.

17 Q. Looking now at Exhibit -- what has been marked as  
18 "Exhibit 4" for identification, could you please  
19 explain what that exhibit is showing?

20 A. Sure. So, what we have here is some monthly  
21 kilowatt-hours, different increments, and then the  
22 effective cost -- or, effective bill that those  
23 customers will receive with those monthly  
24 kilowatt-hours, what the current rates that are in

[WITNESS: Goulding]

1 effect July 1st, 2015, and what they would be  
2 January 1st, 2016.

3 So, if we focus on what we'll call an  
4 "average residential customer" of "625 kilowatt-hours",  
5 they currently pay \$110.59. With the decrease in the  
6 SCRC rate and an increase in the Energy Service rate,  
7 they would pay \$115.79 effective January 1st, which is  
8 a \$5.20 increase in their bill, or a 4.7 percent  
9 increase in their -- as a percentage basis.

10 Q. And, just to clarify, I think you said, but what is  
11 shown on Exhibit 4 includes a customer taking energy  
12 service from Eversource?

13 A. Yes. So, the \$5.20 reflects the -- it representative  
14 of a customer that is taking energy service. If you  
15 just wanted to isolate the impact of the SCRC, it will  
16 be a negative, a decrease of \$1.11.

17 Q. And, that's for the 625 kilowatt-hour customer?

18 A. Yes.

19 MR. FOSSUM: Thank you. I have nothing  
20 more at this time.

21 CHAIRMAN HONIGBERG: Ms. Chamberlin?

22 MS. CHAMBERLIN: No questions.

23 CHAIRMAN HONIGBERG: Ms. Amidon?

24 MS. AMIDON: Thank you.

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[WITNESS: Goulding]

**CROSS-EXAMINATION**1  
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BY MS. AMIDON:

Q. So, I wanted to make sure I understand this correctly. I'm looking at the second page of Exhibit 3, at the shaded column, "Total Delivery Service". So, if a customer takes energy service from a competitive supplier, they will see a 1 percent decrease in the delivery service portion of their bill? Am I understanding that correctly?

A. That's correct.

Q. Okay. Thank you. And, are you aware of the recent RGGI auction, the one that was conducted in December?

A. Yes.

Q. What was the price per allowance that was achieved in that auction?

A. It was \$7.50 per allowance.

Q. And, how does that compare, if you know, to like the most recent prior auction?

A. The one before that, which was in September, I believe, was at \$6.02, or somewhere right around there.

Q. Okay. So, and looking at the experience then with the December auction, the forecast is that there will be more RGGI money in excess of that one dollar coming back to the Company, is that right?

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[WITNESS: Goulding]

1 A. Yes.

2 Q. Okay.

3 A. That we would have updated the 2016 forecast based on  
4 the December auction.

5 MS. AMIDON: Okay. Thank you. That's  
6 all I had.

7 CHAIRMAN HONIGBERG: Commissioner Scott?

8 COMMISSIONER SCOTT: I don't have  
9 anything.

10 CHAIRMAN HONIGBERG: Commissioner  
11 Bailey?

12 COMMISSIONER BAILEY: I do.

13 BY COMMISSIONER BAILEY:

14 Q. Can you go back to Exhibit 4? And looking at the  
15 average customer bill of 625 kilowatt-hours, and you  
16 come up a total bill of "115.79".

17 A. Okay.

18 Q. Can you take me through the rate per kilowatt-hour for  
19 each rate element that's included in that number?

20 A. I don't have that with me. I can --

21 Q. Well, that's the whole point of this whole case, I  
22 think, and I can't figure it out.

23 A. Well, it includes the Transmission rate, the  
24 Distribution rate, and the SBC. So, I mean, obviously,

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[WITNESS: Goulding]

1 I know the SBC. But I don't have the individual rate  
2 components in the customer charge at this time.

3 Q. Okay. Well, maybe you could just file that after the  
4 hearing?

5 A. Okay.

6 Q. And, is the rate that we're going to be talking about  
7 next, in 15-415, the Energy Service rate, does that  
8 include the Stranded Cost Recovery Charge? Or, is that  
9 added up -- usually added in addition to the Energy  
10 Service rate?

11 A. Yes. They're separate from the SCRC. So, two separate  
12 rates.

13 Q. So, if a customer buys energy from somebody else, they  
14 wouldn't pay the Energy Service rate, but they would  
15 pay the SCRC rate?

16 A. Correct. If we look back at the Exhibit 3, Page 1 and  
17 2, there's that shaded column where it says "Total  
18 Delivery Service". So, that's showing the impact to a  
19 customer, assuming they don't take Energy Service.

20 Q. And, the next column assumes that they do take Energy  
21 Service?

22 A. Yes. That's the change in the Energy Service rate.

23 Q. Okay. And, "Total Revenue" means total impact when  
24 you -- if they take both?

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[WITNESS: Goulding]

1 A. Yes.

2 COMMISSIONER BAILEY: Okay. I think the  
3 rest of my questions, I'll wait till later.

4 WITNESS GOULDING: Okay.

5 COMMISSIONER BAILEY: Thank you. That's  
6 all.

7 CHAIRMAN HONIGBERG: Commissioner Scott.

8 BY COMMISSIONER SCOTT:

9 Q. And, to follow on on that. So, am I correct, the  
10 shaded areas on Pages 1 and 2 of Exhibit 3 are assuming  
11 an average use of 625 monthly kilowatt-hours, is that  
12 correct?

13 A. I think it's actually done based on -- it would take  
14 the rate, times the total forecast -- or, the total  
15 usage of that sector to develop a revenue. And, then,  
16 you would update the rate, and you multiply it by a  
17 total usage for that residential rate class, and you  
18 have the difference between the two. So, it doesn't  
19 really -- it doesn't specifically look at a 625  
20 megawatt-hour [kilowatt-hour?] residential customer.  
21 It looks at it as a total revenue, total dollars of  
22 revenue.

23 COMMISSIONER SCOTT: Okay. Thank you.

24 CHAIRMAN HONIGBERG: Mr. Fossum, do you

1 understand the request that Commissioner Bailey made?

2 MR. FOSSUM: Just, I believe I do, but,  
3 just for clarity, my understanding is a request that, for  
4 what has been described as the "typical customer of 625  
5 kilowatt-hours", that looking for a breakdown of the --  
6 well, what's showing here as "\$115.79", into all of the  
7 various rate components that would make that up; the  
8 Customer Charge, the transmission cost -- or, Transmission  
9 Charge, Stranded Cost Charge, the Energy Service Charge,  
10 all of those individually broken out and described. Is  
11 that accurate?

12 COMMISSIONER BAILEY: That's accurate.

13 CHAIRMAN HONIGBERG: All right. So,  
14 we'll reserve "Exhibit 5" for that.

15 ***(Exhibit 5 reserved)***

16 CHAIRMAN HONIGBERG: I don't think I  
17 have any questions. Mr. Fossum, do you have any further  
18 questions for Mr. Goulding?

19 MR. FOSSUM: I do not.

20 CHAIRMAN HONIGBERG: All right.

21 Probably can just stay where you are.

22 WITNESS GOULDING: I'm going to grab  
23 some stuff.

24 CHAIRMAN HONIGBERG: All right, you can

1 do that, too.

2 I assume there's no objection to  
3 striking ID on the four exhibits that we have?

4 CHAIRMAN HONIGBERG: Seeing none, they  
5 are now full exhibits. If you want to sum up, you may.  
6 Ms. Chamberlin.

7 MS. CHAMBERLIN: The OCA supports the  
8 filing.

9 CHAIRMAN HONIGBERG: Ms. Amidon.

10 MS. AMIDON: Thank you. Staff reviewed  
11 the filing, and we've determined that they have appro-  
12 priately calculated the Stranded Cost Recovery Charge.  
13 And, we would recommend the Commission approve it.

14 CHAIRMAN HONIGBERG: Mr. Fossum.

15 MR. FOSSUM: Thank you. I'd like to  
16 thank the Staff and the OCA for their review here, and  
17 their support of the filing. And, I would simply request  
18 that the Company's proposal be approved in time to allow  
19 for implementation on January 1st. Thank you.

20 CHAIRMAN HONIGBERG: All right. Thank  
21 you. We will adjourn this hearing. And, go off the  
22 record.

23 **(Whereupon the hearing was adjourned at**  
24 **1:50 p.m.)**