

1                                   **STATE OF NEW HAMPSHIRE**  
2                                   **PUBLIC UTILITIES COMMISSION**

3  
4   **June 22, 2017 - 3:15 p.m.**  
5   Concord, New Hampshire

18 JUL '17 PM 1:45

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7                   **RE: DE 17-081**  
8                   **EVERSOURCE ENERGY:**  
9                   **2017 Transmission Cost Adjustment**  
10                   **Mechanism.**

11  
12   **PRESENT:**     Chairman Martin P. Honigberg, Presiding  
13                   Commissioner Kathryn M. Bailey

14                   Sandy Deno, Clerk

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

17                   **Reptg. Residential Ratepayers:**  
18                   D. Maurice Kreis, Esq., Consumer Adv.  
                  Office of Consumer Advocate

19                   **Reptg. PUC Staff:**  
20                   Suzanne G. Amidon, Esq.  
                  Richard Chagnon, Electric Division

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22  
23   Court Reporter:     Steven E. Patnaude, LCR No. 52

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**CERTIFIED  
ORIGINAL TRANSCRIPT**

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24**I N D E X****PAGE NO.****WITNESS PANEL:           CHRISTOPHER J. GOULDING  
                                  LOIS B. JONES  
                                  KENNETH B. BOWES**

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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                  | Eversource Energy - Prepared Testimony of Christopher J. Goulding, with attachments; Kenneth B. Bowes, with attachments; and Lois B. Jones, with attachments (06-16-17)   | 5               |
| 2                  | PSNH d/b/a Eversource Energy Comparison of Current and Proposed Residential Rate R and Calculation of a 600 kWh Monthly Bill by Rate Component July 1, 2017; Impact of Each Change on Delivery Service Bills; Impact of Each Change on Bills including Energy Service (3 pages) | 5               |

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

1  
2 CHAIRMAN HONIGBERG: We're here in  
3 Docket 17-081, which is Eversource's 2017  
4 Transmission Cost Adjustment Mechanism docket.

5 Before we do anything else, let's  
6 take appearances.

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

11 CHAIRMAN HONIGBERG: Mr. Kreis.

12 MR. KREIS: Oh, I'm sorry.

13 CMSR. BAILEY: Good morning.

14 MR. KREIS: I was so focused on the  
15 merits of the situation that I forgot that it  
16 was my turn to say I am D. Maurice Kreis, the  
17 Consumer Advocate, here this afternoon  
18 representing the interests of residential  
19 customers.

20 MS. AMIDON: Hi. Suzanne Amidon, for  
21 Commission Staff. And with me is Rich Chagnon,  
22 an Analyst in the Electric Division.

23 CHAIRMAN HONIGBERG: All right. How  
24 are we proceeding with this one, Mr. Fossum?

1 MR. FOSSUM: Somewhat similar to how  
2 we proceeded with the other ones, we do have a  
3 witness panel this afternoon that we would  
4 present to go through the filing and offer  
5 testimony.

6 CHAIRMAN HONIGBERG: All right.  
7 While the witnesses move to the witness box,  
8 why don't you tell us about what exhibits are  
9 being marked.

10 MR. FOSSUM: Thank you. Glad to have  
11 the witnesses go. And, while they're on their  
12 way, what we have premarked as "Exhibit 1" for  
13 identification is the Company's June 16th  
14 filing in the docket. And what we have  
15 premarked for identification as "Exhibit 2" is  
16 the "bingo sheet" rate exhibit.

17 And that's all that I have premarked.

18 (The documents, as described,  
19 were herewith marked as  
20 **Exhibit 1** and **Exhibit 2**,  
21 respectively, for  
22 identification.)

23 CHAIRMAN HONIGBERG: All right. Is  
24 there anything else, Ms. Amidon or Mr. Kreis,

[WITNESS PANEL: Goulding~Jones~Bowes]

1 we need to deal with before the witnesses get  
2 sworn in?

3 MS. AMIDON: No thank you.

4 CHAIRMAN HONIGBERG: All right. Mr.  
5 Patnaude.

6 (Whereupon **Christopher J.**  
7 **Goulding, Lois B. Jones,** and  
8 **Kenneth B. Bowes** were duly sworn  
9 by the Court Reporter.)

10 CHAIRMAN HONIGBERG: Mr. Fossum.

11 MR. FOSSUM: Thank you.

12 **CHRISTOPHER J. GOULDING, SWORN**

13 **LOIS B. JONES, SWORN**

14 **KENNETH B. BOWES, SWORN**

15 **DIRECT EXAMINATION**

16 BY MR. FOSSUM:

17 Q. We'll go right down the line. Mr. Goulding,  
18 could you please state your name, your place of  
19 employment, and your responsibilities for the  
20 record please.

21 A. (Goulding) My name is Christopher Goulding.  
22 I'm employed by Eversource Energy, location is  
23 780 North Commercial Street, in Manchester.  
24 I'm the Manager of New Hampshire Revenue

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 Requirements. And, in my role, I'm responsible  
2 for the coordination and implementation of rate  
3 changes associated with the Energy Service  
4 rate, Stranded Cost Recovery Charge rate,  
5 transmission Cost Adjustment Mechanism,  
6 Alternative Default Energy changes, and  
7 distribution rate changes.

8 Q. Thank you. And, Ms. Jones, could you please  
9 state your name, your place of employment, and  
10 your responsibilities for the record.

11 A. (Jones) My name is Lois Jones. I'm employed by  
12 Eversource Energy Service Company. And I'm the  
13 Team Leader of the New Hampshire Rates  
14 Department. My responsibilities include the  
15 calculation of the Company's rates and  
16 administration of its tariff.

17 Q. And, Mr. Bowes, could you please state your  
18 name, your place of employment, and your  
19 responsibilities for the record please.

20 A. (Bowes) Kenneth Bowes, Vice President of  
21 Transmission Performance for Eversource Energy  
22 Service Company. I have offices in Hartford,  
23 Connecticut, and Manchester, New Hampshire.  
24 The purpose of my testimony is to discuss the

[WITNESS PANEL: Goulding~Jones~Bowes]

1 ISO-New England planning process and any  
2 project-specific requests by the Parties.

3 Q. Thank you. Mr. Goulding, back on June 16th,  
4 did you submit testimony of what has been  
5 premarked for identification as "Exhibit 1"?

6 A. (Goulding) Yes, I did.

7 Q. And was that testimony prepared by you or at  
8 your direction?

9 A. (Goulding) Yes.

10 Q. And do you have any corrections or updates to  
11 that testimony?

12 A. (Goulding) No.

13 Q. And do you adopt that testimony as your sworn  
14 testimony this afternoon?

15 A. (Goulding) Yes.

16 Q. And, Ms. Jones, likewise, did you, back on  
17 June 16th, submit prefiled testimony in what  
18 has been premarked for identification as  
19 "Exhibit 1"?

20 A. (Jones) Yes, I did.

21 Q. And was that testimony prepared by you or at  
22 your direction?

23 A. (Jones) It was.

24 Q. And do you have any changes or updates or



[WITNESS PANEL: Goulding~Jones~Bowes]

1 corrections this afternoon?

2 A. (Jones) No.

3 Q. And do you adopt that testimony as your  
4 prefiled testimony -- as your testimony in this  
5 matter?

6 A. (Jones) I do.

7 Q. And, Mr. Bowes, finally, did you, back on  
8 June 16th, submit prefiled testimony in what  
9 has been premarked for identification as  
10 "Exhibit 1"?

11 A. (Bowes) Yes, I did.

12 Q. And that testimony, was that prepared by you or  
13 at your direction?

14 A. (Bowes) Yes, it was.

15 Q. And do you have any corrections or updates to  
16 that testimony?

17 A. (Bowes) I do not.

18 Q. And do you adopt that testimony as your sworn  
19 testimony today?

20 A. (Bowes) Yes I do.

21 Q. Returning to Mr. Goulding, could you please  
22 explain, at a high level, what it is that the  
23 Company is requesting in its filing in this  
24 docket?

[WITNESS PANEL: Goulding~Jones~Bowes]

1 A. (Goulding) Yes. So, the Company is requesting  
2 a change for the TCAM rate, from the current  
3 average rate of 2.193 cents, to a rate of 2.318  
4 cents effective July 1st, 2017. Some of the  
5 drivers of the increase and rate change are  
6 increased RNS and LNS costs, offset by a  
7 decrease in reliability costs and return on  
8 TCAM working capital. And there was some  
9 additional upward pressure on the rate due to  
10 lower forecasted sales volume for the  
11 forecasted period.

12 Q. Thank you. Mr. Goulding, turning now to what  
13 has been premarked for identification as  
14 "Exhibit 2", could you please explain what that  
15 exhibit shows relative to this docket?

16 A. (Goulding) Yes. So, this is a calculation for  
17 an average residential customer taking 600  
18 kilowatt-hours. If we go down the page, about  
19 halfway down you'll see the word  
20 "Transmission". You'll see a current  
21 customer -- a current residential customer pays  
22 \$14.34 for transmission. Effective with this  
23 rate change, they pay \$15.25, which is an  
24 increase of 91 cents, for a increase in the

[WITNESS PANEL: Goulding~Jones~Bowes]

1 percent of the total bill for a customer taking  
2 Energy Service of 0.7 percent.

3 Turning to Page 2, the column marked  
4 "Transmission", you'll see "Total Retail  
5 1.8 percent". So, there is an impact on a  
6 customer's bill who are not taking Energy  
7 Service of an increase in the delivery service  
8 portion of their bill of 1.8 percent on  
9 average.

10 Then, turning to Page 3, this is for a  
11 customer taking Energy Service from Eversource,  
12 if you look at "Transmission", "Total Retail",  
13 it's a "0.7 percent" increase in their total  
14 bill due to the change in the transmission rate  
15 being proposed today.

16 Q. Thank you. And only because this is our final  
17 hearing set for this afternoon, I did want to  
18 ask, returning to Page 1 of Exhibit 2, are  
19 there -- and I guess arguably throughout  
20 Exhibit 2, are the rate changes in there, do  
21 those reflect all of the rate changes that have  
22 been the subject of hearings this afternoon?

23 A. (Goulding) Yes. So, it would reflect the rate  
24 changes associated with the Stranded Cost

[WITNESS PANEL: Goulding~Jones~Bowes]

1 Recovery Charge, the Energy Service Charge, and  
2 this proceeding. And it also includes the rate  
3 change associated with the distribution rate  
4 change from the REP docket, DE 17-076.

5 MR. FOSSUM: Thank you. I just  
6 wanted to make that clear. And that's all that  
7 I have for direct -- oh, I do not.

8 BY MR. FOSSUM:

9 Q. Mr. Goulding, is it your position and the  
10 Company's position that the request that the  
11 Company has made is a just and reasonable  
12 request?

13 A. (Goulding) Yes, it is.

14 Q. And that the result is a just and reasonable  
15 rate?

16 A. (Goulding) Yes.

17 MR. FOSSUM: Thank you. That is all  
18 I have here.

19 CHAIRMAN HONIGBERG: Mr. Kreis.

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

21 Good afternoon, everybody.

22 **CROSS-EXAMINATION**

23 BY MR. KREIS:

24 Q. I think I want to start with Mr. Goulding.

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 Mr. Goulding, I apologize, but you rattled off  
2 a list of drivers of the change in the proposed  
3 Transmission Cost Adjustment rate, and they  
4 went by really fast. So, I'm hoping you might  
5 repeat them.

6 A. (Goulding) Okay. So, the main drivers are an  
7 increase in RNS and LNS costs. And those are  
8 offset by a decrease in reliability cost and  
9 return on TCAM working capital.

10 Q. Oh. Okay. Can you refresh everybody's  
11 reconciliation about the difference between  
12 "RNS" and "LNS"?

13 A. (Goulding) Sure. So, "RNS" are the regional  
14 network costs. So, those are regional projects  
15 that Eversource gets allocated a portion of for  
16 reliability within the region.

17 Q. Meaning all of New England?

18 A. (Goulding) All of New England, yes. And then  
19 the Localized Network Service costs are the  
20 Eversource-specific projects. Some of those  
21 are PTF and some of those are non-PTF. So,  
22 those -- if there would be costs, those costs  
23 would be recovered through the LNS.

24 Q. Okay. So, "PTF", could you tell me -- describe

[WITNESS PANEL: Goulding~Jones~Bowes]

1 the difference between "PTF" and "non-PTF"?

2 A. (Goulding) So, "PTF" is "Pool Transmission  
3 Facility". So, those projects would be  
4 identified by ISO as needed for the region.  
5 So, they would be recovered from all customers  
6 in New England. And the non-PTF would be  
7 recovered just from Eversource legacy and new  
8 Eversource customers, based on load share ratio  
9 of peak load.

10 Q. So, the non-PTF facilities are recovered from  
11 customers of the old Northeast Utilities'  
12 service territory. And the fact that Northeast  
13 Utilities is now part of the much bigger or the  
14 somewhat bigger Eversource, that doesn't matter  
15 for the purpose of these rate calculations?

16 A. (Goulding) Right. The legacy NSTAR and legacy  
17 NU tariffs are separate.

18 Q. Right. Okay. So, I'm still confused, though,  
19 about the difference between "PTF" and "RNS"?

20 A. (Bowes) So, "PTF" and "RNS" are, I would say,  
21 one serves the other. PTF facilities become  
22 the assets that are used to calculate the RNS  
23 rate. The non-PTF assets are the assets, in  
24 general, that are used to calculate the LNS

[WITNESS PANEL: Goulding~Jones~Bowes]

1 rate. And, physically, the difference between  
2 them is PTF facilities are part of the looped  
3 transmission system or part of the grid, and  
4 non-PTF are typically radial facilities that  
5 serve a single load-serving entity, for  
6 example, a Unitil substation in New Hampshire.

7 Q. Thank you. This is really helpful. Is it fair  
8 to say that everything we've just been talking  
9 about, this distinction between RNS, LNS, PTF,  
10 and non-PTF, these are all distinctions that  
11 are contained in tariffs that are ultimately  
12 FERC jurisdiction?

13 A. (Bowes) Yes.

14 Q. So, if I didn't like them for some reason, I  
15 would be in the wrong room if I wanted to  
16 complain about them right now, correct?

17 A. (Bowes) I believe you can complain about them  
18 wherever you'd like. About I think the only  
19 people that can rule on those would be FERC  
20 commissioners, yes.

21 Q. Are there any proceedings pending currently at  
22 the FERC that relate to these rates and whether  
23 they continue to be just and reasonable?

24 A. (Bowes) There are multiple proceedings with the

[WITNESS PANEL: Goulding~Jones~Bowes]

1 New England transmission owners in front of  
2 FERC.

3 Q. That relate to the subject of whether the  
4 transmission tariffs are just and reasonable?

5 A. (Bowes) For the RNS rates, yes.

6 Q. But not for the LNS rates?

7 A. (Bowes) I'm not aware of any for the LNS rates.

8 Q. And you would be aware of them, if there were  
9 any?

10 A. (Bowes) Rates isn't necessarily my area of  
11 expertise. I'm generally familiar with the  
12 proceedings that are in front of FERC for  
13 return on equity challenges by various  
14 stakeholders in New England. I'm just not  
15 aware if there are any for LNS rates.

16 Q. And there currently are several such challenges  
17 pending, true?

18 A. (Bowes) For the RNS rates, yes.

19 Q. With respect to return on equity?

20 A. (Bowes) Yes.

21 Q. Turning to -- I'm looking at, this is Exhibit  
22 1, which is the initial filing that the Company  
23 made, and I'm looking at Page 4 of Mr. Bowes's  
24 testimony. And, at Page 4, Line 3, he



[WITNESS PANEL: Goulding~Jones~Bowes]

1 answered -- you answer a question that says  
2 "What information have you provided to meet the  
3 requirements of Order Number 25,912, dated June  
4 28, 2016, in Docket DE 16-566?" Can you remind  
5 us what those requirements were? Or, rather  
6 than ask you a trick question, would you agree  
7 with me, subject to check, that what the  
8 Commission said in that order was, and I quote,  
9 "We require Eversource, in its next TCAM  
10 filing, to file a more detailed description of  
11 the projects included in the LNS rates, and to  
12 provide a witness to testify regarding the  
13 transmission planning process at ISO-New  
14 England"?

15 A. (Bowes) I will accept that, yes.

16 Q. And, so, could you tell me where in your  
17 testimony I would find the more detailed  
18 description of the projects included in the LNS  
19 rates?

20 A. (Bowes) So, I believe there was an attachment  
21 to my testimony.

22 Q. And you might be talking about, I just have to  
23 remove the clip here, --

24 A. (Bowes) I think it's Page 036.

[WITNESS PANEL: Goulding~Jones~Bowes]

1 Q. Indeed. And that would be the document that's  
2 marked "Attachment KBB-1", true?

3 A. (Bowes) Yes.

4 Q. Okay. So, presumably, since you're the witness  
5 who's in a petition to testify regarding the  
6 transmission planning process and since that's  
7 your exhibit, could you take a few minutes to  
8 take me through this exhibit and help me  
9 understand what this really tells us?

10 A. (Bowes) Sure. It's, starting on the left-hand  
11 side, working toward the right and downward,  
12 there's a series of columns in this data table  
13 that indicate the larger projects, in this  
14 case, greater than \$5 million that were placed  
15 into service, being used and useful during  
16 2016.

17 It's further broken out by company.  
18 "CL&P" being the Connecticut Eversource  
19 affiliate; "PSNH", obviously New Hampshire; and  
20 Western Mass. Electric, the Western Mass.  
21 affiliate. Further, there are the project  
22 titles, which indicate a very high-level scope  
23 of the work.

24 And, then, in columns to the far right, it

[WITNESS PANEL: Goulding~Jones~Bowes]

1 shows the total dollars of the assets placed in  
2 service, and then the percentage -- or, I  
3 shouldn't say a "percentage", but the dollar  
4 values for the amount of PTF facilities  
5 associated with them.

6 Q. Can you help me understand the difference  
7 between Column (D) and Column (E)?

8 A. (Bowes) Sure. So that the Column D is the  
9 total value of the assets placed in service,  
10 and which would include PTF and non-PTF. And,  
11 then, Column E is just the PTF portion of those  
12 assets.

13 Q. So, which -- help me understand what parts  
14 of -- or, how this relates to what is actually  
15 in rates paid by New Hampshire customers of  
16 Eversource? I think I know, but I just want to  
17 make sure I understand.

18 A. (Bowes) So, I'll start, and maybe the rates  
19 person can add as well. So, in 2016,  
20 approximately \$460 million were placed into  
21 service, and of that, about 391 million were  
22 PTF facilities, which would be part of the  
23 Regional Network Service rate.

24 Q. So, all 390 million of that are in rates paid

[WITNESS PANEL: Goulding~Jones~Bowes]

1 by Eversource customers here in New Hampshire?

2 A. (Bowes) In New England, so that's part of the  
3 RNS rate.

4 Q. Right.

5 A. (Bowes) And then New Hampshire customers would  
6 be allocated a percentage of that,  
7 approximately 9.5 percent of the PTF costs.

8 Q. Did you say "9.5 percent"?

9 A. (Bowes) Approximately, yes. That's the  
10 allocated load share for New Hampshire  
11 customers -- or, Eversource New Hampshire  
12 customers for their percentage of the ISO-New  
13 England load.

14 Q. Is that changing?

15 A. (Bowes) I believe it's changing to  
16 approximately 9.7 percent, as the load share  
17 increases slightly in New Hampshire and  
18 decreases slightly elsewhere.

19 Q. Do you know why that's happening?

20 A. (Bowes) I do not.

21 Q. Okay. Sorry to keep interrupting you.

22 A. (Bowes) So, the difference of 460 to 391 would  
23 be the percentage or the dollar value of  
24 non-PTF facilities. And, of that, the three

[WITNESS PANEL: Goulding~Jones~Bowes]

1 companies, and others, would pay the LNS on  
2 those set of assets.

3 And the percentages for LNS, maybe someone  
4 can help me out, but I think it's around 20  
5 percent.

6 A. (Goulding) Yes. It's like at 21 percent.

7 A. (Bowes) So, 21 percent of those assets would be  
8 paid for by Eversource New Hampshire customers.

9 Q. Because that's our percentage of the former NU  
10 service territory load?

11 A. (Bowes) Yes.

12 Q. Great. I think I have all this down in my  
13 brain now. If a skeptical Consumer Advocate  
14 were concerned about the prudence of these  
15 expenditures, where would he go?

16 A. (Bowes) So, there's two places someone could go  
17 that was concerned about the costs. The first  
18 place would be ISO-New England, to be part of  
19 their planning advisory process, where projects  
20 are first evaluated and solutions are  
21 presented. And, then, on the back-end of that  
22 ISO-New England process, there's a transmission  
23 cost allocation for projects in this case that  
24 would be PTF facilities.

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[WITNESS PANEL: Goulding~Jones~Bowes]

1           The other location a person could go would  
2           be directly to the Federal Energy Regulatory  
3           Commission, and either file a complaint or join  
4           in a complaint of others, to look at either the  
5           prudence or I guess there are complaints now  
6           for the return on equity.

7   Q.   Your testimony, going back to Page 4, contains  
8           a reference to the "Least Cost Integrated  
9           Resource Plan" that was submitted to the  
10          Commission on June 2015. You are aware,  
11          presumably, that that Plan has not yet been  
12          either approved or rejected by the Commission?

13   A.   (Bowes) I will accept that, yes.

14   Q.   Okay. Let me just, before I pass you along to  
15          my colleagues on the Commission Staff, let me  
16          just ask a somewhat different line of  
17          questions. This might be a -- these might be  
18          questions for Mr. Goulding, but I guess I'll  
19          let you all decide who you would like to  
20          answer.

21                 Are there any costs in the TCAM rate at  
22                 present that are attributable to the Northern  
23                 Pass Transmission Project?

24   A.   (Goulding) No, there are not.

[WITNESS PANEL: Goulding~Jones~Bowes]

1 Q. Do you expect that there will be any in the  
2 future?

3 A. (Goulding) I don't believe so.

4 Q. If a skeptical Consumer Advocate, not me, but  
5 some hypothetical one, were concerned about the  
6 potential for transmission rates paid by PSNH  
7 or Eversource customers in New Hampshire to  
8 include costs associated with the Northern Pass  
9 Project, how could you reassure such a skeptic  
10 that, in fact, that can't or won't occur?

11 MR. FOSSUM: I think I'm going to  
12 object. I mean, that calls for some  
13 speculation about, you know, whether -- I mean,  
14 one, it presumes Northern Pass is going to be  
15 approved, and that there's going to be a  
16 certain dealing with its costs, none of which  
17 has been decided yet.

18 And, then, I guess we're asking --  
19 he's asking for "reassurance" about how those  
20 costs will be treated in the future, I don't  
21 know that there's any way of these witnesses  
22 would know that.

23 MR. KREIS: Before you rule, Mr.  
24 Chairman, let me just explain, and then you can

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 decide whether you want this in this record or  
2 not, and I will cheerfully accede to whatever  
3 you decide.

4 I keep hadding in the newspaper that  
5 this Company is trying to get costs associated  
6 with Northern Pass into its transmission rates.  
7 I do not think that's true. But I would like  
8 an explanation on the record for why my  
9 hypothesis is the correct one.

10 CHAIRMAN HONIGBERG: I understood Mr.  
11 Kreis to be doing just that, looking for, to  
12 the extent possible, for these witnesses to  
13 articulate on this record maybe an explanation  
14 for what the Company or what the Northern Pass  
15 applicants in the various dockets have said  
16 about what is going to happen with the costs,  
17 who's going to pay those costs.

18 And I have no doubt that Mr. Kreis,  
19 skeptical or not, receives phone calls from  
20 ratepayers about what's happening with these  
21 rates.

22 I actually -- it's possible that no  
23 one on this panel feels comfortable providing  
24 that explanation, but I think it's possible

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 that there is someone. And, if someone is  
2 comfortable providing that answer, I think it  
3 might be helpful to Mr. Kreis and to the record  
4 generally for it to be provided.

5 So, I'll overrule the objection to  
6 that extent.

7 WITNESS BOWES: So, I can probably  
8 start, and maybe others can provide details.

9 **BY THE WITNESS:**

10 A. (Bowes) So, Northern Pass Transmission has a  
11 FERC-approved Transmission Service Agreement  
12 that includes a recovery mechanism from a  
13 single entity, Hydro-Quebec, and their  
14 affiliate, actually. So, there is only a  
15 single payer for Northern Pass --

16 BY MR. KREIS:

17 Q. I'm glad somebody is getting single payer.

18 A. (Bowes) -- for all of the costs. There is  
19 another proceeding in front of the New  
20 Hampshire PUC that will ultimately rule on  
21 costs to be paid by Northern Pass to Public  
22 Service of New Hampshire for leasing their  
23 rights-of-way.

24 So, technically, I guess you could say

[WITNESS PANEL: Goulding~Jones~Bowes]

1 that, ultimately, as part of the transmission  
2 cost filings in the State of New Hampshire,  
3 there will be a credit that comes in from  
4 Northern Pass to Public Service New Hampshire,  
5 if the Project is approved and the lease  
6 arrangements are approved. So, in essence,  
7 it's not the Company will be recovering costs  
8 from PSNH, the Northern Pass company will be  
9 crediting PSNH for costs.

10 Q. So, I think that addresses my concerns. And I  
11 just want to make sure I understand everything  
12 correctly. First of all, the lease payments --  
13 first of all, all of these questions are  
14 premised on Northern Pass actually getting  
15 built. And we can all agree that that is not a  
16 forgone conclusion at this point, true?

17 A. (Bowes) I believe it will be. But I'm  
18 optimistic.

19 Q. Optimism notwithstanding, that still remains to  
20 be determined by the Site Evaluation Committee?

21 A. (Bowes) It does.

22 Q. And, so, assuming though that the Site  
23 Evaluation Committee does bless the Project,  
24 what you just said, Mr. Bohan, is -- or, Bowes,

[WITNESS PANEL: Goulding~Jones~Bowes]

1 was that there will be some lease payments from  
2 Northern Pass to PSNH. But those won't be  
3 reflected in transmission rates, will it?

4 A. (Goulding) Those lease payments would be  
5 captured in the TCAM. So, --

6 Q. They would go through the TCAM?

7 A. (Goulding) The credit would, sorry.

8 Q. Okay.

9 A. (Goulding) You were asking me about costs  
10 before.

11 Q. Right. But they would definitely be a credit,  
12 that's cash money going into the TCAM  
13 mechanism?

14 A. (Goulding) Yes. As part of the lease payments,  
15 yes. There's a -- the portion of the land  
16 that's leased that's transmission land would be  
17 a credit through the TCAM mechanism.

18 Q. Okay. And, so, let me just lay out what I  
19 think my understanding is, and then you all can  
20 tell me if I'm wrong.

21 Northern Pass is a participant-funded  
22 project. And, therefore, under the  
23 FERC-approved arrangement, it is "the  
24 participant", an affiliate of Hydro-Quebec,

[WITNESS PANEL: Goulding~Jones~Bowes]

1 that is going to pay the costs of the Northern  
2 Pass Transmission Project, correct?

3 A. (Bowes) Yes.

4 Q. And, so, therefore, retail customers of Public  
5 Service Company of New Hampshire, who pay a  
6 transmission charge in their retail rates, will  
7 not be paying for Northern Pass?

8 A. (Bowes) That is correct.

9 MR. KREIS: Okay. Thank you.

10 CHAIRMAN HONIGBERG: Ms. Amidon.

11 MR. KREIS: Those are all the  
12 questions I have. I'm sorry I didn't make that  
13 clear.

14 CHAIRMAN HONIGBERG: I read your body  
15 language.

16 Ms. Amidon.

17 MS. AMIDON: Thank you. Good  
18 afternoon.

19 BY MS. AMIDON:

20 Q. Ms. Jones, I have just a very simple question  
21 for you. But Mr. Goulding talked about a  
22 change in the average TCAM rate. Is that  
23 because there is a formula that allocates the  
24 rate to the various customer classes?

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 A. (Jones) The formula isn't the reason for the  
2 change in the average rate.

3 Q. Oh, no. I meant the average rate -- he refers  
4 to the "average rate", because, in fact, what  
5 the Company does, what you do, is you take that  
6 average rate and allocate it among the  
7 different customer classes differently?

8 A. (Jones) What we do is adjust the individual  
9 transmission rates and charges as required by a  
10 settlement agreement in the Company's 2006 rate  
11 case.

12 Q. So, if we look at the exhibit that is the bingo  
13 sheet, it's going to have the average rate, but  
14 it will -- but, for residential customers, it  
15 will have a specific rate. Is that fair to  
16 say?

17 A. (Jones) There are different rates for each rate  
18 class.

19 Q. Yes. That's what I was trying to get to.  
20 Thank you.

21 Mr. Goulding, on Page -- Bates Page 007 of  
22 your testimony, you talk about the decrease in  
23 the forecasted return on working capital of one  
24 and a half million dollars. Can you explain

[WITNESS PANEL: Goulding~Jones~Bowes]

1 the reason for this please?

2 A. (Goulding) Yes. So, as part of the order last  
3 year for the TCAM, we were ordered to perform a  
4 lead/lag study or a lead/lag analysis, and to  
5 incorporate those results into the July 1st  
6 rates this year. So, we performed the lead/lag  
7 analysis. And, when we incorporated the  
8 results, it was a lower lead/lag analysis or a  
9 lead/lag number applied to the costs within the  
10 TCAM.

11 Q. So, it was lower than the 45 days that is  
12 allowed in the Puc 1600 rules, is that right?

13 A. (Goulding) Yes.

14 Q. And is the Company willing to apply that  
15 lead/lag back to rates that were effective  
16 July 1, 2016?

17 A. (Goulding) I think the Company is comfortable  
18 following the order, which was to apply them  
19 effective July 1st of 2017.

20 Q. Okay. Thank you. Mr. Bowes, I want to go back  
21 to that exhibit that you referenced on Page  
22 Bates 036 of your testimony.

23 A. (Bowes) Yes. I have it.

24 Q. So, I'm looking at PSNH in particular, and I

[WITNESS PANEL: Goulding~Jones~Bowes]

1 have a question that you probably can help me  
2 with. Where is the Eagle Substation?

3 A. (Bowes) The Eagle Substation is southern New  
4 Hampshire. It's --

5 Q. I don't need to know exactly, but it's  
6 somewhere in southern New Hampshire?

7 A. (Bowes) Yes. It's near Londonderry.

8 Q. Okay. I just never heard of it. Thank you.  
9 When I looked on that same line at -- that same  
10 section, at Line 15, it says PSNH has spent  
11 \$11.463 million in 2016 on "storm hardening"?

12 A. (Bowes) Yes.

13 Q. And is this something where they would earn a  
14 return on the storm hardening?

15 A. (Bowes) Yes.

16 Q. Do you know what those activities were?

17 A. (Bowes) Yes, I do. So, following the  
18 November 20 -- I'm sorry, October 29 and 30,  
19 2011 Northeast storms, there was a large impact  
20 to the Northeast Utilities, at the time,  
21 service system, as well as the Northeast in  
22 general. As part of that storm, 74  
23 transmission line outages occurred, and more  
24 than 50,000 individual distribution trouble

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 spots occurred across the Northeast.

2 FERC and NERC staff prepared a report,  
3 it's publicly available, on the causes of that  
4 event. And, also, the impacts that it had.  
5 Some of their recommendations were around  
6 vegetation management on transmission  
7 rights-of-way, which accounted for  
8 approximately 80 percent of those transmission  
9 line outages, and also about 10 percent of  
10 those transmission line outages were due to  
11 structural failures, from heavy, wet snow on  
12 either conductors, energized power conductors,  
13 overhead ground wires, or the structures  
14 themselves.

15 The large majority of those transmission  
16 outages were in Connecticut and Massachusetts,  
17 along the Connecticut River Valley. Happened  
18 -- with the weather pattern, just happened to  
19 place a lot of heavy, wet snow into that area.

20 About 54 of those outages, of the 74  
21 across the Northeast, were actually in  
22 Connecticut and Mass. Three of those were in  
23 New Hampshire as well, in southern New  
24 Hampshire.

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[WITNESS PANEL: Goulding~Jones~Bowes]

1           The Company at that point took the results  
2           of the FERC/NERC Staff Report, analyzed our  
3           existing infrastructure and our transmission  
4           rights-of-way, and put forward programs to  
5           remedy both structural failures and also  
6           vegetation management on transmission  
7           rights-of-way. Because New Hampshire was not  
8           as impacted, we focused on Connecticut and  
9           Massachusetts first with those programs, and  
10          now they are beginning to come into New  
11          Hampshire as well. We're applying the same  
12          criteria and the same standards to physically  
13          improve the structural integrity of existing  
14          structures, either through bracing them through  
15          cross-braces, through guying, additional guying  
16          on angle structures, or for placing dead-ends  
17          on -- which is a electrical or mechanical  
18          connection on each structure, to either -- for  
19          the power conductors or for the overhead ground  
20          wires.

21                 So, basically, it's going forward and  
22                 systematically looking at every line in the  
23                 Eversource system, and looking at what  
24                 structural and electrical improvements can be

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 made on those facilities. In 2016, there were  
2 12 lines worked on in PSNH for various storm  
3 hardening activities.

4 Q. And, so, the reason that the other two states  
5 don't appear to have that work is because it  
6 was previously done in those jurisdictions?

7 A. (Bowes) So, it's been previously worked on in  
8 those jurisdictions. There is still work  
9 ongoing. The individual projects don't hit the  
10 \$5 million mark. And, also now, in  
11 Connecticut, it's being rolled into a  
12 structural or structure replacement program.  
13 So, as we're looking at replacing structures in  
14 Connecticut for asset condition, we're also  
15 doing any of the storm hardening work. So,  
16 it's -- really, the work is being done in all  
17 three states. It's just classified a little  
18 bit differently in Connecticut, as we go  
19 through and look at, I would say, a Phase 2 of  
20 that program.

21 Q. Okay. Thank you. Mr. Goulding, I had one  
22 final question for you, and it's something that  
23 I know that Staff has discussed with you  
24 directly, which is in connection with the

[WITNESS PANEL: Goulding~Jones~Bowes]

1           Lead/Lag Study. And I think the relevant page  
2           is Bates stamp 024. There doesn't appear to be  
3           any reserve for uncollectible accounts, is that  
4           right?

5   A.   (Goulding) That is correct.

6   Q.   Could you just explain why that's the case?

7   A.   (Goulding) Yes. So, as part of the last rate  
8           case, DE 09-035, there was a -- in Section 8, a  
9           settlement of uncollectible expense, "the  
10          Settling Parties agree that the amount of  
11          uncollectible expense included in the rate  
12          adjustments will be set at the amount actually  
13          experienced by PSNH during 2019" -- or, "2009".

14  Q.   And that's the test year, right?

15  A.   (Goulding) That's the test year. And, so, now  
16          we have to look back at what was in the test  
17          year. When you go back to DE 06-028, it says  
18          this is how you'll -- the settlement says, for  
19          uncollectible expense, you'll "collect  
20          52 percent of PSNH's test year period  
21          uncollectible expense will be allocated to  
22          PSNH's Energy Service agreement, and the  
23          remainder will be allocated to distribution."

24                 So, there is no bad debt uncollectible

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 expense collected through the Transmission  
2 Recovery Mechanism -- or, Transmission Cost  
3 Adjustment Mechanism, because it's only  
4 recovered through Energy Service in  
5 distribution rates.

6 Q. And that being the case, would the Company be  
7 open to revisiting that issue in their next  
8 distribution rate case?

9 A. (Goulding) I would think that all issues will  
10 be on the table.

11 MS. AMIDON: Thank you. That's all I  
12 have.

13 CHAIRMAN HONIGBERG: Commissioner  
14 Bailey.

15 BY CMSR. BAILEY:

16 Q. Mr. Bowes, back on Page -- Bates Page 036, --

17 A. (Bowes) Yes.

18 Q. -- you explained that the difference between  
19 the "Total" and the "PTF" column was the  
20 non-PTF amounts, and that those were "shared by  
21 the three Eversource companies, and others".

22 A. (Bowes) Yes.

23 Q. Who are the "others"?

24 A. (Bowes) Do we have a list?

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 Q. You can just give me an example.

2 A. (Bowes) I can't do it from memory. There are  
3 some municipal customers. There are some Co-op  
4 customers. There are some power generators  
5 that are part of that list. The large majority  
6 are from -- over 90 percent is from the  
7 Eversource companies.

8 Q. Okay. Thanks. Who decides which of these  
9 investments will be made? I know, if ISO says  
10 "more transmission needs to be built for a  
11 reliability project", that would add to this  
12 list, right?

13 A. (Bowes) Yes.

14 Q. And those that ISO -- are there things on this  
15 list that the ISO has not said "needed to be  
16 added for reliability" that you make decisions  
17 on?

18 A. (Bowes) Yes.

19 Q. And does FERC generally approve all of your  
20 investments?

21 A. (Bowes) So, I'm just struggling with the word  
22 "approve". They really don't approve them. As  
23 we had a discussion previously, a complaint or  
24 a challenge can be made at FERC, I'm not aware

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 of any transmission owner that has been found  
2 imprudent in their investments through the FERC  
3 process. Eversource certainly has not been.  
4 There may be a situation where there was. So,  
5 technically, I don't think they actually  
6 approve them. They approve the formula rate or  
7 the mechanism for cost recovery.

8 Many of these projects, including all of  
9 the PTF, and, if there is a physical change to  
10 the transmission system, that goes through an  
11 ISO approval process. If it's a one-for-one  
12 replacement, within a certain dollar value, ISO  
13 does not approve that either.

14 Q. Would ISO approve the Eagle 345 kV Substation  
15 investment?

16 A. (Bowes) Most definitely, yes.

17 Q. Okay.

18 A. (Bowes) For that, there would both be a PAC  
19 process up front to identify the need, either a  
20 transmission alternative -- transmission as the  
21 backstop or a non-transmission alternative. A  
22 generator could come forward and solve that  
23 need, for example. If none come forward,  
24 Eversource is required to build that within a

[WITNESS PANEL: Goulding~Jones~Bowes]

1 certain time frame to meet the reliability  
2 needs of ISO. On the back-end part of that  
3 process, we file a transmission cost  
4 application. That, again, is subject to ISO  
5 approval. So, they do scrutinize the costs of  
6 the proposed addition.

7 Q. And are the costs capped in any way?

8 A. (Bowes) They are not capped. But, if you  
9 exceed -- or, in essence, if you exceed a  
10 10 percent bandwidth, you have to go back and  
11 justify it to ISO-New England, either over or  
12 under cost.

13 Q. Okay. Would you agree, any of you, that the  
14 TCAM is always an increase?

15 A. (Goulding) I'll say the last two years it's  
16 definitely been an increase, or three years  
17 it's been an increase. But I don't have the  
18 history of all the rates. I can look over to  
19 Lois.

20 A. (Jones) It has not increased every time.

21 Q. Has it ever gone down?

22 A. (Bowes) So, I believe there's a -- for whatever  
23 reason, there's, and I believe I know the  
24 reason is, I believe in Connecticut this year

[WITNESS PANEL: Goulding~Jones~Bowes]

1 it's actually going down a nominal amount.

2 Q. Help -- why is that?

3 A. (Bowes) I believe it's because of the spending  
4 for new additions is less than depreciation of  
5 the existing investments. So, if you're  
6 spending less than depreciation, the rate base  
7 declines.

8 Q. And why did that happen?

9 A. (Bowes) I believe it's accelerated depreciation  
10 for investments made ten to fifteen years ago.

11 Q. Okay.

12 A. (Bowes) It was a federal process that allowed  
13 accelerated depreciation on certain types of  
14 assets.

15 Q. Generally, though, the cost of transmission has  
16 increased year over year and become a larger  
17 portion of the customer's bill, is that  
18 correct?

19 A. (Bowes) So, I'll go with the -- I'll agree with  
20 the first part. I think the percentage of the  
21 customer's bill, it varies depending on how  
22 distribution and generation increases or  
23 decreases as well. So, if you're in an  
24 environment where the distribution portion is



[WITNESS PANEL: Goulding~Jones~Bowes]

1 increasing and generation is increasing, which  
2 it has, you know, been much more volatile, then  
3 the transmission percentage could actually go  
4 down, even though the cost per kilowatt-hour  
5 may be going up, but the percentage may be  
6 coming down.

7 Q. Okay. Does Eversource do anything to encourage  
8 customers to reduce their demand when the peak  
9 is being measured?

10 A. (Bowes) Yes, we have.

11 Q. What do you do?

12 A. (Bowes) We're actually rated as the number one  
13 utility in the country for our energy  
14 efficiency programs. And those are primarily  
15 in Massachusetts and Connecticut, where there's  
16 more funding for those programs. But we have a  
17 wide variety of industrial, commercial, and  
18 residential energy efficiency programs.  
19 Although, not necessarily focused on demand,  
20 all of them have a incremental improvement in  
21 reducing the demand. Some of them are directly  
22 related for demand savings.

23 Q. So, if Massachusetts and Connecticut demand  
24 decreases on the peak, then New Hampshire's

[WITNESS PANEL: Goulding~Jones~Bowes]

1 portion increases, is that correct?

2 A. (Bowes) So, I think we had a little bit of  
3 discussion around that, around I think it's  
4 changing from 9.5 to 9.7 percent.

5 Q. Uh-huh.

6 A. (Bowes) So, the allocation for RNS may change  
7 slightly. But, overall, if the peak in New  
8 England comes down or is more stable, then the  
9 rates will be lower for end-use customers  
10 ultimately, because there won't be the needed  
11 transmission investments for load growth. And,  
12 right now, we're seeing, in essence, flat load  
13 growth, maybe even slightly declining  
14 kilowatt-hour sales, and we're not expecting  
15 the peak demand to increase in the foreseeable  
16 future, which will tend to suppress the number  
17 of transmission reliability projects that are  
18 needed.

19 Q. Is there something that New Hampshire can do to  
20 reduce our share of the RNS costs by doing  
21 something? I mean, customer awareness about  
22 this? Is there anything we can do, so that it  
23 doesn't increase every year?

24 A. (Bowes) So, there's definitely things that can

[WITNESS PANEL: Goulding~Jones~Bowes]

1 be done. The question ultimately is, for the  
2 regulators to decide is, "are they  
3 cost-effective things to do?"

4 Q. Uh-huh.

5 A. (Bowes) Many of the other states have very  
6 robust renewable and incentives for solar, for  
7 example. They also have, you know, well-funded  
8 energy efficiency programs, that is taking a  
9 little bit from everyone to benefit a few that  
10 take advantage of, especially in the solar  
11 programs. That's public policy especially in  
12 Massachusetts, but they're now approaching or  
13 will approach two cents a kilowatt-hour for  
14 every customer for the benefit of a few  
15 percentage, a few percent of those customers.  
16 So, again, it's a balance but --

17 Q. Is there something short of that that we can  
18 do, like advertise "if it's a hot day, lower  
19 your demand"? Just so that New Hampshire could  
20 reduce its demand on the peaks or around the  
21 peaks?

22 A. (Bowes) So, that is a part of the operating  
23 procedure for ISO-New England at a certain  
24 level, power watch, power warning, where they

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 do do a public appeal.

2 Just for economics, I'm not sure that over  
3 time that would necessarily be an effective  
4 way. Certainly, for reliability, and those  
5 number of days used to be very common in the  
6 summer months to have calls for curtailment or  
7 various emergency actions taken. Those are  
8 very rare today, based upon the amount of  
9 transmission that has been, you know, built on  
10 the system, the infrastructure that's been  
11 added, and, for the most part, ample  
12 generation.

13 Q. Because we don't need to reduce demand?

14 A. (Bowes) Because of the steps that have already  
15 been taken, basically flattened that demand  
16 increase.

17 Q. So, there's enough supply to meet the demand.  
18 But that's not what I'm asking you. I'm asking  
19 you, can we reduce the demand so we get less of  
20 an allocation on these regional costs?

21 A. (Bowes) If you reduce your percentage of the  
22 overall demand, your allocation would go down.  
23 The most effective way to do that, I'm not sure  
24 just a public appeal will do that.

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 Q. You have any other ideas how we could do that?

2 A. (Bowes) Well, the other states are doing it  
3 through funding programs that, you know,  
4 encourage customer choice around their  
5 generation source --

6 Q. Okay.

7 A. (Bowes) -- and the energy efficiency programs.  
8 We tend to believe that energy efficiency is  
9 the single best investment to make for the  
10 customer.

11 Q. Okay. Can you look at Exhibit 2, Page 3, and  
12 which customer is a "GV Rate B" and "LG Rate  
13 B"? What kind of customers are they?

14 A. (Jones) A GV customer is a customer with a  
15 demand between 100 kW and 1,000 kW. A customer  
16 who is a GV Rate B is a customer of that size,  
17 who also has generation behind the meter, and  
18 for whom the Company is providing backup  
19 service for that generation.

20 Q. And why does their transmission cost get  
21 decreased?

22 A. (Jones) The reason for that is that the 2006  
23 Settlement Agreement specifies that we set the  
24 rate for customers on Rate B in a different

[WITNESS PANEL: Goulding~Jones~Bowes]

1 manner than we do for the other customer  
2 classes. Generally, we're changing all of the  
3 individual transmission rates and charges by an  
4 equal percentage needed to recover the overall  
5 transmission rate. But, for the Rate B  
6 customers, the Settlement says we have to  
7 allocate a portion of the transmission revenue  
8 requirement to those customers based on their  
9 loads at the time of the NU system peaks. So,  
10 in this time period, we over recovered from  
11 those customers for the prior period. We  
12 estimated that their -- we over estimated what  
13 their contribution to the system peaks was  
14 going to be, and it came in lower. So, we  
15 recovered too much revenue from them in the  
16 prior time period. So, we are reconciling  
17 these revenues for them specifically and  
18 reducing the rate now because of that over  
19 recovery.

20 CMSR. BAILEY: Okay. Thank you.

21 CHAIRMAN HONIGBERG: I have no  
22 questions for the panel.

23 Although, Ms. Jones, at one point you  
24 looked like you wanted to provide some more

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[WITNESS PANEL: Goulding~Jones~Bowes]

1 information about how the TCAM rate has changed  
2 in New Hampshire over time?

3 WITNESS JONES: I was just going to  
4 point out that there were a couple instances  
5 where we had decreases in the rate. Although,  
6 at this point I don't remember why it was. It  
7 may have been a change in what was recovered  
8 through the rate or some kind of refund of some  
9 sort. It was a number of years ago, so...

10 CHAIRMAN HONIGBERG: All right. I  
11 also want to note that the request to have a  
12 witness to do the things that Mr. Bowes was  
13 able to do today I thought was helpful to the  
14 process, helpful to everyone's understanding of  
15 the system and what goes into making these  
16 rates.

17 So, Mr. Fossum, do you have any  
18 further questions for the panel?

19 MR. FOSSUM: I do not.

20 CHAIRMAN HONIGBERG: All right. I  
21 think you all can probably stay where you are.

22 Without objection, we'll strike the  
23 ID on Exhibits 1 and 2.

24 If there's nothing else, we'll let

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1 the Parties sum up?

2 *[No verbal response.]*

3 CHAIRMAN HONIGBERG: Mr. Kreis, you  
4 may proceed.

5 MR. KREIS: Thank you, Mr. Chairman.  
6 Thanks to the three Eversource witnesses for  
7 their helpful testimony. In particular, I  
8 would like to thank Mr. Bowes for pointing out  
9 that "Energy efficiency is the single best  
10 investment for the customer." That is a remark  
11 from a transmission expert at Eversource that  
12 you can expect me to be quoting repeatedly in  
13 other contexts in the future.

14 For this context, though, I will say  
15 that the OCA takes no position with respect to  
16 whether the Commission should approve the  
17 Company's request to adjust its TCAM rate. I  
18 will concede that the exhibits and schedules  
19 and supporting documentation for the proposed  
20 change appear to be in order. And, so, in that  
21 sense, approval is probably warranted.

22 However, since I am the Consumer  
23 Advocate, I feel obliged to say we have to do  
24 something about escalating transmission costs



1 in this state. And, consistent with some of  
2 the questions that I heard Commissioner Bailey  
3 ask, and some of the answers I heard the  
4 Company give, the reality is that it may no  
5 longer be appropriate to simply go through the  
6 rote exercise of allowing the ISO and FERC  
7 process to do its thing, and then simply allow  
8 the results to be passed through automatically  
9 and mechanistically into retail rates.

10 The fact is that the New Hampshire  
11 share of coincident peak demand is increasing.  
12 I heard the CEO of a utility in a neighboring  
13 state brag in a podcast that she was looking  
14 forward to having customers in our state, and  
15 the other states around her state, pay a  
16 greater share of transmission costs. That's a  
17 problem.

18 Her utility is doing a fabulous job  
19 of reducing these kinds of costs. We need to  
20 be doing a fabulous job of making sure that  
21 customers receive service that is least cost.

22 I think that's what the Commission  
23 was getting at in its Order Number 25,912  
24 issued a year ago, when it said that it

1 required Eversource, in this TCAM filing, to  
2 file a more detailed description of the  
3 projects included and provide a witness to  
4 testify. The witness, Mr. Bowes, who I agree  
5 with the Chairman was extremely helpful,  
6 referred us in his testimony to the PSNH Least  
7 Cost Integrated Resource Plan. I've made my  
8 concerns about that plan known on the record.  
9 And, clearly, we have a problem that has to be  
10 addressed either in this context; in the  
11 context of least cost integrated resource  
12 planning, in those dockets; the grid mod.  
13 proceedings; to some extent the pending net  
14 metering docket that the Commission is about to  
15 decide, at 4:37 this Friday afternoon. And I  
16 think it is -- just a prediction, because I do  
17 have a crystal ball.

18 What I'm trying to say is, I think it  
19 may be appropriate, in fact, I do think it's  
20 appropriate for the Commission to say, in this  
21 order, that it would like to do something  
22 different in the future than just, you know,  
23 run this like a machine and just pass  
24 transmission cost escalations in a mechanistic

1 fashion on to customers, without anything like  
2 a thorough inquiry into whether there is  
3 anything we can do about this. Because other  
4 costs are going down, wholesale energy prices  
5 are at historic lows, you know, even the  
6 capacity market is showing a trajectory that is  
7 good for consumers, and yet we are paying a  
8 greater and greater sum for transmission costs.

9 The transmission burden on the people  
10 that I represent is greater here than it is  
11 anywhere else in the country. There is  
12 something wrong. And I think and believe that  
13 our excellent Commission will figure out a  
14 great way to address this problem, other than  
15 continuing to await some future -- future  
16 breakthrough in dealing with it.

17 I think that's all I have to say.

18 CHAIRMAN HONIGBERG: Ms. Amidon.

19 MS. AMIDON: Thank you. I also want  
20 to give my appreciation for Mr. Bowes being  
21 here today. And I would hope that that is  
22 going to be an annual visit by him as long as  
23 he works for that area of the Company, so we  
24 can understand what is happening in

1 transmission and what projects are put in  
2 service that affect our customers. I mean, 2.3  
3 cents per kilowatt-hour is a large share of the  
4 rate.

5 Having said that, we believe that the  
6 Company appropriately calculated the rates as  
7 before, in this instance, and believe the  
8 Commission, because they are pass-through  
9 rates, should allow them to go into effect on  
10 July 1.

11 CHAIRMAN HONIGBERG: Mr. Fossum.

12 MR. FOSSUM: Thank you. I would  
13 agree with the statements that I've heard  
14 insofar as the Company believes that it has, in  
15 fact, accurately calculated the proposed TCAM  
16 rate that you see in the filing. And I would  
17 ask that it be permitted to go into effect as  
18 we have proposed it in the filing.

19 I would take this moment, I guess, to  
20 caution against -- I understand Mr. Kreis's  
21 invitation, it's sensible, in a way. But, at  
22 the end of the day, these are FERC  
23 jurisdictional costs that are passed to the  
24 Company for recovery through retail rates.

1 And, so, whatever it is that the Commission may  
2 choose to do, under the law as I understand it  
3 today, we are entitled to recover those costs.

4 So, you know, whatever other inquiry  
5 might be undertaken is whatever other inquiry  
6 might be undertaken. But I don't think that  
7 that should form any barrier to the recovery of  
8 costs as we have recovered them previously and  
9 as are laid out in this filing at this time.

10 And, so, with that, I would reiterate  
11 that we ask that this rate be approved, and  
12 that it be approved in time to take effect on  
13 July 1st, as proposed.

14 CHAIRMAN HONIGBERG: Thank you,  
15 Mr. Fossum, Mr. Kreis, Ms. Amidon. Thank you  
16 all for presenting these three dockets as  
17 efficiently and clearly as you did today. I  
18 think it's a process that has a certain rote  
19 feel to it, but each one is a little different.  
20 And we do get some more information and some  
21 different information, some different  
22 perspective each time.

23 So, we will take this one under  
24 advisement, too, issue an order on this and the

1 other two as quickly as we can.

2 Thank you all.

3 ***(Whereupon the hearing was***  
4 ***adjourned at 4:12 p.m.)***

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