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1	Least Cost Integrated Resource Plan { <b>CONFIDENTIAL VERSION</b> } (10-02-17)	<i>premarked</i>
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11	Rebuttal Testimony of Francisco C. DaFonte, William R. Killeen, James M. Stephens, and Kim N. Dao, with Attachments; Rebuttal Testimony of William R. Killeen, William J. Clark, Eric M. Stanley, James M. Stephens, and Adam J. Perry, with Attachments; and Rebuttal Testimony of Paul J. Hibbard (10-25-19) [REDACTED - For PUBLIC Use]	<i>premarked</i>
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14	Liberty's response to Clark DR 5-9 (08-23-19)	<i>premarked</i>
15	Liberty advertising at issue (Intervenor, Terry Clark's, Response to Settlement Agreement, Attachment "B")	<i>premarked</i>

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16	Testimony of Francisco C. DaFonte and William R. Killeen Submitted in Docket No. DG 21-008 (01-20-21) [REDACTED - For PUBLIC Use]	<i>premarked</i>
17	IPCC publication "The evidence is clear, etc." referenced in Clark's Position statement (Tab 115) p. 9, Footnote 22 (04-04-22)	<i>premarked</i>
18	Pre-Filed Direct Testimony of William R. Killeen and James M. Stephens, Bates Nos. 169-171, filed in Docket No. DG 17-198 (12-21-17) [REDACTED - For PUBLIC Use]	<i>premarked</i>
19	Transcript of hearing (Morning Session Only) filed in Docket No. DG 21-008 (10-06-21)	<i>premarked</i>



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

1  
2 CHAIRMAN GOLDNER: Okay. Good morning.  
3 I'm Commissioner Goldner. I'm joined today by  
4 Commissioner Simpson. This is the final hearing  
5 on DG 17-152, Liberty-gas LCIRP review  
6 proceeding. We note that there is a Settlement  
7 Agreement that has been presented by some of the  
8 parties to this proceeding, specifically the  
9 Company, the Office of Consumer Advocate, the  
10 Department of Energy, filed on the evening of  
11 July 19th, 2022.

12 We further note that the Conservation  
13 Law Foundation and Mr. Terry Clark did not sign  
14 the Settlement Agreement, and made filings  
15 indicating their respective opposition to the  
16 Agreement. Also, three other parties to this  
17 proceeding, the Pipe Line Awareness Network of  
18 the Northeast, the United Steel Workers Local  
19 12012, and the Department of Environmental  
20 Services have been silent on the question of the  
21 Settlement Agreement.

22 The Commission needs to develop an  
23 approach to today's hearing that makes sense and  
24 that is administratively efficient. Our first

1 step is to take a roll call of appearances today,  
2 and then suggest our approach for today's  
3 hearing.

4 So, let's take appearances, beginning  
5 with the Company.

6 MR. SHEEHAN: Good morning,  
7 Commissioners. Mike Sheehan, for Liberty  
8 Utilities (EnergyNorth Natural Gas).

9 CHAIRMAN GOLDNER: Okay. Thank you.  
10 Conservation Law Foundation?

11 MR. KRAKOFF: Good morning, Chairman  
12 Goldner and Commissioner Simpson. For  
13 Conservation Law Foundation, this is Nick  
14 Krakoff.

15 CHAIRMAN GOLDNER: Okay. And Terry  
16 Clark and Richard Husband?

17 MR. HUSBAND: Good morning. Attorney  
18 Richard Husband, with my client, Terry Clark.

19 CHAIRMAN GOLDNER: Thank you. Just a  
20 moment please.

21 [Short pause.]

22 CHAIRMAN GOLDNER: Okay. And the  
23 Office of Consumer Advocate?

24 MR. KREIS: Good morning. I'm Donald

1 Kreis, the Consumer Advocate. With me today is  
2 our Staff Attorney, Julianne Desmet. And, of  
3 course, our job, by statute, is to represent the  
4 interests of residential utility customers.

5 CHAIRMAN GOLDNER: Okay. And the New  
6 Hampshire Department of Energy?

7 MS. SCHWARZER: Good morning, Mr.  
8 Chairman and Commissioner Simpson. I'm Mary  
9 Schwarzer, the Staff Attorney with the Department  
10 of Energy.

11 CHAIRMAN GOLDNER: Okay. Are there any  
12 other parties here today?

13 *[No verbal response.]*

14 CHAIRMAN GOLDNER: Okay. Seeing none.  
15 Okay. Just a moment please.

16 *[Short pause.]*

17 CHAIRMAN GOLDNER: Okay. As a  
18 preliminary matter, in the Settlement, there was  
19 a clause, Section 2.2, that says "Without making  
20 any specific findings as to the LCIRP's  
21 compliance with the specific provisions of RSA  
22 378:38 or 39", we'd like to sort of begin, as a  
23 preliminary matter, of getting the parties'  
24 comments as to how they see the Commission

1 accepting this Settlement Agreement?

2 MR. SHEEHAN: I can start. I think the  
3 other parties to the Settlement Agreement will  
4 have more input on it.

5 It is the Company's position that the  
6 Commission can make findings to conclude that the  
7 Company's 2017 LCIRP should be approved. And the  
8 record evidence already in, plus the testimony  
9 today, will provide the Commission with enough  
10 evidence to make those findings.

11 It's simply a -- so, that's the  
12 Company's position. I'll leave it to DOE and OCA  
13 to explain why this language that you just  
14 referenced is in the Settlement.

15 CHAIRMAN GOLDNER: Okay. Thank you.  
16 Attorney Kreis.

17 MR. KREIS: Thank you, Mr. Chairman.  
18 The Least Cost Integrated Resource Plan that is  
19 before you in this docket covers a period that  
20 ends, I believe, in November of this year. And  
21 my perspective, as we worked to negotiate a  
22 settlement of this docket, which I've been  
23 working on with the Company for I think a period  
24 that really can be measured in years at this

1 point, is that it really just doesn't make any  
2 sense for the Commission to make any affirmative  
3 findings about whether -- whether the Company has  
4 adequately planned for a period that is now  
5 almost entirely in the past.

6 And, so, from the OCA's perspective,  
7 the Settlement Agreement kind of sidesteps the  
8 issues of whether or not this LCIRP that's  
9 pending now meets the requirements of the  
10 statute. So, it's not surprising to me that you  
11 raised this as the first thing that you want some  
12 clarity about. Because, in a sense, the  
13 Settlement Agreement is deliberately vague on  
14 this subject. So, I'm acknowledging that.

15 I'm really not in a position to tell  
16 you that you should not do or you should not  
17 accept the position that the utility has just  
18 laid out for you through Mr. Sheehan. I'm just  
19 telling you that, from my perspective, as the  
20 Consumer Advocate, I just don't think it serves  
21 any useful purpose, from a public interest  
22 perspective, for any of us to spend any time  
23 really analyzing what's in a least cost  
24 integrated resource plan that plans the past.

1 I hope that's helpful.

2 CHAIRMAN GOLDNER: Thank you. That  
3 was. Attorney Schwarzer.

4 MS. SCHWARZER: Thank you, Mr.  
5 Chairman.

6 The Department shares the perspective  
7 expressed by the Office of Consumer Advocate. It  
8 is, as well stated, that planning the past is  
9 problematic. We certainly agree with Liberty  
10 that the record evidence would allow the  
11 Commission to make findings that would satisfy  
12 the statutory requirements in this lengthy case,  
13 with a complex history.

14 There are just a few months to go. And  
15 this Settlement was an effort to reach agreement  
16 in the most expeditious way possible on this  
17 lengthy docket, as briefly discussed at the  
18 status conference earlier.

19 CHAIRMAN GOLDNER: Okay. Thank you,  
20 Attorney Schwarzer.

21 Just a moment, while we briefly caucus.

22 *[Chairman Goldner, Commissioner*  
23 *Simpson, and Atty. Haley conferring.]*

24 CHAIRMAN GOLDNER: Okay. So, we'll ask

1 the parties this question then.

2 What is the purpose or the practical  
3 effect of approving an LCIRP for a period of time  
4 that is over? We'd like to hear your comments on  
5 that.

6 MR. SHEEHAN: The Company has three  
7 goals through today's hearing. And I think all  
8 three are embodied in the Settlement Agreement.  
9 One is to approve the 2017 Plan; the second is to  
10 provide guidance for the next plan, and the third  
11 is to give us more time to prepare the next plan.  
12 All three of those pieces are embodied in the  
13 Settlement.

14 To answer your question, "what's the  
15 purpose of approving the 2017 Plan?" As we  
16 discussed at the status conference, absent an  
17 approved plan or one actively under  
18 consideration, the companies cannot change rates.  
19 And we, obviously, have a step adjustment hearing  
20 we just went through. We have a cost of gas  
21 coming up. And, if the Commission were to extend  
22 the due date for the next one, there may be more  
23 rate changes in that interim period. So, that's  
24 probably the most important mechanical reason to

1 act on the 2017 Plan.

2 I can say that, if you look at prior  
3 IRP orders, sometimes the Commission will,  
4 itself, kind of sidestep some issues and "accept"  
5 an LCIRP with guidance for the next plan. And  
6 that seems to be a way sometimes the Commission  
7 has, again, reading between the lines, decided  
8 not to maybe resolve some issues in that  
9 particular IRP, we will accept it, and that has  
10 not prevented the Company from rate changes  
11 thereafter. So, that's another option, I think.

12 CHAIRMAN GOLDNER: Attorney Kreis.

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

14 So, framing this in terms of  
15 objectives, the way Mr. Sheehan just did, we have  
16 several. One is to avoid regulatory chaos. And  
17 that goes to the RSA 378:40 problem that  
18 Mr. Sheehan just alluded to. In other words, I  
19 don't want to put this utility in a position  
20 where it literally is statutorily forbidden from  
21 increasing any of its rates in circumstances  
22 where it, obviously, needs to do that.

23 I mean, the Office of Consumer Advocate  
24 is never happy with rate increases. But we



1           acknowledge that, on occasion, they become a, I  
2           guess, necessary evil. And to forbid a company  
3           from increasing its rates would raise a raft of  
4           constitutional and statutory and practical issues  
5           that I think it would be in all of our interests  
6           to avoid. So, I'm trying to address RSA 378:40.

7                         Another objective from the perspective  
8           of the Office of the Consumer Advocate is to  
9           avoid setting precedents that will come back to  
10          haunt us in other LCIRP dockets. So, that is why  
11          I was very intent on Section 2.1 of this  
12          Settlement Agreement, because -- or, 2.2, excuse  
13          me, of the Settlement Agreement, because I didn't  
14          want to agree to anything that could then be kind  
15          of thrown back in my face, to be frank, in other  
16          dockets.

17                        And the other issue that I have, and  
18          this goes to something else I wanted to say by  
19          way of a preliminary matter, I and I assume  
20          everybody else in the room is aware that, on  
21          August 8th, ten days ago, the Commission issued  
22          Order Number 26,664 in a different LCIRP docket  
23          involving the state's other natural gas utility,  
24          I'm talking about Docket DG 19-126, that's the

1 Northern Utilities' LCIRP docket.

2 It, too, dealt with a -- that docket  
3 also dealt with a long-ago filed LCIRP. It's in  
4 a different procedural posture. We filed a  
5 Motion for Rehearing of that order, I believe it  
6 was yesterday. And our position now is that,  
7 because a -- because rehearing proceedings are  
8 pending in that docket, that order is of no  
9 significance here. And I mention that, because  
10 the Settlement Agreement before you today, I  
11 think it's fair to say, is not easily squared  
12 with Order Number 26,664.

13 So, that brings me around to my last  
14 objective, which is to advance some of the  
15 approaches to least cost integrated resource  
16 planning that I think are in the public interest,  
17 that are laid out in the Settlement Agreement,  
18 and that are consistent with what the Commission,  
19 unfortunately, rejected in 19-126.

20 CHAIRMAN GOLDNER: Thank you. Attorney  
21 Schwarzer.

22 MS. SCHWARZER: Thank you, Mr.  
23 Chairman.

24 The Department would, in the first

1 instance, focus on the statutory requirement of  
2 378:39, which requires the Commission to review  
3 LCIRP plans. This is certainly made problematic  
4 in light of the idea of trying to plan the past,  
5 which has four months to go, perhaps, that that  
6 is challenging. Nonetheless, the statute says  
7 that they shall be reviewed.

8 And there is, of course, we believe  
9 that this Settlement provides specificity with  
10 regard to Liberty's next LCIRP, in a way that has  
11 been elusive in the past. But which, as the OCA  
12 has raised, is perhaps somewhat less clear, in  
13 light of the recent Order 26,664 in that other  
14 docket.

15 I guess, hypothetically, with regard to  
16 a thought experiment, the concern with RSA  
17 378:40, which prevents utilities from seeking  
18 rate increases in the absence of a plan on file,  
19 might be of short duration were the Commission to  
20 take this LCIRP Settlement under consideration,  
21 until such time as the new plan was filed, sort  
22 of triggering a reboot, if you will, although  
23 that is purely hypothetical, and I have no idea  
24 for sure how the statute would apply in that

1 case. But RSA 378:40 does seem to suggest that,  
2 so long as the utility has an LCIRP on file with  
3 the Commission, pending review in the ordinary  
4 course of business, that the prohibition on a  
5 rate increase may no longer apply.

6 Nonetheless, I believe the original  
7 question was "what the benefit of a settlement in  
8 this docket would be?" And, in order to avoid  
9 regulatory chaos, to comply with the Commission's  
10 obligations under RSA 378:39 and to -- and 40,  
11 and to achieve the granularity that this  
12 Settlement provides us, at least with, you know,  
13 acknowledging the other order, that is why the  
14 DOE believes it's important to be here today and  
15 to continue with this process.

16 CHAIRMAN GOLDNER: Okay. Yes, I think  
17 RSA 378 is pretty clear, in terms of the filing  
18 deadlines, and it says that the next -- that the  
19 next LCIRP for Liberty is "due October 2nd", I  
20 believe, which is only six weeks away. So, I  
21 would say not "four months", but six weeks.

22 And, just in terms of the other matters  
23 that are before us, in terms of other dockets and  
24 so forth, you know, there's not much, if any, you

1 know, sort of overlap here, or not much -- not  
2 much of a gap. If the Company were to file its  
3 LCIRP timely, on October 2nd, then all of these  
4 sort of "regulatory chaos" issues would go away.

5 Just a moment, Attorney Schwarzer. So,  
6 I would like to ask what the effect on the  
7 parties would be if the Commission were to have  
8 the parties turn their focus to the next LCIRP  
9 and close this docket in the next six weeks?

10 MR. SHEEHAN: If we can get around the  
11 rate change issue, we would have no objection  
12 with that. A thought was just in my head and it  
13 just disappeared.

14 Yes. And to also underscore the  
15 statute, it prevents rate decreases as well. So,  
16 which, if we get into the winter, and we're  
17 having the cost of gas adjustments, we wouldn't  
18 be able to lower them either.

19 But, yes, if the Commission were to  
20 somehow keep this docket pending, until we file  
21 the next, and avoid the 378:40 issue, that's  
22 certainly an option.

23 Our concerns would be two-fold: We  
24 would not have received guidance on how to do the

1 next one. We would do our best. And we would  
2 not have the time to finish what we want to do.

3 And, again, as you indicated during the  
4 structuring conference, you encouraged us to file  
5 something on time, and supplement as necessary,  
6 which would be the course we would have to take.  
7 And I can certainly tell you, Josh and his team  
8 have been working incredibly hard for the last  
9 months putting together a plan. The core of it  
10 is the same, but there's a few turns that might  
11 happen that would require some additional work,  
12 depending on what those turns are.

13 CHAIRMAN GOLDNER: Okay. Thank you,  
14 Attorney Sheehan. Attorney Kreis.

15 MR. KREIS: If the Commission were to  
16 take that action, it would be, I think,  
17 inevitably rejecting the Settlement Agreement  
18 that's pending. And the general provisions of  
19 the Settlement Agreement, in Section 3.1, give  
20 us, and any other signatory to the Settlement  
21 Agreement, the right to notify the Commission  
22 within five business days of our disagreement  
23 with any changes, conditions, or findings. And,  
24 at that point, the Agreement would be withdrawn,

1 and we would, in essence, be back to the status  
2 quo ante.

3 I, by negotiating this Settlement  
4 Agreement, basically got the utility to commit to  
5 what I might characterize as a bit of a "reset",  
6 in terms of its approach to least cost integrated  
7 resource planning.

8 I, as the Chairman pointed out, that  
9 October deadline is just a few weeks away. And I  
10 would be really surprised if the Company were  
11 able to create a Least Cost Integrated Resource  
12 Plan in six weeks that meets all of the  
13 parameters laid out in the Settlement Agreement.

14 So, I guess what I'm really saying is  
15 that, if that's the result of today's hearings, I  
16 would take the next five business days to  
17 evaluate whether I need to invoke the OCA's right  
18 to withdraw from the Settlement Agreement, and,  
19 basically, inform the Commission that what is  
20 pending is the original Petition to approve the  
21 Liberty LCIRP. And then, it would be our  
22 position that the original LCIRP does not warrant  
23 approval under the statute.

24 CHAIRMAN GOLDNER: Okay. Thank you,

1 Attorney Kreis. Attorney Schwarzer.

2 MS. SCHWARZER: Thank you, Mr.  
3 Chairman.

4 In my prior answer, with regard to the  
5 Commission's question, and the hypothetical I  
6 asserted, I certainly did not mean to suggest  
7 that the Settling Parties do not support  
8 Paragraph 2.7 of the Settlement Agreement, which  
9 says that "good cause exists for the Commission  
10 to extend the deadline for Liberty's next LCIRP."  
11 It is -- I also want to say that the parties  
12 worked -- the parties to the Settlement  
13 Agreement, the Settling Parties, spent  
14 significant time and effort on achieving the  
15 granularity in Paragraph 2.3. It is important to  
16 the parties with regard to Liberty's next filing.

17 And full rejection of the Settlement  
18 Agreement would, as the OCA has suggested, put  
19 everyone back to where we were prior to the  
20 recent status conference. It seems to create  
21 enormous questions in this docket, which might  
22 best be avoided, with regard to the meaning and  
23 application of the Settlement, and whether the  
24 2017 to 2022 Plan, now almost with four months to



1 go, --

2 CHAIRMAN GOLDNER: I'm sorry, Attorney  
3 Schwarzer. You keep saying "four months". What  
4 do you mean by that?

5 MS. SCHWARZER: Well, I'm sorry, "four  
6 months" is perhaps inaccurate, if there's an  
7 extended deadline. But it is now August of 2022,  
8 and the LCIRP began in 2017. So, certainly, and  
9 I think it's fair --

10 CHAIRMAN GOLDNER: It was October 2nd.

11 MS. SCHWARZER: Yes, October of 2017.

12 CHAIRMAN GOLDNER: Yes.

13 MS. SCHWARZER: So, I think it's fair  
14 to say it's an "aged LCIRP". And we are trying  
15 to plan the past.

16 CHAIRMAN GOLDNER: Okay. I see.

17 MS. SCHWARZER: So, that is  
18 problematic.

19 CHAIRMAN GOLDNER: Okay. But you agree  
20 it's only six weeks until the next LCIRP is due,  
21 correct?

22 MS. SCHWARZER: I can take no position  
23 on that, given the Settlement Agreement, which  
24 says that the parties believes good cause exists

1 to extend that deadline, and we are bound by that  
2 Agreement.

3 Certainly, I agree with the date, it's  
4 in Paragraph 2.7. Certainly, I agree with the  
5 factual matter that this LCIRP was filed in  
6 October of 2017, and five years from October 2017  
7 is, indeed, October of 2022.

8 CMSR. SIMPSON: Could you elaborate on  
9 why the Department feels that the Commission has  
10 the ability to extend the Company's due date for  
11 their subsequent LCIRP?

12 And I see a reference to "RSA  
13 378:38-a". But RSA 378:40 is where it's  
14 described "plans being required", and the ability  
15 of the company to seek rate changes with a  
16 pending review.

17 So, I'm just confused as to how the  
18 Commission extending a deadline would really  
19 materially impact the next plan, and the  
20 Company's general position of seeking rate  
21 changes?

22 MS. SCHWARZER: Commissioner Simpson,  
23 with regard to your first question, about why the  
24 Department is supporting -- believe good cause

1 exists to support extending the deadline in light  
2 of the statutory provisions, I think it is a  
3 question of statutory interpretation. Certainly,  
4 RSA 378:40 says that no rate change shall be  
5 approved if the entity does not have a plan on  
6 file that has been approved. And the next  
7 sentence says that "Nothing contained in this  
8 subdivision shall prevent the commission from  
9 approving a change, otherwise permitted by  
10 statute or agreement, where the utility has made  
11 the required plan filing in compliance with RSA  
12 378:38 and the process of review is proceeding in  
13 the ordinary course."

14 So, heretofore, I believe this docket  
15 is proceeding in the ordinary course, and,  
16 presumably, in the docket, I mean, one would  
17 think that the next LCIRP would doubtless proceed  
18 in the ordinary course as well.

19 I believe the statutory question arises  
20 when you're looking at RSA 378:38, and there's a  
21 phrase that says, five lines down, describing  
22 plans will be filed "with the commission within  
23 two years of the commission's final order  
24 regarding the utility's prior plan, and in all

1 cases within five years of the filing date of the  
2 prior plan."

3 And, certainly, I understand the  
4 Chairman's reference to that phrase. However, in  
5 the waiver statute, and this is certainly open,  
6 good people can read it both ways, the "Waiver by  
7 Commission" says -- statute, RSA 378:38-a, says  
8 "The commission, by order, may waive for good  
9 cause any requirement under RSA 378:38." Now,  
10 whether the Legislature intended to include the  
11 five-year plan in "any requirement" is reasonably  
12 construed extremely broadly, and the five-year  
13 planning period is a requirement under 378:38,  
14 which one can argue the waiver clause allows to  
15 be made.

16 And I hope I've answered your question.  
17 If not, if it was a compound question, if you  
18 would repeat it, I'm happy to answer those others  
19 as well.

20 CHAIRMAN GOLDNER: If I could,  
21 Commissioner Simpson, I think Attorney Kreis  
22 would like to weigh in on this matter.

23 MR. KREIS: Thank you. I'm sorry --  
24 oh. Thank you. I'm sorry if I was making too

1 many faces there.

2 I think I was able to follow everything  
3 that Attorney Schwarzer just said on behalf of  
4 the Department. And I further think I agree with  
5 everything she just said.

6 I have been, over the last few days, up  
7 to my neck in the canons of statutory  
8 interpretation. And they become germane here,  
9 frankly, because what we have is a statute that  
10 is not a model of clarity and precision when it  
11 comes to statutory drafting. So, I think the way  
12 the pinball bounces through the machine is that  
13 the waiver statute, Section 38-a, allows the  
14 Commission to waive any of the provisions of RSA  
15 378:38. And I think those two provisions have to  
16 be read in conjunction with each other.

17 And those two provisions have to be  
18 read in conjunction with Section 40, because the  
19 rules of statutory construction say that, really,  
20 we all have to kind of work together to achieve  
21 rational, reasonable results, because we have to  
22 assume that that's what the Legislature intended  
23 to happen, and that provisions have to be  
24 harmonized with each other, rather than be

1 construed in a way that creates irresolvable  
2 conflicts.

3 And on top of all of that is a  
4 practical reality here. And that is that,  
5 institutionally speaking, all the parties in this  
6 room, including the Commission, bear some  
7 responsibility for the fact that we are now five  
8 years into this docket. And, so, we're  
9 approaching the end of the planning period that  
10 was covered by the LCIRP that Liberty originally  
11 filed back in October of 2017.

12 And, so, it is a regulatory and  
13 legislative thicket that we endeavor to find our  
14 way out of by crafting the terms of this  
15 Settlement Agreement. And, so, I guess what I  
16 want to say, in as friendly and respectful a way  
17 as I can, is I really hope that the Commission  
18 would kind of play along with us here.

19 We're really -- because what we have is  
20 a utility, a gas utility, that is willing, ready,  
21 and able to think about how a gas utility should  
22 comply and can comply with a statute that was  
23 originally written for electric utilities, and  
24 that doesn't fit very neatly into the natural gas

1 industry's realities. And, yet, they have agreed  
2 to some innovative approaches to that, we've  
3 agreed to some innovative approaches to that.

4 And I don't think it would serve any  
5 useful purpose to say "well, you know, there's no  
6 way around the fact that, notwithstanding the  
7 Settlement Agreement, this utility must file a  
8 new Least Cost Integrated Resource Plan this  
9 coming October, because, if it doesn't, it can't  
10 change any of its rates." I just -- that is such  
11 an irrational, absurd outcome that I just can't  
12 bring myself to think that that is what the  
13 General Court of this state expected all of us to  
14 do.

15 CHAIRMAN GOLDNER: Let's give Attorney  
16 Sheehan a chance to weigh in. And then,  
17 Commissioner Simpson, if you'd like to follow up.

18 MR. SHEEHAN: Sure. My reading of the  
19 statute is it's a no-brainer. The 38-a says you  
20 can change any provision of 38, and 38 is where  
21 the five-year deadline is. So, to me, it's clear  
22 authority to waive the five-year deadline -- or,  
23 to change the five-year deadline on a showing of  
24 good cause.

1                   CHAIRMAN GOLDNER: Okay. Any  
2 follow-up, Commissioner Simpson?

3                   I can -- let me jump in, I'll jump back  
4 in. And then, if you'd like to continue to  
5 follow up, we'll have plenty of opportunity.

6                   So, recognizing what the parties just  
7 said, but still, quoting Yogi Berra, "if you come  
8 to a fork in the road, take it." If the  
9 Commission were to require the parties to file an  
10 LCIRP on October 2nd or 3rd, with just sort of  
11 the fundamentals, you know, supply and demand,  
12 you know, basic capital plan, compliance with  
13 378, understanding that it would require more  
14 work, I'd like to get the parties' comment on  
15 that, that proposal?

16                  MR. SHEEHAN: So, again, the folks you  
17 see on the witness stand, Josh Tilbury, Kim Dao,  
18 and Adam Perry, Kim and Adam are consultants, the  
19 three of them have been neck-deep in the plan for  
20 months now. So, we will file something October  
21 2, unless that deadline is changed.

22                  However, as I mentioned before, there  
23 will be some gaps. The core will be there, the  
24 demand forecast, the contracts and supplies we



1           have to meet that demand forecast, etcetera, will  
2           be there.

3                       The pieces that have confounded us, and  
4           everyone in this room for five years, is "what  
5           does it mean to do an environmental assessment?"  
6           We have to do it, it's part of the statute. But  
7           there's not clarity on how we do that.

8                       The evidence we presented in this case,  
9           mostly through the testimony filed in the Summer  
10          of '19, Exhibit 4, and the rebuttal testimony we  
11          filed later, did a lot of that. And we  
12          presented, we think, a very strong case of an  
13          appropriate assessment of the environmental  
14          health.

15                      But, again, what we will file in  
16          October, again, we'll be taking a stab in the  
17          dark of what the Commission expects in that  
18          regard. We have some guidance. You know, we  
19          would certainly look at the Northern order. We  
20          would look at what we had done in the past. So,  
21          that's where we are.

22                      And I'm sure the filing would be  
23          accompanying a motion to extend our  
24          requirement to dot the last few i's and cross the

1 last few t's.

2 CMSR. SIMPSON: With respect to the  
3 nine recommendations in the Settlement Agreement,  
4 in the Company's view, do those provide adequate  
5 guidance to the Company to help answer part of  
6 the ambiguities that you've just addressed?

7 MR. SHEEHAN: Yes. And I think you're  
8 aware of this, that recommendation came about  
9 from a process where the Commission said to the  
10 parties "Go out and figure out how we do this?  
11 And how do we measure environmental impacts,  
12 health impacts?" And the parties in that case  
13 came up with those recommendations.

14 And I, informally talking to those  
15 folks, they spent a lot of time on that, so  
16 that's, frankly, why borrowed it. It made sense  
17 to us. It gave us some targets to -- some  
18 metrics to use.

19 Again, we don't know those are the  
20 metrics yet, and, of course, the order of last  
21 week changed that. So, that's back where we are,  
22 and we're not quite sure what we're doing on  
23 those pieces of it.

24 CHAIRMAN GOLDNER: Okay. But sort of,

1 if you throw out sort of the more difficult  
2 clauses of 378, the rest of it you feel pretty  
3 good about. You would have, though, some holes,  
4 as you suggested.

5 MR. SHEEHAN: Yes. And I'm sure the  
6 folks up there would love some more time to do  
7 it. But, you know, we've known of this deadline  
8 for five years. So, we will, if we have to, we  
9 will file something on October 2.

10 CHAIRMAN GOLDNER: Very good. Attorney  
11 Kreis.

12 MR. KREIS: Well, Yogi Berra also said  
13 "It ain't over till it's over." And, to  
14 reiterate something I said earlier, I absolutely  
15 reserve the rights that I reserved to the OCA in  
16 Section 3.1 of the Settlement Agreement. I will  
17 take my five business days to determine whether I  
18 wish to file with the Commission a notification  
19 that I'm withdrawing the OCA's support from the  
20 Settlement Agreement. If I do that, then what's  
21 pending before the Commission is a Least Cost  
22 Integrated Resource Plan that, in my opinion,  
23 does not warrant approval under the statute.  
24 There will be no LCIRP that is being evaluated by

1 the Commission in due course. Which means that,  
2 pursuant to Section 40 of the statute, the  
3 Company can't change its rates between now and at  
4 least October 1st.

5 I guess I hear the Company saying  
6 they're willing to file something on October 1st.  
7 We'll certainly review that, if that's the way  
8 this sugars off.

9 I also heard the Company say that it  
10 will consider the effect of the Northern order,  
11 by which I assume Mr. Sheehan means "Order Number  
12 26,664". And, as I said earlier, as far as I'm  
13 concerned, that order is of no force and effect  
14 presently, because it's the subject of rehearing  
15 proceedings. And I predict that it will not be  
16 of any force and effect by the time early October  
17 rolls around, because, frankly, I think there's a  
18 considerable possibility of appellate proceedings  
19 involving that order.

20 So, this is quite the thicket. And I  
21 think approving the Settlement Agreement still  
22 offers everybody in the room the path of least  
23 resistance leading to a reasonable and rational  
24 approach, at least for this utility, to the

1 future of least cost integrated resource  
2 planning.

3 CHAIRMAN GOLDNER: Attorney Schwarzer.

4 MS. SCHWARZER: Mr. Chairman, the  
5 Department is not prepared to take a position as  
6 to what our response would be were the Settlement  
7 to be rejected at this time. That was not  
8 contemplated as a possible topic here today.

9 Certainly, the Department would regret  
10 the loss of the granularity that is provided in  
11 this Settlement Agreement, and the agreement  
12 reached among parties that might otherwise take  
13 very disparate views about what the next LCIRP  
14 should do or address.

15 CHAIRMAN GOLDNER: But what if it were  
16 only a preliminary plan, with sort of the  
17 fundamentals, that is then like a kernel, and  
18 then it's built on from October 2nd? How would  
19 the Department respond to that?

20 MS. SCHWARZER: Well, Mr. Chairman, I  
21 thought the original question was "what would the  
22 Department's position be were the Settlement to  
23 be rejected?" And, so, we are in agreement and  
24 ourselves proposed that reasonable minds could

1 read the "five-year" requirement differently, but  
2 that the waiver paragraph does seem to permit  
3 waiver. If the Commission is not inclined to  
4 grant that, --

5 CHAIRMAN GOLDNER: I understand that.  
6 I understand that. But I'm just saying, if, as  
7 Attorney Sheehan proposes, the Company were to  
8 propose a plan on October 2nd, that wasn't --  
9 didn't have everything, everyone understood that,  
10 but then the Company built on that over some  
11 months, would the Department of Energy have any  
12 objection to that path forward?

13 MS. SCHWARZER: Well, I think our  
14 concern would be that this is the cost of gas  
15 season. And, between today and August [October?]  
16 2nd --

17 CHAIRMAN GOLDNER: Let's assume for a  
18 moment that the Commission was able to resolve  
19 that six-week gap.

20 MS. SCHWARZER: Well, I'm sorry, I  
21 think I'm not understanding your question.

22 CHAIRMAN GOLDNER: So, your concern is  
23 what Attorney Kreis called "regulatory chaos",  
24 meaning that the Company is in a period where it

1           can't file for rate changes. So, I'm suggesting,  
2           if the Commission were to somehow resolve that,  
3           just assume that we can, would the Department of  
4           Energy have any objection to a plan filed on  
5           October 2nd by the Company, that maybe doesn't  
6           have everything in it, but at least is a solid  
7           starting point?

8                       MS. SCHWARZER: And, Mr. Chairman,  
9           perhaps I should take that as a record request,  
10          because I simply don't have guidance from  
11          leadership, I'm sorry. I can't answer that at  
12          this time.

13                      I can say, even if the Commission were  
14          able to resolve the "regulatory chaos" piece,  
15          this Settlement does achieve agreement around  
16          certain components of specificity that, if  
17          removed, would continue to perhaps haunt the  
18          process into the next LCIRP, and result in  
19          additional efforts.

20                      CMSR. SIMPSON: So, I'm very mindful of  
21          the work that the Settling Parties have put into  
22          this Settlement Agreement. And the  
23          recommendations appear to be somewhat  
24          comprehensive.

1           I struggle to see how I can abdicate my  
2 duties under RSA 378:37 through 39, as  
3 contemplated in Section 2.2 of the Settlement  
4 Agreement, based on the evidence in front of me  
5 today.

6           With that being said, it's clear that  
7 the parties seek guidance from the Commission.  
8 And the Company has stated today that they're  
9 working diligently on their next LCIRP. And I  
10 believe the Consumer Advocate and the Department  
11 have stated that the recommendations in the  
12 Settlement address some of the ambiguity, and  
13 would help to guide the Company in a  
14 collaborative process moving forward.

15           So, then, I'm curious, if the  
16 Commission were to hypothetically adopt all of  
17 the nine recommendations, does that make the next  
18 LCIRP planning process crystal clear for  
19 everybody, and do the parties foresee a direct  
20 path in their next -- in the next LCIRP, based on  
21 those recommendations?

22           MR. SHEEHAN: I can take a first stab  
23 at that.

24           "Crystal clear", obviously, is never



1 something we say in this room, because it never  
2 exists. But it goes a long way, obviously. It  
3 gives us metrics, it gives us, not just the  
4 metrics, but other parties in the room who agreed  
5 with that. So, when we file it, and assuming we  
6 meet those metrics, we won't hear from DOE that  
7 we fell short, for example. So, that's the  
8 benefit of it.

9 And I have to say, despite this  
10 conversation, we are here fully in support of the  
11 Settlement Agreement, and believe it is the right  
12 way to go. We're answering these question in  
13 good faith, should the Commission decide  
14 something else.

15 The concern of "file the core plan on  
16 October 2, and then supplement thereafter", we  
17 still have the question as "what are we doing  
18 with that supplement?" We still don't have the  
19 guidance of -- that's provided in the Settlement  
20 Agreement. And then, again, we are left in the  
21 position of "Do we look to the Settlement  
22 Agreement? Do we look to the August 8 order?  
23 Or, do we do our best, based on something else?"

24 You know, so, we would do something.

1 We will do something that we think is compliant,  
2 but others may disagree. And that's the box  
3 we've been in for five years now.

4 MR. KREIS: Might I speak to that?

5 CHAIRMAN GOLDNER: Mr. Kreis.

6 CMSR. SIMPSON: Please.

7 MR. KREIS: So, Commissioner Simpson  
8 used the phrase "crystal clear". And I'm going  
9 to do for Commissioner Simpson what Attorney  
10 Desmet typically does to me, which is she reviews  
11 my drafts, and crosses out the adjectives. So, I  
12 guess I wouldn't use the adjective "crystal", but  
13 I would say "clear". I do think the Settlement  
14 Agreement offers up a clear path for this utility  
15 to follow, and, frankly, the other utility  
16 potentially to follow, with respect to how it  
17 ought to approach least cost integrated resource  
18 planning.

19 You know, so, on the question of  
20 "abdicating one's responsibilities", I'm  
21 sympathetic to that concern. Because, obviously,  
22 we like it when Commissioners are diligent in  
23 complying with their statutory responsibilities.

24 But, you know, nothing happens in a

1 vacuum. And the fact is that the Commission,  
2 meaning, essentially, predecessors to the  
3 Commissioners who are sitting on the Bench today,  
4 really allowed this docket to sort of languish  
5 for something like two years, and, arguably, that  
6 shouldn't have happened. And, arguably, the  
7 fault for that can be distributed throughout the  
8 room, amongst the parties and the Commission as  
9 an institution. So, in a sense, the Commission  
10 abdicated -- has already abdicated some of its  
11 responsibilities. And we are doing our best, as  
12 parties, to help the Commission get back on track  
13 with this process.

14 Well, with respect to the possibility  
15 of filing a kind of a -- some kind of "bare  
16 bones" plan in October, that the Commission could  
17 then flesh out? You know, my side hustle is  
18 being a law professor. And I sometimes look at  
19 the least cost integrated resource planning  
20 statute as a big homework assignment for  
21 utilities. And the statute doesn't say "Well,  
22 first, you file an outline, and then the  
23 professor gives you feedback on the outline, and  
24 then you get to file a draft, and then you get

1 feedback on the draft, and then you file your  
2 final paper, and then you get a grade from the  
3 Commission." That is not the way the Legislature  
4 set this up.

5 The Legislature set this up and said  
6 "Hey, utility, you file your final paper on a  
7 date certain, and then we'll give you a grade by  
8 the Commission's adjudicative process." So, I'm  
9 very queasy about this "Hey, just file a "bare  
10 bones" plan, and then you'll have a chance  
11 through the course of the docket to flesh it  
12 out."

13 CHAIRMAN GOLDNER: Attorney Schwarzer.

14 MS. SCHWARZER: Thank you.

15 I have a concern, not with regard to  
16 the substantive content, which I understand  
17 Commissioner Simpson is hypothetically  
18 addressing, were the Commission to order that.  
19 But to reflect upon the container in which that  
20 substantive content is given us is significant.  
21 Because the Settlement Agreement contains a  
22 number of provisions that do not require the  
23 parties to -- well, 3.2, 3.3 and 3.4, just look  
24 at the standard framework that "this Settlement

1 Agreement shall not be construed to represent any  
2 concession by any Settling Party with regard to  
3 positions taken" or are "deemed to foreclose any  
4 Settling Party in the future from taking any  
5 position in any subsequent proceeding."

6 Were the Commission to reject the  
7 Settlement Agreement and export the substantive  
8 recommendations into some order, that framework  
9 would be lost. And I think they're -- so, I have  
10 concerns around that, because the agreement  
11 reached was reached within the framework of a  
12 settlement agreement. But, certainly, if the  
13 Commission were to approve, would be enforceable,  
14 but only as a settlement, and under the terms  
15 expressed.

16 And, so, I think, to sort of go back to  
17 some of the comments the OCA made about these  
18 very strange circumstances that the Commission  
19 finds itself in with regard to an extraordinary  
20 lapse of time, the change from the PUC structure  
21 to the PUC/DOE structure, the significant change  
22 in actual people, both at the Commission and at  
23 the DOE, and perhaps among some of the parties.

24 Bad facts make bad law, and there's a

1 way in which the cleanest approach seems, to the  
2 Department, to be, and again, we are here to  
3 support the Settlement Agreement, would be to  
4 approve the Settlement Agreement, and move  
5 forward with the gifts of granularity that it  
6 provides for the next LCIRP in the context  
7 provided, and I guess anticipate some sort of  
8 filing in October, based upon the Company's  
9 statement.

10 CMSR. SIMPSON: Thank you. I think we  
11 have a couple of parties in the room that didn't  
12 sign the Settlement Agreement.

13 CHAIRMAN GOLDNER: So, we're moving --

14 CMSR. SIMPSON: I'd like to hear if  
15 they might indulge us in some of their reactions.

16 CHAIRMAN GOLDNER: Let's move to  
17 Mr. Krakoff. And, Mr. Krakoff, please expand on  
18 any of the questions that you heard and provide  
19 your comments.

20 MR. KRAKOFF: Thank you, Commissioners.

21 So, first off, I want to address the  
22 question about, you know, whether the Commission  
23 needs to decide on the current LCIRP. You know,  
24 as outlined in CLF's June 1st, 2022, you know,

1 position statement, you know, it's our position  
2 that Liberty has not complied with several of the  
3 provisions in the LCIRP statutes. That being  
4 said, however, you know, given where we are, you  
5 know, in the planning cycle, you know, at the end  
6 of the five-year term, you know, we agree, you  
7 know, we agree with Section 2.2 of the Settlement  
8 that, you know, the Commission does not need to  
9 make a determination, you know, on whether  
10 Liberty has complied with the LCIRP statutes.

11 I think Mr. Sheehan might have, you  
12 know, might have suggested that there were --  
13 there were some precedents for this. And I would  
14 point the Commission's attention to Order Number  
15 25,762, issued on February 9th, 2015, which was  
16 actually the decision on Liberty's last LCIRP.

17 And, you know, in that last LCIRP, you  
18 know, it occurred shortly after the Legislature  
19 had amended the LCIRP statutes, so that they  
20 would apply not just to electric utilities, which  
21 had been the case in the past, but also to  
22 natural gas utilities. And, in that decision,  
23 the Commission, you know, there was a question  
24 about whether Liberty had complied with all of

1 the provisions of the LCIRP statutes, and there,  
2 you know, the Commission basically said, you  
3 know, "We're not going to decide that issue.  
4 We're going to wait until, you know, this current  
5 LCIRP."

6 So, I think, given where we are, you  
7 know, at the end of the five-year planning cycle,  
8 you know, I think the Commission could do  
9 something similar here, and not make a decision  
10 on whether Liberty has complied with all of the  
11 provisions of the LCIRP statutes. And I think,  
12 you know, not just sort of where we are in the  
13 five-year term, but also, you know, given that a  
14 lot of events have changed, that Liberty is no  
15 longer proposing the Granite Bridge Project,  
16 which was a major component of its, you know, of  
17 the current LCIRP. You know, I think it makes  
18 sense to not make a decision on whether Liberty  
19 has complied or not.

20 You know, the other thing that I'd like  
21 to address is, CLF is kind of in a strange  
22 position to some extent, in that, you know, we're  
23 not a signatory of the Settlement Agreement. And  
24 those reasons are outlined in our response to the



1 Settlement that was filed last week, mainly due  
2 to the lack of criteria on electrification within  
3 the Settlement.

4 That being said, I do think that there  
5 are provisions in the Settlement Agreement, you  
6 know, that could help solve some of the issues  
7 that have, you know, that have sort of made the  
8 LCIRP planning statutes difficult. In that,  
9 we've had differences of opinion on how, you  
10 know, how the statutes should be applied. And I  
11 think there are several provisions in the  
12 Settlement that would, you know, ensure Liberty's  
13 compliance with the LCIRP statutes for its next  
14 LCIRP.

15 And, in my opinion, there's nothing,  
16 you know, similar -- you know, particularly the  
17 provisions on environmental and public health  
18 impacts, and on energy efficiency, those  
19 provisions of the Settlement, I don't think they  
20 go further than what's already required by the  
21 LCIRP statutes. But I do think they provide some  
22 specificity to Liberty in drafting its next LCIRP  
23 that I think can help ensure that it complies  
24 with those provisions of the -- of the LCIRP

1 statutes.

2 So, those are kind of my main -- my  
3 main points. But, if you have any specific  
4 questions, I'd be happy to answer those as well.

5 CHAIRMAN GOLDNER: Okay. Let's give  
6 Mr. Husband a chance, and then we might circle  
7 back. Thank you, Mr. Krakoff.

8 MR. HUSBAND: Thank you again, Mr.  
9 Chairman.

10 I'll start with 2.2, which is the  
11 beginning of the conversation. I think I have  
12 the same concerns that Commissioner Simpson does,  
13 in that I don't see any possible way that the  
14 Commission can approve the LCIRP before it in  
15 consonance with RSA 378:38 and 39. The statutes  
16 are clear that there has to be an adequate review  
17 of the filings for the LCIRP, and that means that  
18 there have to be adequate filings. And then,  
19 ultimately, there has to be an approval, which  
20 specifically finds that the planning is  
21 consistent with RSA 378:37.

22 None of those things have been done in  
23 this docket. And it's very clear, on the face of  
24 the record, that the Plan is unapprovable in that

1 light.

2 I don't see anything in the statutes,  
3 as Attorney Kreis said earlier, is essentially  
4 that he objected to the notion that there could  
5 be a "bare bones" plan initially filed, and then  
6 something fleshed out later, because the statutes  
7 don't provide that. Well, by the same token, the  
8 statutes clearly do not provide for approval of a  
9 plan because some complications and the  
10 unlawfulness of the plan have arisen through the  
11 docket, and/or the -- you know, the utility wants  
12 to get a rate increase.

13 As the Commission has noted, the  
14 utility could get a rate increase only a little  
15 over a month from now, and should, if it actually  
16 follows what it's supposed to do in the statutes  
17 in filing its new plan.

18 I absolutely -- obviously, Mr. Clark's  
19 positions are numerous and set forth on the  
20 record, so this is just directed to this  
21 discussion. But I, obviously, do not see how the  
22 Commission could approve this plan. I could see  
23 it closing the docket, with findings -- with,  
24 hopefully, findings consistent with what Mr.

1 Clark has requested in his position statement,  
2 probably to the CLF as well, the Conservation Law  
3 Foundation, to give guidance in future  
4 proceedings, and including starting out of the  
5 gate with Mr. Clark's, you know, preeminent  
6 position that expansion at this point in time by  
7 the utility is unlawful. That's guidance that's  
8 necessary.

9 And, even if the Commission doesn't  
10 agree with that position, it could flesh out, in,  
11 you know, in its order closing the docket. What  
12 it does feel about Liberty's planning that does,  
13 if anything, that does have to be changed to  
14 actually bring it in as lawful planning under the  
15 statutes and under the public interest standard.

16 So, I think what the Commission could  
17 do, it could close the docket with those  
18 findings, and then, you know, Liberty could open  
19 up the new one, and Liberty could flesh out its  
20 planning going forward, sort of as it did this  
21 last docket. There were, you know, there were  
22 supplemental submissions, two have filed under  
23 this docket, which turned out to be very helpful.  
24 But, minimally, the Commission would, obviously,

1           have to include the Keene Project in the next  
2           LCIRP as well under its order closing the docket,  
3           as the Keene Project has never been, you know,  
4           examined under RSA 378:37 and 39. It's never  
5           been approved under those statutes. It has to be  
6           reviewed and approved to go forward.

7                        I think that is a path forward I could  
8           see the Commission doing, as opposed to, you  
9           know, approving the Settlement Agreement, with  
10          the terms Mr. Clark has proposed in his response  
11          to the Settlement Agreement, and still subject to  
12          his claims as a whole as to the problems with  
13          approvability.

14                       I guess I just don't see what the  
15          objections from the other parties are to  
16          proceeding in that way. And I do want to  
17          emphasize, though, that, to the other parties, I  
18          think that the recommendations in 2.3 of the  
19          Settlement Agreement are very, very good  
20          recommendations that should be followed. And I  
21          wouldn't agree that the Commission could just --  
22          I don't agree, you know, that those should be  
23          struck -- stricken from the Settlement Agreement  
24          at all. They should stay in there. In the

1 proposed terms that Mr. Clark gave, he did tie  
2 one of his recommendations or proposed terms to  
3 an analysis under 2.3. That that could be taken  
4 out, if the Commission wanted, you could just put  
5 a period right before where it says, you know,  
6 attaches the analysis to 2.3, and take it out.  
7 But I do think that the Commission should keep  
8 this kind of analysis in for the utility going  
9 forward.

10 And I'll just -- one last thing. The  
11 Commission has got to start thinking, as I'm sure  
12 Liberty is itself, some of the stuff that's been  
13 recommended, in terms of examining  
14 electrification and other alternatives to natural  
15 gas, are really in the Company's own best  
16 interest under RSA 378:37, in terms of protecting  
17 the financial stability of the Company. There is  
18 a transition underway, it's clear, and it's going  
19 to be rapid. The Company has got to get onboard,  
20 or it may be looking at getting squeezed out here  
21 in another decade or so. So, it really needs to  
22 be looking at these issues to figure out how it  
23 can beef up its portfolio going forward to stay  
24 in business.

1 Thank you.

2 CHAIRMAN GOLDNER: Thank you. Any  
3 additional questions, Commissioner Simpson, in  
4 this phase of preliminary matters?

5 CMSR. SIMPSON: Not at this point.  
6 Thank you.

7 CHAIRMAN GOLDNER: Okay. What I would  
8 suggest at this point is we take a brief recess,  
9 and let the Commissioners consult, and return at  
10 10:30.

11 So, give us a moment, and we'll return  
12 in fifteen minutes. Thank you.

13 *(Recess taken at 10:15 a.m., and the*  
14 *hearing resumed at 10:42 a.m.)*

15 CHAIRMAN GOLDNER: Okay. Next, I think  
16 we'd like to turn our focus -- the Commission  
17 would like to turn the focus to the nine  
18 recommendations in the Settlement. We have -- we  
19 have witnesses here today that can help us --  
20 help us understand those recommendations, and  
21 that would be helpful to us, and as well as, I  
22 think, all the other parties.

23 Is there -- would anyone have any  
24 concerns or comments, before we move to the

1 witnesses?

2 MR. SHEEHAN: No. Certainly, I had  
3 thought of doing some preliminary stuff, but  
4 we've been doing a lot of that already. So, at  
5 some point, whatever the Commission decides it's  
6 going to do, we need to get documents into the  
7 evidence and testimonies and all of that.

8 I did have a question, and I think  
9 others, with the Commission's practice of  
10 adopting testimony for folks who aren't here,  
11 that's been an issue that's been discussed in  
12 prior years. Liberty will have enough people  
13 here today to adopt all the testimonies, I think  
14 all of them, but we also ask the Commission to  
15 simply accept the testimonies as exhibits for  
16 those who aren't here. For example, Mr. Stanley  
17 is not here, and he offered a piece of testimony.

18 Yes. But. I guess, to the extent the  
19 Commission has questions on the Settlement  
20 Agreement, I had planned to go through it first,  
21 but there's no reason you guys can't dive in and  
22 target your questions, rather than hearing my  
23 questions.

24 CHAIRMAN GOLDNER: Okay. Very good.



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Any other comments?

2 MS. SCHWARZER: Mr. Chairman, I did  
3 want to bring to the Commission's attention that  
4 the Department has introduced Exhibit 5, which is  
5 the prefiled testimony from formally PUC Staff,  
6 who might now be seen as DOE Staff. However, our  
7 witness, Mr. Arif, is not adopting that  
8 testimony. He's here to testify on the  
9 Settlement.

10 CHAIRMAN GOLDNER: Okay. Thank you.

11 Okay. Very good. Well, let's swear in  
12 the witnesses, Mr. Patnaude.

13 (Whereupon **Joshua Tilbury, Kim N. Dao,**  
14 **Adam J. Perry,** and **Faisal Deen Arif**  
15 were duly sworn by the Court Reporter.)

16 CHAIRMAN GOLDNER: And, Mr. Sheehan,  
17 will you be conducting direct on behalf of all  
18 the Settling Parties?

19 MR. SHEEHAN: The plan was for me to  
20 conduct the direct of the three  
21 Liberty-affiliated witnesses. My understanding  
22 is, as Ms. Schwarzer said, that Mr. --

23 MS. SCHWARZER: Arif.

24 MR. SHEEHAN: -- Arif, I'm sorry, she

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 can ask questions of him afterwards. I  
2 understand he's essentially supporting the  
3 Agreement, being a relative newcomer to all of  
4 this.

5 So, I'd be happy to introduce the  
6 witnesses. And, again, I can walk through it  
7 with them, or I can just introduce them and have  
8 you ask your questions. I'm not sure which you'd  
9 prefer?

10 CHAIRMAN GOLDNER: And I think, yes, we  
11 would do cross before the Commissioner questions.  
12 But, yes, whatever you're comfortable with.  
13 We've read the Settlement, I think we understand  
14 it. But, to the extent that you can illuminate  
15 any issues you think are important, that would,  
16 of course, be helpful.

17 MR. SHEEHAN: Okay. We had prepared an  
18 outline. I'll maybe move along quicker than what  
19 I had anticipated. How about that?

20 CHAIRMAN GOLDNER: Okay. Sure. Thank  
21 you.

22 MR. SHEEHAN: It's still morning. Good  
23 morning. I'm going to start with you, Mr.  
24 Tilbury.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1                   **JOSHUA TILBURY, SWORN**

2                   **KIM N. DAO, SWORN**

3                   **ADAM J. PERRY, SWORN**

4                   **FAISAL DEEN ARIF, SWORN**

5                   **DIRECT EXAMINATION**

6 BY MR. SHEEHAN:

7 Q       Could you please state your name and your job  
8       title with Liberty?

9 A       (Tilbury) I'm Joshua Tilbury. And I'm the  
10       Director of Energy Procurement with Liberty  
11       Utilities.

12 Q       And how long have you been with Liberty?

13 A       (Tilbury) I started with Liberty in March of this  
14       year.

15 Q       Prior to March, did you work in the utility --  
16       gas utility industry?

17 A       (Tilbury) I did. I've been in the natural gas  
18       utility business since 2006.

19 Q       And did you, in your prior jobs, work on IRPs?

20 A       (Tilbury) I did. I was with -- my former  
21       employer was New Mexico Gas Company, where I was  
22       the Director of Gas Management, and oversaw the  
23       IRP for the 2016 and the 2020 filings.

24 Q       Mr. Tilbury, obviously, you did not participate

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 in drafting any of the documents that are marked  
2 as exhibits today. But you are here willing to  
3 adopt the testimonies of prior Company witnesses,  
4 is that correct?

5 A (Tilbury) Yes.

6 Q And, in particular, Exhibit 3 is Testimony of  
7 William Killeen, that was filed in April of '19.  
8 Have you reviewed Mr. Killeen's written  
9 testimony?

10 A (Tilbury) Yes.

11 Q And are you willing to adopt his testimony today?

12 A (Tilbury) Yes.

13 Q And the same with Exhibit 10 and 11, which is the  
14 rebuttal testimony filed by the Company. There  
15 were three pieces of rebuttal testimony that were  
16 combined into those two exhibits, one  
17 confidential, the other redacted. And the two  
18 folks to your left were also involved in those  
19 testimonies. But have you read those, the  
20 Rebuttal Testimony of Mr. DaFonte, Killeen,  
21 Stephens, and Ms. Dao, and the Rebuttal Testimony  
22 of Mr. Killeen, Clark, Stanley, Stephens, and  
23 Perry?

24 A (Tilbury) I have.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q Okay. And, to the extent you have knowledge of  
2 those testimonies, are you willing to adopt those  
3 testimonies here today?

4 A (Tilbury) Yes.

5 Q Last, the Settlement Agreement, Exhibit 12, were  
6 you involved in the discussions, maybe not with  
7 the other parties, but the internal discussions  
8 surrounding those Settlement terms, as they were  
9 being discussed amongst the parties?

10 A (Tilbury) Yes.

11 Q And, as the Director of Gas Procurement, right,  
12 for Liberty, --

13 A *(Witness Tilbury indicating in the affirmative)*.

14 Q -- you are a central person at the Company who  
15 has to live with the terms of the Settlement  
16 Agreement, is that fair?

17 A (Tilbury) Yes.

18 Q Okay. And you are, in fact, preparing the next  
19 IRP as we speak, is that right?

20 A (Tilbury) Yes.

21 Q And is it your position that the terms of the  
22 Settlement Agreement are reasonable and  
23 appropriate, and the Company is willing to abide  
24 by them, if approved by the Commission?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Tilbury) Yes.

2 Q Ms. Dao, could you please introduce yourself?

3 A (Dao) Yes. I'm Kim Dao. I'm a Director at  
4 ScottMadden.

5 Q And, Ms. Dao, have you been assisting the Company  
6 with the current IRP that's underway?

7 A (Dao) Yes.

8 Q And you also have assisted the Company with the  
9 2017 IRP, is that correct?

10 A (Dao) Yes.

11 Q And did you play a role in the work that resulted  
12 in the IRP itself?

13 A (Dao) Yes.

14 Q And with your colleague, Mr. Perry, and with  
15 others at your firm, is that correct?

16 A (Dao) That's correct.

17 Q And you participated, not only in the IRP itself,  
18 but in the rebuttal testimony filed in October of  
19 '19, is that correct?

20 A (Dao) That's correct.

21 Q Do you have any -- and your testimony is the  
22 first of those three testimonies. What was the  
23 subject matter of that testimony that you  
24 participated in?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Dao) It is the policy and gas supply piece of  
2 testimony.

3 Q And do you have any changes to that testimony  
4 you'd like to bring to the Commission's attention  
5 today, other than what may have happened from the  
6 passage of time?

7 A (Dao) No.

8 Q And do you adopt that testimony today?

9 A (Dao) I do.

10 Q And were you also -- have you also reviewed the  
11 Settlement Agreement?

12 A (Dao) I have.

13 Q And are you prepared to answer questions  
14 regarding the Settlement Agreement this morning?

15 A (Dao) Yes.

16 Q Thank you. Mr. Perry, same questions. Could you  
17 please introduce yourself?

18 A (Perry) I am Adam Perry. I'm a Director with  
19 ScottMadden.

20 Q I just called you "Scott Perry", didn't I? I'm  
21 sorry.

22 Mr. Perry, you've also, along with  
23 Ms. Dao, been working with the Company since  
24 2016ish on what became the 2017 IRP, is that

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 correct?

2 A (Perry) That's correct.

3 Q And you're also working with the Company on the  
4 upcoming IRP?

5 A (Perry) That's correct.

6 Q And what is your area of focus on the IRP, both  
7 old and new?

8 A (Perry) I've been overseeing the development of  
9 the demand forecast.

10 Q Okay. You authored testimony with others, again,  
11 part of the October '19 testimony, Exhibits 10  
12 11. Your testimony was with Mr. Killeen, Clark,  
13 Stanley, and Stephens. What was the basic  
14 subject matter of that testimony?

15 A (Perry) That was in response to certain issues  
16 related to the demand forecast.

17 Q And in response to testimonies by the other  
18 parties that had been filed roughly a month  
19 earlier, is that right?

20 A (Perry) That's correct.

21 Q And do you have any changes to your portions of  
22 that testimony, again, aside from what may be the  
23 result of simply the passage of time?

24 A (Perry) No, I do not.



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q And do you adopt that testimony today?

2 A (Perry) Yes.

3 Q And you also are familiar with the terms of the  
4 Settlement Agreement?

5 A (Perry) I'm familiar with them, yes.

6 Q Last, we marked the 2017 Plan itself as  
7 "Exhibits 1", confidential, and "2", redacted.  
8 There's no testimonies associated with that Plan.  
9 But, Mr. Tilbury, that is the IRP that we filed  
10 in this docket almost five years ago, is that  
11 correct?

12 A (Tilbury) Yes.

13 Q If we could turn to the Settlement Agreement, we  
14 can walk through it quickly.

15 At Section 2.2, it talks about the  
16 recommendation that "the Commission approve the  
17 Settlement". Obviously, that's the position of  
18 all three of you, is it not, that you are  
19 recommending that the Commission approve the  
20 Settlement Agreement?

21 A (Tilbury) Yes.

22 Q And, of course, the Commission has to review the  
23 evidence and determine for itself that the 2017  
24 IRP meets the statutory standards. Is it your

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 opinion that there is -- the Plan itself, as  
2 supplemented by all these testimonies, does  
3 provide the Commission enough information to find  
4 the Plan compliant?

5 A (Tilbury) I do.

6 Q The statute, 378:38, the first three subsections  
7 require the Company to include "a forecast of  
8 future demand", "an assessment of demand-side  
9 energy management programs, including  
10 conservation, efficiency, and load management",  
11 and, third, "an assessment of supply options".  
12 Does the 2017 Plan include those, discussion of  
13 those three items?

14 A (Tilbury) Yes.

15 Q And, Ms. Dao and Mr. Perry, you were both heavily  
16 involved in the preparation of that information  
17 in the 2017 Plan?

18 A (Perry) Yes. That's correct.

19 A (Dao) Yes. That's correct.

20 Q And you're comfortable that was addressed  
21 appropriately in the 2017 Plan?

22 A (Dao) Yes.

23 A (Perry) Yes.

24 Q The next two sections, V and VI -- I'm sorry,

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Section IV is the one that clearly applies only  
2 to electric utilities. So that the next  
3 Subsection of V is "an assessment of plan  
4 integration...and compliance with the Clean Air  
5 Act", "an assessment of the plan's environmental,  
6 economic, and energy price...impact". Is it fair  
7 to say that these topics were covered by the  
8 testimony of Mr. Hibbard, is that your  
9 understanding?

10 A (Perry) Yes. That's correct.

11 A (Dao) Yes.

12 MR. SHEEHAN: For the Commission's --

13 MR. HUSBAND: Objection. Personal  
14 knowledge.

15 MR. SHEEHAN: For the Commission's  
16 benefit, Mr. Hibbard will be here this afternoon,  
17 if it's necessary to --

18 MR. HUSBAND: Well, this witness can't  
19 testify as to his opinions of Mr. Hibbard's  
20 opinions, of whether he thinks Mr. Hibbard's  
21 opinions are correct. He's not an expert.

22 MR. SHEEHAN: I'll withdraw the  
23 question.

24 For the Commission's benefit,

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Mr. Hibbard will be here this afternoon.

2 BY MR. SHEEHAN:

3 Q The next part of the -- so, this first, Section  
4 2.2, is again the term that -- where the Settling  
5 Parties recommend approval. And, Mr. Tilbury,  
6 again, it's your opinion that the evidence in  
7 this docket is sufficient for the Commission to  
8 make the necessary findings to approve the IRP,  
9 is that your position?

10 A (Tilbury) Yes.

11 Q Going to the recommendations themselves, have you  
12 reviewed those recommendations carefully,  
13 Mr. Tilbury?

14 A (Tilbury) I have.

15 Q And, if we just go through them quickly,  
16 Recommendation 1 is to "Evaluate energy  
17 efficiency as a potential resource alternative",  
18 I won't read all the rest of it. Is the Company  
19 planning to evaluate energy efficiency impacts on  
20 its upcoming -- in its upcoming plan?

21 A (Tilbury) Yes, we are.

22 Q And, Mr. Perry, that's a topic that you cover  
23 pretty carefully, is that correct?

24 A (Perry) That's correct.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q And, Mr. Tilbury, you know, without reading the  
2 whole paragraph, it's the Company's intent to  
3 comply with Recommendation 1 in its October plan,  
4 or later as a supplement, is that correct?

5 A (Tilbury) It is.

6 Q Recommendation 2 is to "Evaluate RNG and other  
7 non-fossil fuels". Is the Company planning to  
8 evaluate RNG and other possible non-fossil fuels?

9 A (Tilbury) We are.

10 Q And, in fact, there's currently a docket pending  
11 seeking approval of an RNG contract, is that  
12 right?

13 A (Tilbury) Yes. That's my understanding.

14 Q As an aside, there's a new statute that may slow  
15 that docket down a bit, but that's something the  
16 Company is committed to pursuing, is that  
17 correct?

18 A (Tilbury) That is correct.

19 Q Recommendation 3 is to "Evaluate ways to optimize  
20 existing pipeline capacity." Can you tell us  
21 what that means, Mr. Tilbury?

22 A (Tilbury) Yes. I believe, when I interpret that,  
23 that's to evaluate and optimize existing  
24 capacities before looking at other projects.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Looking at potential RNG locations on our system  
2 that would allow for gas to come on the system  
3 without additional pipeline infrastructure and  
4 other things like that.

5 Q Can you give us an example of what the Company is  
6 looking at for such a possible RNG injection  
7 point that may avoid more expensive pipeline  
8 upgrades?

9 A (Tilbury) Well, anytime you can bring RNG onto  
10 the system, you can inject it, you can avoid  
11 interstate pipeline costs, you can bring it onto  
12 the system -- onto your distribution system  
13 already, benefiting the customer.

14 As to the specifics, I apologize, I  
15 don't know the specific case you're referring to.

16 Q Conceptually, RNG is -- well, RNG, in fact, is  
17 delivered as compressed gas, is that correct?

18 A (Tilbury) That's correct.

19 Q And you can inject the compressed gas wherever  
20 you may need pressure, in addition to gas, on  
21 your system, is that correct?

22 A (Tilbury) That's correct.

23 Q So, if you can get high-pressure gas at the end  
24 of the system, you may not need to build a bigger

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 pipe to reach that remote part of the system, is  
2 that correct?

3 A (Tilbury) That's correct.

4 Q And those are the kind of things that this  
5 paragraph is covering that the Company will look  
6 at those kinds of options, is that correct?

7 A (Tilbury) Correct.

8 Q Thank you. Recommendation 4 and 5 provides some  
9 of the metrics by which the Company would assess  
10 the environmental and health impacts of the  
11 options the Company is facing, is that correct?

12 A (Tilbury) Yes.

13 Q And I trust you're not the expert on those  
14 assessments, but these are assessments the  
15 Company will perform, if the Commission approves  
16 these conditions, is that correct?

17 A (Tilbury) That is correct.

18 Q And, even without approving this Settlement  
19 Agreement, we will have to perform some form of  
20 assessment as required by the statute, is that  
21 correct?

22 A (Tilbury) Correct.

23 Q And Recommendation 6 is, again, the assessment of  
24 economic impacts, again, maybe outside your

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 expertise, but it is something that the Company  
2 will either follow as described here, or  
3 otherwise, if the Commission does not approve the  
4 Agreement, is that correct?

5 A (Tilbury) That's correct.

6 Q Number 8 talks about looking at "Non-Pipeline  
7 Alternatives". What's your understanding of what  
8 that would require the company to do?

9 A (Tilbury) I looked at Recommendation 8 a lot like  
10 Recommendation 3. It's exploring other  
11 opportunities, prior to looking at reinforcements  
12 or other pipeline costs. You know, such as  
13 projects like RNG or direct access to those type  
14 of things, or really lump anything, other than  
15 reinforcements or pipelines that would typically  
16 come first.

17 Q So, the bread-and-butter of a gas utility is,  
18 frankly, putting pipe in the ground, is that  
19 correct?

20 A (Tilbury) Correct.

21 Q And this is saying "we will look at other options  
22 before making those decisions"?

23 A (Tilbury) Correct. And I would lump in energy  
24 efficiency into that as well.



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q Recommendation 9 really focuses on making the  
2 next IRP easier to read, for lack of a better  
3 phrase. And you folks are going to make a good  
4 effort in that regard, is that correct?

5 A (Tilbury) We are. We've had several discussions  
6 on that already.

7 Q Okay. Recommendation 10 isn't on there, but  
8 we've considered it as "10", and that is the  
9 Commission's directive, during our status  
10 conference, to include a capital plan, is that  
11 correct?

12 A (Tilbury) That is correct.

13 Q And does the Company intend to include a capital  
14 plan as part of its IRP?

15 A (Tilbury) We do.

16 Q The next few sections of the Settlement Agreement  
17 discuss how the parties can help even further  
18 refine some of the metrics discussed above, and  
19 what benchmarks we could agree on, etcetera.  
20 Those are all efforts that the Company is  
21 committed to undertake upon approval of this  
22 Settlement Agreement, is that correct?

23 A (Tilbury) That's correct.

24 Q And the last substantive part is referring to the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 extension of the deadline we've had plenty of  
2 discussion about this morning. But, Mr. Tilbury,  
3 could you tell me, in the normal course, if you  
4 were asked to do an IRP, and someone asked you  
5 "how long is it going to take to prepare it?"  
6 What would your answer be?

7 A (Tilbury) Nine months to a year.

8 Q And is it fair to say that time has been  
9 compressed for the '22?

10 A (Tilbury) It has.

11 Q And would you prefer to have more time past  
12 October 2 to file the IRP?

13 A (Tilbury) Yes, I would.

14 Q And what kinds of things do you think will be  
15 missed or not covered in an October 2 filing that  
16 you would like more time to prepare?

17 A (Tilbury) Right. So, right now, we're working on  
18 all of the basics of the IRP, getting the demand  
19 forecast, the supply and everything put together  
20 to meet our October 2nd deadline. Pending this,  
21 and the Settlement Agreement, and getting an  
22 order out of it, and getting precise direction,  
23 you know, we're moving towards it. But, given  
24 that we've gotten this, I believe, within the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 last month timeframe, I could be off on that,  
2 we're starting in that direction, but want to  
3 make sure that we do a good job and a thorough  
4 job to get it done to meet all the requirements  
5 that are listed on here.

6 So, I have concerns that the  
7 October 2nd deadline, having what you saw in '17,  
8 sure, some of these, getting everything together  
9 in an order may provide a challenge.

10 MR. SHEEHAN: Thank you. Those are all  
11 the questions I had as preliminaries. Thank you.

12 CHAIRMAN GOLDNER: Attorney Schwarzer,  
13 would you like to begin with direct with your  
14 witness?

15 MS. SCHWARZER: Thank you.

16 BY MS. SCHWARZER:

17 Q Would you please state your name and job title  
18 for the record?

19 A (Arif) Sure. My name is Faisal Deen Arif. I am  
20 employed by the New Hampshire Department of  
21 Energy as the Director of Gas in its Regulatory  
22 Division.

23 Q And how long have you been employed by the  
24 Department of Energy?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Arif) Approximately two and a half months now.  
2 I joined the Department on June 3rd, 2022.

3 Q As the Gas Division Director, what are your  
4 general responsibilities?

5 A (Arif) I'm responsible for performing due  
6 diligence in every docket filed related to the  
7 regulation of gas utilities and in the State of  
8 New Hampshire. Additionally, I am also  
9 responsible for performing some administrative  
10 responsibilities to ensure that the Department  
11 receives the support necessary for it to perform  
12 its duties as a state agency.

13 Q Mr. Arif, could you describe just a few of your  
14 more specific responsibilities with regard to  
15 dockets generally?

16 A (Arif) I'd be happy to. And just for the remark,  
17 this is not an exhaustive list, but most  
18 pertinent ones probably for the Commission and  
19 for everybody else here.

20 I'm responsible -- my responsibilities  
21 include advising the Department of Energy on  
22 regulatory enforcement and policy issues, and  
23 technical factors involved in cases, and other  
24 matters under consideration affecting the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 regulated utilities. Also responsible for  
2 monitoring developments and trends in gas  
3 industry planning, regulation, ratemaking,  
4 general engineering, economics, and accounting  
5 issues to stay current, and implement and/or  
6 initiate any legislation changes or DOE policy  
7 and/or procedural changes. Responsible for  
8 preparing, presenting, and defending written  
9 testimonies in adjudicatory hearings before the  
10 Commission and other regulatory agencies, as  
11 required.

12 I'm also responsible for analyzing data  
13 and reports submitted by utilities and other  
14 stakeholders concerning rate cases and other gas  
15 industry issues; preparing and supervising the  
16 preparation of detailed economic reports, market  
17 forecasts, engineering and safety studies; and  
18 financial assessments advising the Commissioner  
19 of DOE on the economic impacts of proposed  
20 regulatory actions, and presenting testimony to  
21 communicate and defend DOE regulatory positions.

22 And, finally, last, but not the least,  
23 monitoring regulatory issues at the federal and  
24 wholesale levels, and recommending issues for DOE

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 comment and/or involvement.

2 Q Thank you. Could you please give us a quick  
3 summary of your educational background?

4 A (Arif) I'm an economist by training. I have a  
5 Ph.D. in Economics from the Joint Doctoral  
6 Program in Economics between the University of  
7 Ottawa and **Carleton** University in Ottawa, Canada.  
8 At the doctoral level, I attained specialization  
9 in two areas: Regulatory Economics and  
10 International Trade and Finance.

11 Most pertinent to my current role is my  
12 specialization in Regulatory Economics. That  
13 specialization required that I take numerous  
14 graduate-level courses on topics, such as Firms  
15 and Markets, Competition Policy, Regulation of  
16 Public Enterprises, Game Theory and application,  
17 and the aspects of Firm Behavior.

18 I also spent a year at the University  
19 of Guelph, where I specialized in quantitative  
20 modeling, particularly Game Theory and  
21 Econometrics.

22 Q Mr. Arif, could you please look briefly at the  
23 document that's been marked "Exhibit 6"?

24 A (Arif) Yes. That is my CV.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q Thank you. And could you please summarize your  
2 professional background prior to joining DOE,  
3 just quickly?

4 A (Arif) Prior to joining the Department of Energy,  
5 I was employed for 15 years by the Federal Public  
6 Service of Canada. In various capacities there,  
7 I worked in four separate departments and/or  
8 agencies that included the Department of  
9 Employment and Social Development, the  
10 Competition Bureau of Canada, the Department of  
11 Industry; and the Treasury Board of Canada  
12 Secretariat.

13 My past work experience that is most  
14 relevant to my current role are two. I worked at  
15 the Competition Bureau of Canada, commensurate to  
16 the Federal Trade Commission here in the United  
17 States, as an Economist in their Economic Policy  
18 and Enforcement Branch. I worked there -- my  
19 work there focused on cases related to the  
20 various provisions of the Federal Competition  
21 Act, that included, but was not limited to, civil  
22 matters, such as mergers and acquisitions and  
23 abuse of dominance. In that role, I developed  
24 the government's position on different cases

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[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 through, among other things, market studies,  
2 significant quantitative and qualitative  
3 analysis, strategy planning sessions, and  
4 developing testimonies.

5 I also worked at the Federal Department  
6 of Industry in the Marketplace Framework Policy  
7 Branch on the policy side of market regulation.  
8 There, as a Policy Analyst, I worked on a number  
9 of government initiatives, including, but not  
10 limited to, the Competition Act, the Patent Act,  
11 the Copyright Act, and the Investment Canada Act.

12 Q Mr. Arif, have you previously testified before  
13 the Public Utilities Commission here in New  
14 Hampshire?

15 A (Arif) I have not.

16 Q I would like to ask you a few questions now  
17 directed towards the Settlement Agreement that is  
18 filed in this docket. And before we turn to  
19 those more specific questions, could you look  
20 briefly at the document that's been marked  
21 "Exhibit 5" that's open on your computer?

22 A (Arif) I'm just going there. Yes, it is.

23 Q Can you identify what that document is?

24 A (Arif) Those are prefiled testimonies by, I



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 believe, consultants and former PUC Staff, before  
2 the split between the Commission and --

3 Q Thank you. Could you --

4 A (Arif) -- and Department of Energy.

5 Q Could you please summarize your role in DG  
6 17-152, this LCIRP?

7 A (Arif) As I stated earlier, I joined the  
8 Department of Energy in June of this year. So,  
9 my direct role in this docket has been quite  
10 limited. Specifically, I was involved in  
11 settlement discussions that led to the Settlement  
12 Agreement that is before the Commission today.

13 Q And that's Exhibit 12, correct, the Settlement  
14 Agreement?

15 A (Arif) Yes. I believe so.

16 Q And does the Department of Energy view the  
17 Settlement, as filed, as just, reasonable, and in  
18 the public interest?

19 A (Arif) Yes.

20 Q And why, in your opinion, is that the case?

21 A (Arif) Because the current Settlement Agreement  
22 requires the subject utility, in this case  
23 Liberty, to meet a number of recommendations, as  
24 is set out in Section 2.3 for its next LCIRP

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 submission.

2 In my opinion, and that of the  
3 Department of Energy leadership, the specificity  
4 of items Liberty is required to address will  
5 improve the LCIRP process, the quality of  
6 Liberty's next LCIRP submission, and goals of the  
7 LCIRP statutes.

8 For those reasons, the Settlement  
9 Agreement, I believe, is just, reasonable and in  
10 the public interest.

11 MS. SCHWARZER: Thank you. No further  
12 questions.

13 CHAIRMAN GOLDNER: Thank you. And,  
14 Attorney Kreis, understanding that you signed the  
15 Settlement, you probably have no questions for  
16 the witnesses, but I'd like to afford you the  
17 opportunity if you do?

18 MR. KREIS: Actually, I do have a few  
19 questions, that hopefully are aimed toward  
20 bolstering the case for approval of the  
21 Settlement Agreement. And this will just take a  
22 couple of minutes.

23 I certainly don't have any -- the  
24 Settlement itself indicates that the signatories

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 waive cross-examination on issues raised in the  
2 prefiled testimony, and I don't have any  
3 questions about any of the prefiled testimony.

4 I just have a few questions for  
5 Mr. Tilbury, though, and maybe a question or two  
6 for Ms. Dao and Mr. Perry.

7 **CROSS-EXAMINATION**

8 BY MR. KREIS:

9 Q First of all, Mr. Tilbury, in your colloquy with  
10 Attorney Sheehan, you talked about "options" that  
11 you and your colleagues at Liberty are evaluating  
12 as you work on the next Least Cost Integrated  
13 Resource Plan. Do you remember when you said  
14 that?

15 A (Tilbury) Yes, sir.

16 Q What do you mean by "options"? And here's what I  
17 specifically want to know. By "options", do you  
18 include only capital deployment options or are  
19 you talking about options in addition to  
20 investing capital?

21 A (Tilbury) Yes. When we look at our demand  
22 forecast and how to meet that demand forecast, I  
23 believe we look at all of our options and weigh  
24 all of our options to provide least cost

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 services. Whether that's a capital project, or  
2 trying to subscribe for additional capacity on a  
3 pipeline, or on-site RNG, we'll evaluate all of  
4 those and determine what's the least cost and in  
5 the best interest for reliable service to our  
6 customers.

7 Q Does that include options that might exist on the  
8 demand side of the seesaw?

9 A (Tilbury) Yes, it does. When we look at energy  
10 efficiency, or if there's new technology out  
11 there that would create better efficiencies,  
12 sure.

13 Q Indeed. And I wanted to zero in in that regard  
14 on Recommendation 1, and make sure it's clear at  
15 least what the Company thinks Recommendation 1 is  
16 all about.

17 First of all, with respect to the  
18 NHSaves Programs that are funded for gas  
19 utilities through the LDAC charge, you would  
20 agree with me, would you not, that the utilities  
21 themselves, including your company, don't place  
22 any capital at risk or don't invest any capital  
23 in energy efficiency through the NHSaves  
24 Programs?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Tilbury) I apologize. I don't know about the  
2 NHSaves Program yet.

3 Q Would you agree with me that the NHSaves Programs  
4 are limited in their scope by a statutory cap on  
5 the available funding for those programs?

6 A (Tilbury) I don't feel comfortable answering that  
7 question, because I don't, again, don't know all  
8 of the requirements around NHSaves. We do -- I  
9 have engaged our Energy Efficiency Manager in  
10 this, and had several meetings with them on what  
11 we need to do to make sure that we are compliant  
12 with Recommendation Number 1.

13 Q With respect to your understanding of  
14 recommendation under 1, it says "Evaluate energy  
15 efficiency as a potential resource alternative,  
16 incremental to any customer-funded programs  
17 offered via NHSaves." Could you elaborate on  
18 what the word "incremental" means in the context  
19 of that sentence?

20 A (Tilbury) Yes. I believe it's evaluating all  
21 energy efficiency to offset potential projects  
22 and other things that would come from growth on  
23 your system, and reviewing any sort of energy  
24 efficiency programs that would help prolong your

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 current system.

2 Q Would you agree that "incremental" means "in  
3 addition to the programs offered via NHSaves"?

4 A (Tilbury) Yes. That's how I would read that.

5 Q And would you further agree that, at least  
6 theoretically possible, that some of those  
7 incremental energy efficiency opportunities might  
8 be locationally specific, in the sense of being  
9 least cost in relation to specific supply side  
10 investments the Company might need to make in  
11 specific locations in its service territory?

12 A (Tilbury) Can you repeat that please, I'm sorry?

13 Q Well, I'm just wondering if there's any potential  
14 for energy efficiency initiatives that are  
15 incremental, within the meaning of Recommendation  
16 1, is it theoretically possible that some of  
17 those incremental opportunities could be least  
18 cost in relation to supply-side investments the  
19 Company might need to make in specific areas of  
20 its service territory, again, just theoretically?

21 A (Tilbury) Yes.

22 Q And would you agree with me, assuming, subject to  
23 check, that the resources available under NHSaves  
24 are capped by a statutory limitation, it is

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 possible, theoretically, that either programs or  
2 investments in energy efficiency could,  
3 additionally to the NHSaves Programs, be least  
4 cost in relation to other options the Company  
5 might consider?

6 A (Tilbury) Yes. I'm just thinking about that  
7 question, making sure.

8 Q Okay. Well, I'll accept "yes" as an answer.

9 A (Tilbury) Yes.

10 Q Okay. Just a question or two for Ms. Dao and  
11 Mr. Perry. And you, as between the two of you,  
12 can decide whether -- which of you answers, or  
13 both of you are willing to answer.

14 I just would like to take an  
15 opportunity to clarify what exactly  
16 ScottMadden -- ScottMadden's charge is with  
17 respect to its work for the subject utility here.  
18 And I guess I want to distinguish between  
19 drafting an LCIRP, a document, and helping the  
20 Company actually plan which options it wants to  
21 opt for in its -- as it plans what it is going to  
22 do over the period covered by the LCIRP. And I'd  
23 like to know which of those two things  
24 ScottMadden actually does for the Company?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Dao) We've help to draft the LCIRP, so  
2 developing the demand forecast, as well as  
3 compiling information that goes into the relevant  
4 sections related to the demand forecast, with  
5 respect to, you know, the Company's resource  
6 decisions, you know, if the Company were to seek,  
7 you know, guidance, in terms of, you know, how to  
8 evaluate, we can offer, based on our consulting  
9 experiences, and judgments and experience, you  
10 know, some, you know, guidance, in terms of how  
11 to analyze. And we've done that, not for this  
12 specific LCIRP, but we have done that for other  
13 LDCs.

14 Q So, your task is to help the Company draft its  
15 written Least Cost Integrated Resource Plan?

16 A (Dao) Yes. In this docket, yes.

17 Q Do you have any involvement in the actual  
18 planning decisions that the utility makes, as it  
19 evaluates which options, among those that are  
20 available, it actually pulls the trigger on?

21 A (Dao) We've provided some of the context for the  
22 regional market dynamics, so, the planning  
23 environment. So, some context with respect to  
24 the environment in which the Company plans. But



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 we did not provide specific guidance on the  
2 actual resources and supplies.

3 Q And you weren't involved in the actual  
4 decision-making, presumably?

5 A (Dao) No.

6 MR. KREIS: Thank you. Those are all  
7 the questions I have, Mr. Chairman.

8 CHAIRMAN GOLDNER: Okay. Thank you,  
9 Attorney Kreis.

10 We can move to Attorney Krakoff for  
11 cross.

12 MR. KRAKOFF: Thank you. Initially, I  
13 note that I have some questions from  
14 Mr. Hibbard's testimony. So, it will be best to  
15 wait until this afternoon to ask those questions?

16 CHAIRMAN GOLDNER: That would be fine.  
17 Thank you.

18 MR. KRAKOFF: Okay. So, I have some  
19 questions for Mr. Arif.

20 BY MR. KRAKOFF:

21 Q Mr. Arif, it says on your CV, which has been  
22 identified as "Exhibit 6", and specifically on  
23 Bates 003, that you "Provide input in developing  
24 the New Hampshire Energy Policy", is that right?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Arif) Yes. Yes.

2 Q And is that the New Hampshire Energy Strategy or  
3 is this a particular policy or just general  
4 policy?

5 A (Arif) It is one of -- it is recognizing what  
6 is -- my role is. And I am in the state of  
7 involving myself more and more into the process.

8 Q Okay. And there's no, you know, there's no  
9 specific policy in New Hampshire called the "New  
10 Hampshire Energy Policy", is there?

11 A (Arif) I am aware of a document. If you are  
12 referring to the "Energy Strategy", --

13 Q Okay.

14 A -- I am aware of that document.

15 Q Okay. So, there's not a separate document called  
16 the "New Hampshire Energy Policy", there's just  
17 the "New Hampshire Energy Strategy", is that  
18 correct?

19 A (Arif) Not that I'm aware of at this point in  
20 time.

21 Q Okay. Thank you. Now, in your role in this  
22 docket, you are familiar with the New Hampshire  
23 LCIRP statutes, specifically -- specifically, RSA  
24 378:37 through 378:39, are you not?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Arif) I have taken a read and note of that RSA.

2 Q Okay. And you'd agree that, under RSA 37 -- RSA  
3 378:37, in addition to being the state energy  
4 policy to "meet the energy needs of its citizens  
5 and businesses...at the lowest reasonable cost",  
6 it is also the state energy policy to "provide  
7 for the reliability and diversity of energy  
8 sources", correct?

9 A (Arif) Could specify the RSA one more time?

10 Q Sure. RSA 378:37.

11 MS. SCHWARZER: Just to the extent  
12 Mr. Krakoff is reading the statute, I mean,  
13 certainly, he's read it correctly, I'm not sure  
14 if there's a legal question or -- does  
15 Mr. Arif -- can he see a copy of the statute?

16 CHAIRMAN GOLDNER: Attorney Krakoff,  
17 you just read the statute, correct?

18 MR. KRAKOFF: Correct.

19 CHAIRMAN GOLDNER: Okay. So, I think  
20 it's a reading of the statute. And then, what  
21 was your question, Attorney Krakoff?

22 MR. KRAKOFF: My question was just  
23 merely an acknowledgement that that is the  
24 language of the statute.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 **BY THE WITNESS:**

2 A (Arif) And, for the purposes of my involvement  
3 into this docket, I have taken somewhat of a read  
4 of RSA 378. I believe your question is related  
5 to "RSA 377:8", is that correct?

6 BY MR. KRAKOFF:

7 Q That's "RSA 378:37".

8 MS. SCHWARZER: Mr. Chairman, if I  
9 might approach with a paper copy of that statute  
10 just for Mr. --

11 CHAIRMAN GOLDNER: Sure. Of course.  
12 Thank you.

13 MR. KRAKOFF: And I can repeat the  
14 question.

15 BY MR. KRAKOFF:

16 Q Mr. Arif, my question was simply that, in  
17 addition to it being part of the state's energy  
18 policy to meet the state's energy needs at the  
19 lowest reasonable cost, it is also one of the  
20 state's energy policies to increase the diversity  
21 and reliability of energy sources or to provide  
22 for the reliability and diversity of energy  
23 sources?

24 A (Arif) I just took a quick read. And, based on

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 the reading, I would agree with you.

2 Q Okay. Thank you. And, as the Director of the  
3 Gas Division at DOE, are you familiar with the  
4 New Hampshire 10-Year State Energy Strategy that  
5 was recently revised?

6 A (Arif) I am aware of the existence of that  
7 document.

8 Q Okay. Now, this document has been marked in the  
9 record as "Exhibit 13". So, I'm going to ask you  
10 a few questions about that document. And just  
11 please let me know once you've located that  
12 document on your computer.

13 A (Arif) Yes. I am there.

14 Q Okay. So, on Page 12, Bates Page 012 of this  
15 document, it states, at the end of that page,  
16 that "More than 80 percent of New Hampshire homes  
17 are heated by either propane, oil or natural  
18 gas." And that's the second sentence in the  
19 "Heating" section on that page there. Do you see  
20 that?

21 A (Arif) I do.

22 Q Do you have anything, you know, do you know of  
23 anything to doubt that figure, that "80 percent"  
24 of New Hampshire's heating needs comes from

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 propane, natural gas, and heating oil?

2 A (Arif) I don't.

3 Q Thank you. Now, could you look at Page 39  
4 please? Just let me know, once you've found  
5 that.

6 A (Arif) Yes, I'm there.

7 Q And that says "Fuel Diversity", correct, that  
8 section, Section 3?

9 A (Arif) That is correct.

10 Q Okay. And then, turning to Page 58, that  
11 subsection is titled "Heating", correct?

12 A (Arif) I see it.

13 Q And would you agree that that "Heating"  
14 subsection falls under the "Fuel Diversity"  
15 section of the New Hampshire State Energy  
16 Strategy?

17 A (Arif) Could you repeat your question please?

18 Q Sure. My question is simply, is there a  
19 subsection on "Heating" within the section of  
20 "Fuel Diversity" in the New Hampshire State  
21 Energy Strategy?

22 A (Arif) I believe so.

23 Q Thank you. So, based on -- based on those  
24 sections and subsections, wouldn't you agree that

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 the State Energy Strategy promotes fuel diversity  
2 for heating?

3 A (Arif) I would say that what the Energy Policy  
4 promotes are the stated goals, which are  
5 identified in Bates Page 007 of that document.

6 Q So, but even though there's a subsection on  
7 "Heating" within the section on "Fuel Diversity",  
8 you don't think that is the state's energy --  
9 part of the state's Energy Strategy to promote  
10 fuel diversity in heating?

11 A (Arif) I would respectfully repeat that what I  
12 believe, and for that of the leadership of DOE  
13 believes, in terms of the Energy Strategy are the  
14 stated goals as identified on Bates Page 007.

15 Q So, despite something being within the State  
16 Energy Strategy, your position is, unless it's  
17 one of the stated explicit goals, it's not part  
18 of the State Energy Strategy, is that what you're  
19 saying?

20 A (Arif) I wouldn't agree with that statement.

21 Q Would you agree that what's included in the State  
22 Energy Strategy is part of the State Energy  
23 Strategy?

24 A (Arif) Could you clarify your question please?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q I'm not sure what there is to clarify. My  
2 question is merely, if something is included  
3 within the State Energy Strategy, would it be  
4 fair to say that's part of the state's energy  
5 strategy?

6 A (Marx) The whole document, in its entirety,  
7 identifies the state's energy strategy.

8 Q Thank you. Now, look at Page 59. This is the  
9 third paragraph on Page 59. It states that "In  
10 some circumstances, heat pumps make sense as a  
11 replacement for high-cost carbon intensive  
12 systems." Do you see that?

13 A (Arif) I do.

14 Q And it says, moreover, "Put in the simplest  
15 terms, heat pumps function the same as an air  
16 conditioning unit works, except run in reverse.  
17 Heat pumps are very efficient and technological  
18 improvements have largely overcome the issues  
19 with keeping homes warm on the coldest days of  
20 the year." Do you see that? Is that in there?

21 A (Arif) I do.

22 Q So, would you agree that the New Hampshire State  
23 Energy Strategy recognizes that, in some  
24 circumstances, "heat pumps make sense as a



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 replacement for high-cost carbon intensive  
2 systems"?

3 MS. SCHWARZER: And, Mr. -- I'm sorry,  
4 you're quoting the document, is that correct?

5 MR. KRAKOFF: That is correct.

6 WITNESS ARIF: Could you repeat your  
7 question please?

8 BY MR. KRAKOFF:

9 Q Based on what I just read to you from Page 59 of  
10 the New Hampshire State Energy Strategy, would it  
11 be fair to -- would it be fair to say that the  
12 New Hampshire State Energy Strategy recognizes  
13 that "In some circumstances, heat pumps make  
14 sense as a replacement for high-cost carbon  
15 intensive systems"?

16 A (Arif) What I'd like to emphasize is that,  
17 reading of particular subsection does not take  
18 away the emphasis from identified goal, as  
19 identified on Bates Page 007 of this document, as  
20 the overall energy strategy for the State of New  
21 Hampshire.

22 Q Okay. I'm not asking you whether that paragraph  
23 there is a "goal", it's one of the nine or ten  
24 enumerated goals. What I'm merely asking you is

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 does it state here that "in some circumstances,  
2 heat pumps may make sense as a replacement for  
3 high-cost carbon intensive systems"?

4 A (Arif) That is the reading of that paragraph,  
5 yes.

6 Q Thank you. And then, turning to Page 21, it's  
7 the very end of Page 21 and the top of Page 22 of  
8 that strategy, beginning with "The current move  
9 toward electrification", on the page -- bottom of  
10 Page 21, it says "The current move toward  
11 electrification, replacing fossil fuels with  
12 electricity to power our economy, is gaining  
13 momentum in many aspects of our everyday lives  
14 from building comfort to transportation. It  
15 promises lower emissions of air pollutants, a  
16 more decentralized grid, greater customer choice  
17 and potential cost savings, but grid security and  
18 the pace of integration will affect how quickly  
19 and cost-effectively electrification is adopted."  
20 It states that, correct?

21 A (Arif) It does.

22 Q Would you agree, from that paragraph, which I  
23 just quoted to you, that the State Energy  
24 Strategy recognizes certain benefits associated

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 with electrification and certain instances,  
2 including building electrification?

3 A (Arif) It does recognize it. So does the reading  
4 of that particular paragraph.

5 Q And it also recognizes, in certain circumstances,  
6 that electrification can result in cost savings,  
7 right?

8 A (Arif) It would appear that way so.

9 Q Thank you. Now, this next question you may not  
10 have any knowledge of, and, you know, please just  
11 let me know if, you know, you lack any knowledge  
12 of this.

13 Now, are you aware that the recently  
14 enacted Anti-Inflation Act, which was passed two  
15 days ago, that awards \$4.275 billion to states  
16 for a high-efficiency electric home rebate  
17 program?

18 A (Arif) I am not aware.

19 Q Okay. And are you aware that this -- that this  
20 Act that was recently enacted, recently signed  
21 into law, it includes up to \$8,000 per households  
22 and grant funding for electric heat pumps for  
23 space heating or cooling?

24 A (Arif) I'm not aware.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Q Okay. And are you aware that funds are only  
2 awarded to states, under this program that was  
3 recently set up, if state energy offices develop  
4 a plan, apply for funding, and the application is  
5 approved?

6 A (Arif) I'm sorry. Unfortunately, I'm not aware.

7 Q Okay. And do you have any -- strike that.

8 MR. KRAKOFF: I have no further  
9 questions for this witness, or for the other  
10 witnesses. But would like to reserve some time  
11 to question Mr. Hibbard this afternoon.

12 CHAIRMAN GOLDNER: Okay. Very good,  
13 Mr. Krakoff. Attorney Husband?

14 MR. HUSBAND: No questions at this  
15 time. Thank you.

16 CHAIRMAN GOLDNER: Okay. Very good.  
17 Just a moment.

18 *[Chairman Goldner and Commissioner*  
19 *Simpson conferring.]*

20 CHAIRMAN GOLDNER: Okay. We'll begin  
21 with Commissioner questions from Commissioner  
22 Simpson.

23 CMSR. SIMPSON: Thank you, Mr.  
24 Chairman.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           So, I'd like to go back to Section 2.3  
2 of the Settlement Agreement, and some of the  
3 recommendations that are outlined here by the  
4 Settling Parties. And I'll ask these to the  
5 panel. Please feel free, any of the witnesses,  
6 to weigh in.

7 BY CMSR. SIMPSON:

8 Q       So, Recommendation Number 1, the Consumer  
9 Advocate had asked some questions with respect to  
10 the "incremental energy efficiency resource  
11 alternatives". Could any of you provide some  
12 examples as to what you'd view as "incremental  
13 energy efficiency alternatives" that could be  
14 included in the Company's LCIRP that are outside  
15 of the NHSaves Programs?

16 A       (Tilbury) I believe we would evaluate that as an  
17 alternative, if looking at an energy efficiency  
18 potential incremental to what it was was still  
19 the least-cost alternative. As to specifics of  
20 what that is? I don't know what that is right  
21 now.

22           But, when we're looking at least cost  
23 service to our customers, if an energy efficiency  
24 program were to reduce the need for a pipeline

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 expansion or something like that, because the  
2 customer is more efficiently using the commodity,  
3 well, then that would be something that we would  
4 put in there and evaluate.

5 Q Can you think of any system operational  
6 investments that result in the more efficient  
7 delivery of natural gas?

8 A (Tilbury) I can think of, like, on-system RNG,  
9 which would be, you know, when you move gas  
10 across an interstate pipeline, you're charged  
11 fuel and fees and stuff like that. And, so, what  
12 you're purchasing and what's delivered at the  
13 door is less than what you originally purchased.  
14 If you're looking at an on-system commodity  
15 coming onto your system, such as RNG, that  
16 becomes, you know, you're not using pipeline fuel  
17 on compression upstream of your distribution  
18 system and whatnot, and being consumed that way.  
19 It would be coming directly onto our system.  
20 And, therefore, efficiently, that would be a more  
21 efficient way of gas coming onto the system.

22 Q Okay. Thank you. And then, the second half of  
23 that recommendation "look for opportunities for  
24 Commercial and Industrial customer fuel

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 switching." Can you explain that further please?

2 A (Tilbury) I don't have enough knowledge right now  
3 with the type of commercial/industrial customers  
4 that we have currently on our system. It would  
5 be something that we would evaluate the  
6 opportunities to see if that was something that  
7 existed on our system.

8 But, right now, I don't have a great  
9 answer for you in the regards of, because I just  
10 don't know what type of industrial/commercial  
11 customers we have.

12 Q Okay. Can you comment on why, in this  
13 recommendation, the "Commercial" and "Industrial"  
14 customer types are specifically noted?

15 A (Tilbury) They're, typically, your large -- your  
16 large consumers of natural gas on your system.  
17 And, so, by looking at them, and having potential  
18 fuel-switching, you may prolong your need for  
19 system enhancements.

20 Q Okay. And can you explain the concept of  
21 "fuel-switching" in general, and how that might  
22 be in line with the Company's business practices  
23 today?

24 A (Tilbury) That's something we can take back as a

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 data request, and take a look at it and get a  
2 better answer for you.

3 Q Okay. Let's jump to Recommendation Number 2.

4 "Evaluating renewable natural gas and other  
5 non-fossil fuels as alternatives to traditional  
6 fossil fuel-based supply." Can you elaborate on  
7 the universe of possibilities of non-fossil  
8 alternatives to supply?

9 A (Tilbury) The "universe"? Are you talking about  
10 the different types of RNG that are available?

11 Q Yes.

12 A (Tilbury) Okay. Yes. I mean, so, I mean, we  
13 would evaluate landfill gas potentially,  
14 biomethane from cattle manure. There's also talk  
15 about a byproduct from, and I'm not as familiar  
16 with this one, but byproducts of wood and that  
17 process that's seen in New Hampshire. And then,  
18 we also have on here "Certified Gas" as well.

19 Those would be the ones that come to  
20 mind when I thought -- when you ask about RNG.  
21 And then, hydrogen is another part of that.

22 Q Dig in a little be more on the hydrogen aspect,  
23 if you might?

24 A (Tilbury) I think hydrogen is in the early



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 stages. And, you know, while it's on the  
2 horizon, I don't know that, to my knowledge, I  
3 don't know of any hydrogen plans at this point.

4 Q Okay. And then, with respect to "Certified Gas",  
5 in your role as the Director of Energy  
6 Procurement, can you explain the current state of  
7 Certified Gas programs, and the availability of  
8 those certifications for the fuels that you  
9 purchase today?

10 A (Tilbury) Sure. So, I've looked as Certified Gas  
11 in my previous role, prior to coming to Liberty  
12 Utilities. And worked in some regards with some  
13 of the companies that provide the certification.  
14 And, so, essentially, it's putting equipment out  
15 on the wellhead or production area, before it  
16 gets to the gathering system, to monitor  
17 emissions, and track those emissions, and have  
18 some sort of qualifying criteria that it meets,  
19 and then that would be Certified Gas,  
20 low-emission gas that you would get. We refer to  
21 it as "CLEG", or "Certified Low-Emissions Gas",  
22 here in this, as we're providing Certified Gas.

23 And have not purchased any of that, but  
24 I am aware of companies going out for RFP for

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Certified Gas. In previous roles, we've  
2 participated in that. And we were not successful  
3 in that. So, I don't know what that market  
4 entails yet. But that's my information on  
5 "Certified Gas".

6 Q And are you aware of standards in place for  
7 Certified Gas?

8 A (Tilbury) I'm not, I do not know the exact  
9 qualifications that would be what would qualify  
10 as "certified" versus "non-certified". I don't  
11 know what the limits are for emissions, if that's  
12 what you're asking.

13 Q Are you aware of whether there are -- whether  
14 standards exist? I'm not asking about the  
15 specific requirements within a standard for  
16 Certified Gas, but whether there are standards  
17 that exist to verify and back up claims of  
18 Certified Gas?

19 A (Tilbury) My understanding is "yes".

20 Q Okay. Recommendation 3: "Evaluate ways to  
21 optimize existing pipeline capacity." Can you  
22 elaborate that on a bit further? And we can --  
23 I'm really looking conceptually, it's not  
24 specific to --

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 A (Tilbury) Sure.

2 Q -- the Company's current supply portfolio or  
3 utilization of pipeline capacity, just in  
4 general.

5 A (Tilbury) I think, in general, when you're  
6 looking at a least cost integrated resource plan,  
7 you're going to evaluate your system, and to make  
8 sure that you're utilizing it as the most  
9 effective way to move the most gas across that  
10 system. You know, you're always subject to  
11 pipeline pressures, upstream pressures, delivery  
12 pressures that come to you, and your ability to  
13 take gas.

14 So, I think, when we look at our  
15 existing system, we want to make sure that we're  
16 optimizing it, and that we've checked that box,  
17 before we move on to looking at what we need to  
18 do to be able to continue to deliver reliable gas  
19 service to our customers.

20 Q Okay. Thank you. Moving to Recommendation  
21 Number 4: "Assess resources in terms of the  
22 environmental impacts by documenting the  
23 greenhouse gas impacts of evaluated resources in  
24 terms of emissions", and I believe the metric is

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 "million tons of CO2 equivalent", is that  
2 correct?

3 A (Tilbury) "MMT CO2"?

4 Q "e".

5 A (Tilbury) "e".

6 Q Is that -- am I interpreting that correctly,  
7 "million tons of CO2 equivalent"?

8 A (Tilbury) That would be my understanding, but I  
9 agree. I'm not a --

10 Q So, nobody is sure? Or, does somebody agree that  
11 that's correct? I'm just trying to understand  
12 what that unit means?

13 A (Dao) Yes. Based on my understanding, that is  
14 correct.

15 Q Okay. Can anyone elaborate on why you view that  
16 metric as relevant? Why it's included in the  
17 Settlement Agreement?

18 A (Tilbury) No. I would have to rely on who we  
19 would need to bring in for the environmental  
20 impact study.

21 Q Then, can you explain why this is included in the  
22 Settlement Agreement?

23 A (Tilbury) Because I believe it provides more  
24 clarity to the Company on what we need to provide

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 in our environmental portion of our LCIRP. But,  
2 to the extent of the units, no.

3 Q Okay. Recommendation Number 5: "Assessing  
4 public health impacts in terms of the health  
5 effects of local air quality impacts of evaluated  
6 resources by documenting sulfur oxides, nitrous  
7 oxides, and particular matter emissions  
8 projecting health impacts." And it's a similar  
9 question. Just why are those the metrics put  
10 forth in this recommendation? Just trying to  
11 understand the thinking.

12 A (Tilbury) Yes. Again, I would have to say that  
13 I'm more focused on the energy procurement side  
14 of things, as opposed to the environmental  
15 impacts. And I would be, again, looking for, as  
16 we go to address Recommendation Number 5, working  
17 with our environmental and public health side of  
18 things to make sure that we met those.

19 MR. SHEEHAN: If I may interject,  
20 Commissioner Simpson? We always have the issue  
21 of getting the right people on the stand to  
22 answer your questions, and you're seeing some  
23 limitations now.

24 I can tell you that, as a general

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 matter, we did look carefully at the Northern  
2 Working Group Report, and that's where all of  
3 this comes from. And, with general expertise or  
4 general knowledge, we thought these made sense.  
5 And, of course, I can't testify, but that's  
6 the -- that's why they're here. Why we chose  
7 this number, instead of that number, is, frankly,  
8 because the Northern group did a lot of the  
9 homework. And the benefit we saw was "here's a  
10 number that we can look at and measure and we  
11 know what we're shooting for", rather than --  
12 that has some careful work behind it.

13 CMSR. SIMPSON: Okay. So, it wasn't  
14 just from negotiations of the Settlement. You  
15 brought them in from another effort?

16 MR. KREIS: Yes. And if I might  
17 interject, with apologies to Mr. Sheehan.

18 That effort, in that other docket, was  
19 conducted with the assistance of an outside  
20 consulting firm, and was the result of a very  
21 long series of careful, deliberative,  
22 collaborative meetings. The Commission purported  
23 to reject those recommendations, or at least  
24 modify them, in its order in the Northern docket.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 It did that without conducting a hearing, without  
2 hearing from any of the people who developed  
3 those recommendations, and in a manner that  
4 really isn't authorized by statute. That's the  
5 reason I filed the rehearing motion in that  
6 docket.

7 But it's a problem here for exactly the  
8 reason that you are drawing out from the  
9 witnesses. We adopted those well-developed  
10 recommendations from that other docket and  
11 inserted them here for good reason. And I'm  
12 frustrated, because the Commission appears to be  
13 giving them the back of its hand, in another  
14 docket, in a way that is impactful in this  
15 docket.

16 MR. SHEEHAN: And the other part of our  
17 thinking was, it would make sense to have both  
18 utilities doing the same thing. And, again,  
19 relying on all that hard work, why recreate the  
20 wheel and come up with slightly numbers, we  
21 accepted those as good numbers. And the Consumer  
22 Advocate and DOE were in those conversations, we  
23 weren't. But we thought we could benefit from  
24 them and have both utilities shooting for the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 same targets.

2 CMSR. SIMPSON: Okay. Thank you.

3 BY CMSR. SIMPSON:

4 Q Moving on to Recommendation Number 6: "Assessing  
5 the economic development impacts by estimating  
6 direct, indirect and induced jobs created from a  
7 resource and the associated economic development  
8 impact."

9 So, can the witnesses explain what's  
10 intended by "indirect and induced jobs created  
11 from a resource"?

12 MR. SHEEHAN: I don't want to answer  
13 for them. If they can't, it's the same answer.  
14 These provisions were directly lifted from the  
15 Working Group Report, and, again, relying on  
16 their work.

17 For the folks who do that analysis,  
18 those are probably terms of art that make sense,  
19 and maybe Mr. Hibbard can answer some of those  
20 questions. I think he isn't in that field as  
21 well.

22 But that's, again, the source of these.  
23 And why they were included here is piggybacking  
24 on hard work by others.



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 CMSR. SIMPSON: Okay. And just for  
2 planning purposes, when will he be here this  
3 afternoon?

4 MR. SHEEHAN: He was to come at one  
5 o'clock.

6 CMSR. SIMPSON: Okay. All right.  
7 Folks can kind of see, I'm just trying to walk  
8 through these, and understand why they're present  
9 in the Settlement Agreement, and understand  
10 what's intended by each of them.

11 BY CMSR. SIMPSON:

12 Q So, Recommendation Number 7: "Expand evaluation  
13 methods to include review of environmental,  
14 public health, and economic development impacts  
15 of resource alternatives."

16 Can anyone enlighten me on possible  
17 "evaluation methods"?

18 *[Short pause.]*

19 BY CMSR. SIMPSON:

20 Q I guess I'll move on.

21 MR. SHEEHAN: Again, the thinking here  
22 is, when we're going to look at a project, we  
23 evaluate dollars cost. But this is going to say  
24 "also evaluate what are those impacts."

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           If we're going to put a -- and we don't  
2 build diesel generators, if we were going to put  
3 a diesel generator next to a school, we would  
4 evaluate not just the cost of the generator, but  
5 what impact could it have on that school when the  
6 kids play in the yard.

7           So, it's really to look at more than  
8 just putting in a 2-inch pipe versus a 4-inch  
9 pipe, you know, --

10           CMSR. SIMPSON: Uh-huh.

11           MR. SHEEHAN: As a not very good  
12 example.

13           But it's just again to look at these  
14 broader impacts, which is -- again, goes back to  
15 the statute, that says we should make assessments  
16 of environmental impacts as we make decisions.  
17 And this is putting some definitions around  
18 those, helping us better understand how to do  
19 that.

20           CMSR. SIMPSON: Okay. Thank you.

21           MS. SCHWARZER: And just a brief  
22 comment. I don't have my statute book before me  
23 either. But, I believe, when Liberty's last IRP  
24 was, prior to this one, was developed, the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 statutory language with regard to 378:39 directs  
2 the Commission to review with regard to certain  
3 categories, public health, environmental,  
4 economic. And there was some debate initially  
5 among, I believe, utilities and the Department as  
6 to whether the utilities had to provide the  
7 underlying data that would enable the Commission  
8 to make an assessment, or if the utilities were  
9 to just simply focus on the 378:37. But, again,  
10 I don't have my statute book before me.

11 But I believe one of the things this  
12 recommendation does is clearly direct the utility  
13 to consider -- to consider and provide  
14 information that would allow the Commission to  
15 make the evaluation that the Commission is  
16 requires to make in that other statutory section.

17 CMSR. SIMPSON: Okay. Thank you,  
18 Attorney Schwarzer. That's helpful.

19 MR. HUSBAND: May I interject?

20 And I'm obviously not testifying, but  
21 just I think that the Commission is concerned  
22 with basically the value of these  
23 recommendations. And, specifically, in terms of  
24 7, I would point out that, if you start placing

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1 pipelines or infrastructure in a place near a  
2 school or something that's going to cause a  
3 public outcry, there's obviously a lot money  
4 that's going to be associated with those costs  
5 for the utility.

6 So, it does make a lot of sense, in  
7 terms of saving them money, to take a look at  
8 these things up front, before they start on a  
9 project that's just going to end up being, you  
10 know, ended at some point, because of the public  
11 problems.

12 CMSR. SIMPSON: Okay. Thank you,  
13 Attorney Husband. And I would just distinguish,  
14 I'm trying to understand what the recommendations  
15 intend. That's why I'm trying to walk through  
16 them, to fully understand the salient terms in  
17 each of the recommendations. Because I'm  
18 interpreting these recommendations as an effort  
19 to provide more clarity to the Company moving  
20 forward, from the perspective of the Settling  
21 Parties, in how they may develop a thorough,  
22 robust, and ultimately successful LCIRP in the  
23 future. Is that a fair assessment?

24 MR. KREIS: Yes.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 MR. SHEEHAN: Yes.

2 MS. SCHWARZER: Yes.

3 CMSR. SIMPSON: Thank you. Okay.

4 And, for completeness, let's go through  
5 the last two.

6 [Laughter.]

7 BY CMSR. SIMPSON:

8 Q Recommendation Number 8, you mention  
9 "Non-Pipeline Alternatives". Can you explain to  
10 me what might be considered as "Non-Pipeline  
11 Alternatives"?

12 A (Tilbury) Yes. Again, here, I think energy  
13 efficiency would fall into that one as well, as a  
14 non-pipeline alternative. I think also looking  
15 at -- looking at your system and seeing if  
16 there's opportunities for on-system gas or  
17 storage potentially to come on to boost your  
18 system.

19 We know we have challenges with  
20 interstate pipelines and capacities and stuff  
21 like that. So, as we see our system grow,  
22 traditionally, looking at pipeline, increasing  
23 pipe diameter and size, this one would be where  
24 you look at opportunities maybe to boost

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 low-pressure areas of your system, allowing for  
2 the system to continue to grow and meet  
3 customers' demand.

4 Q Okay. Thank you. And then, the final  
5 recommendation, Number 9: "Incorporate new  
6 material relating to the recommendations listed  
7 above into Liberty's LCIRP document in a logical  
8 manner and look for opportunities to label  
9 narrative sections more clearly to guide the  
10 reader", or, did I read that right? Yes, "to  
11 more clearly guide the reader."

12 MR. KREIS: You could reject that on  
13 the ground that it is a split infinitive.

14 BY CMSR. SIMPSON:

15 Q So, "logical manner", what do the Settling  
16 Parties view as a "logical manner" in terms of  
17 listing recommendations into an LCIRP?

18 A (Tilbury) When I reviewed the 2017, you know, I  
19 went through it and read it prior to seeing this,  
20 and I had some questions about how it was laid  
21 out. And, as a reader from the outside, I  
22 thought that there was ways that we could also  
23 restructure how it is to help people that aren't  
24 engrained in the industry, and the acronyms, and

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1 everything like that, to allow a -- in other  
2 words, in kind of layman's terms, so that people  
3 can read it from front to back and understand it.  
4 And, so, we've been working on that.

5 So, when I saw this come out as a  
6 recommendation, and we saw this, I thought it  
7 made sense, to be honest, to incorporate that.  
8 So, that way, when people read it, it tells the  
9 story, you know. So, that's how interpreted  
10 Recommendation Number 9.

11 Q Okay.

12 A (Arif) If -- I'm sorry. Commissioner Simpson, --

13 Q Please.

14 A (Arif) -- if I may add a little bit, and being  
15 new to this whole set up, I will -- I'll put it  
16 out there first.

17 I think one of the things that is  
18 related to your question, Recommendation 7, you  
19 emphasized on "evaluation method", but there it  
20 is also written "expand evaluation method", and  
21 then "logical" -- your point here, a "logical  
22 manner". So, all of these are intended, to an  
23 extent, to make the readability and the contents  
24 as clear as possible for, hopefully, all the

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 readers, when an LCIRP has been submitted, and  
2 help, from the perspective of Department of  
3 Energy, understand it better to develop their  
4 position.

5 CMSR. SIMPSON: Thank you.

6 So, I think I will stop here and wait  
7 for the afternoon to ask any further questions to  
8 Mr. Hibbard.

9 CHAIRMAN GOLDNER: Okay.

10 CMSR. SIMPSON: Thank you.

11 CHAIRMAN GOLDNER: That sounds good.  
12 I'll just ask maybe 10 or 15 minutes' worth of  
13 questions. We can take a break, come back in the  
14 afternoon for the remaining witness, if  
15 everyone's okay with that? And I'm seeing "nods"  
16 up and down.

17 Okay. Let's see, if I boldly go  
18 forward, am I splitting my infinitive, Mr. Kreis?

19 MR. KREIS: You are not. Thank you for  
20 asking.

21 *[Laughter.]*

22 CHAIRMAN GOLDNER: All right. Very  
23 good.

24 I'll go in the same order as



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 Commissioner Simpson, with one exception. Just  
2 one thing I would say, on Recommendation 9, in  
3 the Company's next filing, I would definitely  
4 encourage an executive summary, in terms of, you  
5 know, there's hundreds of pages of documents, and  
6 all are necessary, I'm sure, but it would be very  
7 helpful to sort of see just a high-level  
8 executive summary of the key points up front.  
9 So, --

10 CMSR. SIMPSON: That's probably even  
11 helpful in petitions outside of the LCIRP.

12 CHAIRMAN GOLDNER: That could be. But  
13 these are the biggest. So, very good. That is  
14 right.

15 BY CHAIRMAN GOLDNER:

16 Q So, moving back to Number 1. So, I'll just read  
17 it back. It says "Evaluate energy efficiency as  
18 a potential resource alternative, incremental to  
19 any customer-funded programs offered via  
20 NHSaves."

21 And, Mr. Tilbury, I understand that  
22 you're relatively new. And, so, I won't -- I  
23 won't ask any detailed questions. But I would  
24 like to know, the implication of the word

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 "incremental", and this is the third time going  
2 around on the word "incremental", so you can  
3 probably sense its importance. Does that imply  
4 that there's insufficient funding in NHSaves to  
5 do energy efficiency? What's the implication of  
6 that word "incremental"?

7 A (Tilbury) The way I took that was just that we  
8 would evaluate all things, you know. And, when  
9 we look at incremental energy efficiency, if  
10 that's the least cost, then that would be  
11 something that we would present.

12 Q And this is what's baffling to me. Because  
13 NHSaves, and I would welcome comments from the  
14 parties on this, but, you know, that you're doing  
15 things, like you're insulating windows, you're  
16 doing these kinds of things. And I think, as  
17 Attorney Kreis said, there's no capital involved  
18 in NHSaves.

19 So, I kind of don't get what's going on  
20 here in Recommendation 1, given that there's no  
21 capital involved with NHSaves?

22 MR. SHEEHAN: I could jump in. The  
23 concept is that we may be able to solve a problem  
24 without capital. So, we've got a pipe brought

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1 into a neighborhood. It's not big enough. We  
2 have four more houses being built. What if we  
3 spent money insulating all those houses, so we  
4 didn't have to put in a bigger pipe, and that's  
5 less than putting in a bigger pipe.

6 This is saying we should ask that  
7 question. So, we spend 100 grand on insulating  
8 20 houses, and we don't spend a million on a new  
9 pipe. So, we would put that, that would be -- we  
10 would seek recovery of the 100 grand, it's not  
11 capital, it's an expense that we incurred to  
12 avoid a bigger cost.

13 CHAIRMAN GOLDNER: And would that be --  
14 how would that work? Being funded through  
15 NHSaves, how would that --

16 MR. SHEEHAN: The incremental piece is  
17 outside of NHSaves. It would be a project cost,  
18 just like repairing something. You know, it's a  
19 way that we could serve this.

20 Now, obviously, if that -- those houses  
21 were served through NHSaves, we wouldn't have to  
22 do that. But the "incremental" part is, NHSaves  
23 a waiting list, they haven't gotten to these  
24 customers, we can do it above and beyond.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           And on the topic, in discussions with  
2           other EE folks, the other thing they're looking  
3           at, rather than creating new programs, is just,  
4           you know, providing more funding for existing  
5           programs. All the structure is there. And,  
6           again, using insulating houses as an example, we  
7           already have all the metrics to show it's  
8           cost-effective. And, so, why not just use \$100  
9           from outside NHSaves to accomplish that goal.  
10          That's the thinking of, as I understand it,  
11          "incremental EE".

12                   CHAIRMAN GOLDNER: Okay. Mr. Kreis, I  
13           think I see you'd like to comment?

14                   MR. KREIS: Again, sorry to be making  
15           so many faces.

16                   First, I just want to clarify something  
17           I said earlier, because, Mr. Chairman, you just  
18           alluded to it. I didn't mean to suggest that  
19           there's "no capital involved in NHSaves". What I  
20           meant to say is "there's no utility capital  
21           involved in NHSaves." All the money from NHSaves  
22           comes from customers.

23                   Now, you know, customers are not  
24           business entities, or at least residential

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 customers are not. So, when I pay the System  
2 Benefits Charge or the LDAC Charge on my electric  
3 or natural gas bill, I don't book it somewhere as  
4 capital.

5 But the fact is that that money goes  
6 into energy efficiency expenditures that look  
7 like capital, right? When you weatherize a home,  
8 that is an additional capital investment in that  
9 home that increases its value, and, you know,  
10 should affect its resale value, among other  
11 things.

12 And, so, this relates back to the  
13 question that Commissioner Simpson asked earlier.  
14 He wanted the witnesses to talk about what are  
15 examples of this so-called "incremental energy  
16 efficiency". And, as Mr. Sheehan just said, it  
17 might be as simple as basically more of what  
18 NHSaves is already funding.

19 And, to give a very concrete example,  
20 this isn't testimony, this is me just alluding to  
21 things that are patent and administratively  
22 noticeable by the Commission. The requirement  
23 that the Commission has imposed via its  
24 interpretation of House Bill 549, that electric

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 savings be limited -- or, that the electric  
2 programs be limited to things that achieve 65  
3 percent electric savings, both annual and  
4 lifetime, that will mean, essentially, the end of  
5 residential weatherization programs funded by  
6 NHSaves, other than for low-income customers.

7 So, incremental energy efficiency might  
8 be that weatherization effort, that is no longer  
9 eligible for funding from NHSaves, but might be  
10 least cost in relation to other programs and  
11 investments that either an electric utility or a  
12 gas utility might undertake. And it's that  
13 incremental effort, on the demand side of the  
14 equation, that is important to be considered in  
15 the LCIRP context. That's what Recommendation 1  
16 is getting at.

17 CHAIRMAN GOLDNER: Would anyone else  
18 like to comment on Recommendation 1 or this line  
19 of questioning?

20 *[No indication given.]*

21 CHAIRMAN GOLDNER: Okay. Not so far.

22 BY CHAIRMAN GOLDNER:

23 Q Okay. I'd like to -- this was alluded to  
24 earlier, but I'd like to understand more on this,

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           what is the Company's motivation to move C&I  
2           customers away from its core business? Why would  
3           it do such a thing?

4    A       (Tilbury) I don't think it's our goal to move  
5           them away from our core business. However, I do  
6           think, you know, when you're evaluating your  
7           system and the integrity of your system, if it's  
8           growing more rapidly than your system can handle,  
9           you have to explore other options, and sometimes  
10          that would be fuel-switching or other least-cost  
11          options available. So, we would review all of  
12          those types of options when we look at that.

13                        To the extent of, do we have to put in  
14          a large diameter pipe, that's going to run ten  
15          miles, and that's going to cost a million dollars  
16          a mile, or \$10 million, or, is there an  
17          alternative that would help our system and  
18          prolong or offset that kind of project?

19    Q       How does that -- how does that work as a  
20          practice? So, you do some mathematics, we have  
21          an LCIRP, you determine that this large C&I  
22          customer, who's currently using gas, would be  
23          better served, from a least-cost perspective, to  
24          move to, let's just say, electric? How does that

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 work?

2 Do you knock on the door and say "Hey,  
3 you know, we'd like to convert you to electric,  
4 and then there's some funding"? I mean, how does  
5 it actually work? What are the mechanics?

6 A (Tilbury) Yes. To that extent, I haven't been at  
7 Liberty long enough to be able to explain all of  
8 the mechanics.

9 Q In New Mexico, how would you do it?

10 A (Tilbury) In New Mexico, we would model the  
11 system, and we would take a look at the system  
12 and we would run a hydraulic model on it, and  
13 make sure and see what we -- we plug our design  
14 day in there. We'd run our models to see where  
15 the system broke, or, if it did break, given that  
16 demand. And then, we would take a look at what  
17 we would need to do.

18 My focus on New Mexico was really on  
19 transmission pipeline. We own roughly 1,600  
20 miles of transmission pipeline. And, so, mine  
21 was getting it to the distribution centers. And,  
22 so, ours wasn't looking at switching customers  
23 from fuel-switching. Ours would have been, put  
24 pipe in the ground or compression, to be able to



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 make sure that we could get it to the  
2 distribution system, because at that point we're  
3 having a distribution issue.

4 But we did -- so, when we look at it  
5 this way, I struggle answering that, internally,  
6 how we would take a look at that, just not  
7 knowing all of our internal processes.

8 Q Yes, I think, you know, it's important to be  
9 intellectually honest as we look through the  
10 recommendations. If there's no path forward on  
11 incremental, or there's no path forward on C&I  
12 fuel-switching, then, you know, to me, it's  
13 intellectually dishonest to include those. But,  
14 if there's good reason to include them, then,  
15 certainly, the Commission would like to hear  
16 that.

17 CMSR. SIMPSON: I would ask, when the  
18 parties contemplated offering this  
19 recommendation, thinking about customer  
20 fuel-switching, is it intended that such an  
21 effort would be a permanent effort or is it for a  
22 peak event? Is it an interruption, like a demand  
23 response type of program? Just explain further  
24 what was meant.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 MR. SHEEHAN: Yes. It's the latter.  
2 And I -- you know, what's in this Agreement is  
3 what we will be doing in the future. We don't  
4 necessarily have concrete plans. But the concept  
5 is, we have that large industrial customer at the  
6 end of the line, who's about to put on a new  
7 shift and increase their load. We can't quite  
8 handle it. So, instead of, we will help you buy  
9 an electric generator to just take that peak off.  
10 You're still a customer. So, we're not losing  
11 our business. And, with decoupling, we're  
12 indifferent to how much you use. So, the  
13 fuel-switching is a way for us to help the  
14 customer keep running the second shift. We don't  
15 have to put a new pipe in to serve that customer.  
16 We are still made whole because they remain a gas  
17 customer, and, decoupling, we are allowed to  
18 recover dollars per customer. And, so, we'll  
19 sell them, maybe not more gas, but we're still  
20 okay financially.

21 So, that's the concept. A lot of  
22 existing customers are already there, and most  
23 hospitals have backup systems. And that's a ripe  
24 area for us. So, the hospital still has plenty

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 of gas, but there's a new business going in next  
2 door. Okay, let's talk to the hospital, see if  
3 we can make a firm arrangement, where they agree  
4 to switch to their alternate fuel on coldest  
5 days. And, again, that avoids having to upgrade.

6 So, those are the concepts that we are  
7 thinking of. So, we're not losing a customer,  
8 and we're either avoiding or delaying that  
9 upgraded pipe by -- it's basically "peak  
10 reduction" on the electric side. It's the same  
11 concept.

12 CHAIRMAN GOLDNER: Anything else,  
13 Commissioner Simpson?

14 CMSR. SIMPSON: I mean, this is an  
15 interesting conversation. And, on the electric  
16 side, like I can think of instances how to run  
17 the electric grid more efficiently through  
18 investment, like adding auto-transformers or  
19 something like conservation voltage reduction,  
20 where you're incrementally, in a small amount,  
21 reducing the voltage on a circuit, which  
22 subsequently reduces the power delivered, so  
23 you're running the grid more efficiently.

24 And I'm genuinely trying to understand,

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 are there analogous ways to operate the gas  
2 system more efficiently? And is that  
3 contemplated by this recommendation?

4 MR. SHEEHAN: Here, I probably can turn  
5 to Mr. Tilbury, is there, you know, can you  
6 change valves and move pipes to get the gas from  
7 Point A to B more efficiently? That's the  
8 modeling, I assume, you're referring to.

9 WITNESS TILBURY: And, to my knowledge,  
10 no. I mean, you have customer demands, you know  
11 when it sets in. You know, at four o'clock in  
12 the morning, people start waking up, and they  
13 start taking showers, their thermostats kick on,  
14 if they're programmable. You have an increased  
15 peak load during that period of time, and then  
16 people start to go to work. I mean, and then you  
17 repeat this cycle.

18 The whole design of a distribution and  
19 transmission system is to be big enough to handle  
20 that, because you know your customers don't take  
21 gas ratably all day long, they don't use the same  
22 amount of gas, you know, one MMBtu or one unit  
23 throughout the entire day.

24 So, it's not only meeting your design

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 day demand with your system, but it's also  
2 building a system that can handle those peaks and  
3 valleys and have a chance to recharge itself or  
4 rebuild that existing line back. So, by looking  
5 at this fuel-switching concept, it's allowing to  
6 take off just enough load to help your system  
7 maintain its integrity, and be able to rebuild.  
8 So, that way, in the evening, when that customer  
9 demand comes back up, you're prepared. You know,  
10 and, so, it's looking at those as alternatives to  
11 what would initially, you know, what historically  
12 has been "Let's just run a parallel line in the  
13 ground. We have more capacity now, and at X  
14 cost." And, so, I think it's comparing those.  
15 So, I think --

16 MR. KREIS: Could I just leap in?  
17 Because you're not going to hear a gas utility  
18 come in here and say this, but the Commission  
19 should be aware that, you know, when the question  
20 of "fuel-switching" comes up in an LCIRP context  
21 with a gas utility, you do have to consider  
22 electricity. Now, you know, I know that at least  
23 one of the utilities, and maybe both of them,  
24 believe that they would be exceeded the four

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 corners of their franchise if they somehow were  
2 investing in efforts to cause their customers to  
3 use electricity, you know, if they were, say,  
4 investing, helping customers deploy heat pumps in  
5 their homes. You know, there is an argument  
6 that, really, that's the electric utility's job,  
7 not the gas utility's job.

8 But, you know, it's the Commission's  
9 job, and maybe it's the state's job, to try to  
10 optimize people's use of fuel. And, you know, I  
11 know that gas utilities, in general, are looking  
12 at optimization strategies, whereby you, as a  
13 customer of this utility, might switch at  
14 different times of the day to electric heat or  
15 electric hot water, or electricity for something  
16 else that you're currently using gas for, and  
17 that that might be least cost and in the public  
18 interest generally.

19 And, you know, I don't know whether I  
20 will be able to nudge the gas utilities to look  
21 at that seriously in future LCIRPs, but I'm  
22 optimistic. I think they're educatable. And  
23 what I see, from both companies, is a willingness  
24 to think down those roads and at least consider

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 those possibilities.

2 They shouldn't have to commit to them  
3 now just by committing to these areas of inquiry  
4 in the future. But that's the basis of my  
5 enthusiasm, and that's why my signature is on the  
6 Settlement Agreement. Because these  
7 possibilities now are actually coming up for at  
8 least consideration. And, yes, we'll have lots  
9 of arguments with these utilities in the future  
10 about the extent to which they should embrace  
11 these creative alternatives. But at least  
12 they're willing to have those arguments with us,  
13 and, I presume, with you.

14 CMSR. SIMPSON: Thanks for letting me  
15 jump in, Mr. Chairman. Sorry.

16 MR. KREIS: And thank you for letting  
17 me jump in on top of everybody else jumping in.

18 CHAIRMAN GOLDNER: No worries. As long  
19 as you don't mind a late lunch.

20 BY CHAIRMAN GOLDNER:

21 Q Mr. Tilbury, I just want to -- I'm just curious  
22 from a mechanics perspective. So, you know,  
23 you're going to -- is the resistance in  
24 your pipes -- I assume that's a big issue, right?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 So, L over KA --

2 [Court reporter interruption.]

3 CHAIRMAN GOLDNER: Oh, I knew that was  
4 going to happen, Mr. Patnaude.

5 BY CHAIRMAN GOLDNER:

6 Q So, length divided by the constant times the area  
7 is the resistance of in your pipe, right? So, if  
8 you increase the diameter of your pipe, you can  
9 flow more gas through it, etcetera. So, you guys  
10 are probably -- I assume you're working on, when  
11 you're looking at your pipeline expansion, you're  
12 analyzing the diameter of your pipe to explore  
13 the resistance parameters. Or, can you maybe,  
14 just to help us understand, what you mean by  
15 "modeling" and what you're doing?

16 A (Tilbury) Well, and I -- sorry. Again, I think  
17 before you asked me what we were doing at New  
18 Mexico Gas, as opposed to what we are doing here.

19 Q If that's helpful.

20 A (Tilbury) Yes. And I think, you know, I mean, we  
21 look at a lot of different factors when we  
22 examine our systems. And I don't presume to  
23 speak for our Engineering Department and all of  
24 their practices that they do here to ensure. But



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 it is one thing that we have to look at when we  
2 are looking at a Least Cost Integrated Resource  
3 Plan is, we can get -- we have the resources to  
4 get the gas to our system, if we have the gas  
5 that can show up to our system at our doors, but,  
6 if our pipelines can't move it across that system  
7 to our customers, so, that's part of it. And  
8 that's what we do every day when we look at how  
9 we are set up, to make sure that we can feed gas  
10 to all of our customers on a daily basis.

11 And I think, to the extent of pipeline  
12 diameter and size, you also have pressure.  
13 What's your upstream pressure? How much is  
14 coming in? What's your minimum operating  
15 pressures that are -- the pipelines are feeding  
16 you? So, I think it's a complex, you know,  
17 modeling effort, when you look at your system and  
18 maintaining the integrity.

19 But, you know, for what we do here, I  
20 would have to defer that, and, you know, provide  
21 that at a later time, and engage our Engineering  
22 group to how they model and take care of things.  
23 Q No problem. Thank you. No, I think it would be  
24 helpful, under confidentiality, because I realize

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 that some of these topics are, you know, probably  
2 not best distributed widely. But, you know,  
3 knowing where the bottlenecks were, knowing what  
4 you're doing to address the bottlenecks, these  
5 kind of issues, I think, would be important for  
6 all the parties to understand under  
7 confidentiality, and, certainly, the Commission,  
8 so we can understand why you're doing what you're  
9 doing. So, I would just --

10 CHAIRMAN GOLDNER: Mr. Sheehan?

11 MR. SHEEHAN: Yes. The Commission  
12 recently has held status conferences, which I  
13 think would be a way to do this. Find the  
14 appropriate docket, maybe it's an IRP, and ask  
15 for our Engineering group to come in, and they  
16 have these fancy maps, with color-coded where the  
17 pressures are, where they're not. And they can  
18 explain "Okay, here's our problem area, and  
19 here's the plan to fix it." And, of course, as  
20 part of the IRP, what we considered before we  
21 decided to build a pipe, or we decided not to  
22 build a pipe, because we could get the big  
23 manufacturer to fuel-switch.

24 So, we'd be happy to, at your request,

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           come in and make some presentations.

2                   CHAIRMAN GOLDNER:   Okay.  I think that  
3           would be helpful.  You have the Commission's two  
4           engineers on the docket that I assume they have  
5           maybe different questions than are customary.

6                   Okay.  Very good.  Thank you.  We'll  
7           just proceed on for a little while here, and then  
8           I'll probably cut myself off and take some lunch.

9                   I know there's folks here from  
10          out-of-town and so forth.  Mr. Sheehan, when we  
11          get to lunchtime, would you like to take an hour,  
12          45 minutes?  What would be -- what would you  
13          prefer?

14                   MR. SHEEHAN:  My main preference is to  
15          make sure we finish today.  So, I think  
16          Mr. Hibbard shouldn't be too long, and I don't  
17          think there are any other witnesses.  So, I think  
18          an hour lunch would probably be accommodatable.

19                   CHAIRMAN GOLDNER:  That's fine.  And  
20          Mr. Husband, did you want to provide a witness  
21          today, or no?

22                   MR. HUSBAND:  I do not have a witness  
23          today.  I have submitted the testimony of  
24          Mr. Clark, which has been agreed to.  He really

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 doesn't have anything to add to that. And, on  
2 the Settlement Agreement itself, of course, is  
3 the response to the Settlement Agreement, which  
4 it's a pleading, it provides the evidence, it is  
5 on the record, and we would rely on that.  
6 Really, it's a recitation of what's on the  
7 record. It's not really appropriate witness  
8 testimony. It's for argument, really, which I'll  
9 do in closing argument.

10 CHAIRMAN GOLDNER: Thank you. Thank  
11 you, Attorney Husband. I appreciate that. I  
12 just wanted to check in.

13 Okay. Well, moving right along, we'll  
14 just go on for a few more minutes here, and then  
15 we'll stop.

16 BY CHAIRMAN GOLDNER:

17 Q So, we talked about Recommendation 2. I wanted  
18 to ask, and maybe it has to be in a different  
19 hearing or a different docket, but I wanted to  
20 understand the Certified Gas a little bit better.  
21 Is there a middleman in this process or is  
22 there -- is it something Liberty would do direct  
23 with a provider? And, I mean, how do you assure  
24 that this Certified Gas is the lowest cost

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 option?

2 A (Tilbury) So, I think two parts to that question.  
3 The first one is, there is a third party that  
4 usually comes in, to my understanding, that will  
5 install monitoring equipment on the wells that  
6 will provide the data on those wells. And, so,  
7 you know, we would buy gas from a producer, they  
8 would -- we would have a third party monitoring  
9 that potential gas flow coming out of there, the  
10 emissions, and certifying that it is, indeed,  
11 low-emissions gas.

12 As far as "least cost", it may not be  
13 the least cost, you know, and that's something  
14 that we would have to evaluate when we look at  
15 our resource plan, and when we go out to bid for  
16 those resources. And, so, you know,  
17 understanding that we have the obligation to  
18 provide at least cost, that it may not be the  
19 least cost, and that's something that we would  
20 have to take into consideration.

21 Q Is the Certified Gas, to your knowledge,  
22 available via pipeline or via truck, or what's  
23 the mode of transport?

24 A (Tilbury) The gas that I was looking at was via

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 pipeline.

2 Q Okay.

3 A (Tilbury) It was production gas that would have  
4 equipment installed on it. And it would be  
5 delivered into the gathering system and delivered  
6 into the interstate pipelines for delivery.

7 And they may have other ways of doing  
8 it, but that's what I was looking at previously.

9 Q And is the Certified Gas, is it something where  
10 they test their gas supply, and they say "Ah-ha,  
11 this one looks really good. This is certified.  
12 We can sell this as Certified Gas." Or, are they  
13 actually doing something to the gas? Are they  
14 cleaning it somehow?

15 A (Tilbury) My understanding is it's based on  
16 emissions of a production well that's coming up.  
17 Not necessarily cleaning the gas, but making sure  
18 that it's being produced in a way that's  
19 producing low emissions.

20 Q Okay. So, it's -- they're testing it. It comes  
21 out cleaner, but --

22 A (Tilbury) It's all going to be pipeline quality.

23 Q Okay.

24 A (Tilbury) It's pipeline quality gas that's coming

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 onto the pipe, right, it's going to have to meet  
2 the specs, the specifications of the interstate  
3 pipelines that are delivering that gas, right?

4 Q I see.

5 A (Tilbury) Really, what they're measuring, is our  
6 understanding, is any emissions that are  
7 associated with the production of that gas.

8 Q Okay. Yes, just looking at it at 10,000 feet, it  
9 seems like the gas that's being produced, it's  
10 being sold, they're cordoning off part of it and  
11 calling it "certified", probably selling it for a  
12 higher price. But, in the end, the same amount  
13 of gas is coming. So, it doesn't really change,  
14 if you look at it from a national perspective,  
15 doesn't really change the quality of the gas.  
16 It's just somebody gets to sell some of it for  
17 more?

18 A (Tilbury) Yes. I would say that it does not  
19 increase the amount of production. It's just  
20 taking wells that are either producing, or new  
21 wells, and certifying that their emissions are  
22 below a certain level when they produce that.

23 Q Okay. Thank you, sir. That's very helpful.

24 I'm going to take the bold step of

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 skipping a recommendation, and skim  
2 Recommendation 3, I think that's been fully  
3 covered. And maybe we'll just go through 4  
4 and 5, and then take a break.

5 So, Recommendation 4, I'll just read it  
6 back, was "Assess resources in terms of  
7 environmental impacts by documenting the  
8 greenhouse gas impacts of evaluated resources in  
9 terms of emissions with the CO2 created or  
10 avoided."

11 So, my question is, what would the  
12 Company do with that? So, now, it's quantified,  
13 and it's there, what do you do with it? How is  
14 that helpful, to any -- either the parties or the  
15 Commission?

16 A (Tilbury) To me, it establishes a baseline that  
17 you can go forward and compare how your -- it  
18 gives you something to evaluate, if you're not  
19 necessarily doing that already.

20 Q And let's say that you -- you draw your baseline,  
21 I understand that, and that emissions go up by 10  
22 percent next year. Then, what do you do?

23 And my questioning is not to put you on  
24 the spot. It's just to understand what's



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           actionable and what's not actionable. And, so,  
2           I'm just trying to grapple with what went in here  
3           in terms of what -- what's going on is  
4           actionable? What can be done with the data?  
5           That's the reason I'm asking.

6    A       (Tilbury) Yes. And I think that would have to be  
7           established as we go forward what that criteria  
8           would be. I mean, to establish a baseline is one  
9           thing. But, then, what is actionable or not, and  
10          how your programs are either -- well, hopefully,  
11          lowering, you know, through, you know, pipeline  
12          replacement or rebuilds and stuff like that, that  
13          you are having an effect on what your emissions  
14          are.

15   Q       And then, probably the -- let me just ask the  
16          question. So, I certainly understand leakage,  
17          and that that leakage is something that all the  
18          parties would be interested in, and lower leakage  
19          is better, and there's probably some threshold at  
20          which leakage is acceptable, and so forth. So,  
21          when you say "greenhouse gas impacts", are you  
22          talking about the gas that's burned at the  
23          residential house or at the C&I customer, or are  
24          you talking about gas leakage?

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1           And if ScottMadden would like to  
2 answer, that's fine, too. Anyone who knows the  
3 answer would be fine, or the DOE, anyone.

4           I'm just trying to understand what  
5 we're talking about in Recommendation 4.

6           MR. SHEEHAN: Well, I can offer  
7 something.

8           All of these impacts, health,  
9 environmental, the concept is, if we have two  
10 options on the table, we look at them on a number  
11 of levels; one is cost, one is environmental  
12 impact, one is health impact. And let's assume  
13 the cost is the same. Build a pipeline here or  
14 not build a pipeline, but the environmental  
15 impact is different, and that would be the  
16 tie-breaker, for lack of a better word.

17           So, it's just another nondollar cost  
18 that goes into the mix. Or you could even argue  
19 that there's a value to the health impact. That,  
20 if we have ten more asthma cases, that's a dollar  
21 amount, and that can be plugged into the  
22 cost-benefit analysis.

23           So, I think those are the concepts. I  
24 suspect Mr. Hibbard can be more eloquent on it.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 But that's -- the whole purpose of all of these  
2 is -- least cost planning is, we have options,  
3 why do we decide one instead of the other.  
4 Instead of just costs, we're looking at some of  
5 these other factors.

6 CHAIRMAN GOLDNER: So, you're -- I know  
7 you're not a witness --

8 MR. SHEEHAN: I'm not testifying.

9 CHAIRMAN GOLDNER: -- and not  
10 testifying, but it's helpful nonetheless. So,  
11 if -- so, you're suggesting it's really a  
12 project-by-project analysis. So, you are  
13 thinking about extending a pipeline. And, so,  
14 you need to look at the trade-offs. So, one of  
15 the trade-offs you look at is Recommendation 4,  
16 and that helps you decide, you know, kind of "tie  
17 goes to the runner". And, if it is a tie, then  
18 this one has a lower environmental impact. Is  
19 that --

20 MR. SHEEHAN: Yes. And the statute  
21 actually says that.

22 CHAIRMAN GOLDNER: Right.

23 MR. SHEEHAN: You know, it has the  
24 criteria of what the first tiebreaker is, which I

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 think is energy efficiency. And, obviously, the  
2 difficult part of this is "can you take this kind  
3 of balancing down to a \$200,000 project?" I  
4 don't know.

5 The last IRP, the big question was "do  
6 we build Granite Bridge or do we pay Tennessee to  
7 upgrade their pipeline?" So, those are huge  
8 projects, with differences. And, so, that was  
9 one of the things that we were asked to look at,  
10 is what are the relative environmental impacts of  
11 those two big options. So, that's the concept,  
12 and it gives us another benchmark to decide  
13 Option A or Option B.

14 CHAIRMAN GOLDNER: Thank you. And we  
15 have no physicists here today, but I always  
16 wonder if there's such a thing as tie. But  
17 that's another question for another day. Maybe  
18 we can get that in closing.

19 Okay. Very good. That is helpful, on  
20 Recommendation 4.

21 And then, a final question maybe before  
22 the break. And, I'm sorry, Mr. Sheehan, did you  
23 say "45 minutes" would be sufficient?

24 MR. SHEEHAN: I actually said "an

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 hour", but --

2 CHAIRMAN GOLDNER: No, I'm sorry. I'm  
3 sorry. I misprocessed the data. So, yes, we'll  
4 take an hour. I'll just ask one more question.

5 BY CHAIRMAN GOLDNER:

6 Q So, Recommendation 5, I won't read the whole  
7 thing -- well, I'll just read the whole thing  
8 into the record. So, "Assess public impacts in  
9 terms of the health effects of local air quality  
10 impacts of evaluated resources by documenting  
11 sulfur oxides, nitrous oxides, and particulate  
12 matter, projecting health impacts."

13 So, I think the answer to this is the  
14 same as the answer to 4, which is it establishes  
15 a baseline for this sort of project analysis, in  
16 terms of helping you determine what to do, if you  
17 have that established baseline, then it helps you  
18 decide in the event of a tie, is that -- I should  
19 probably ask the witness, I'm sorry, Mr. Sheehan.  
20 But nodding up and down is --

21 A (Tilbury) Yes.

22 Q -- that's not in the record.

23 A (Tilbury) That's my understanding.

24 Q Okay. Thank you, sir. Thank you. And I'm

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1       sorry, I want to come back to this last question  
2       on 5, and maybe I just didn't understand the  
3       answer before. But nitrous oxides, sulfur  
4       oxides, those are all from burning things. And,  
5       so, I'm just trying to understand the position,  
6       and maybe if it's a better question for the DOE,  
7       that would be helpful. But I think what we're  
8       talking about here is the distribution utility is  
9       delivering gas to the end point, that end point  
10      is getting burned, and that we're measuring the  
11      impact of those environmental effects at the end  
12      point. Is that how to read Recommendation 5?

13    A    (Arif) I would say we wanted to include this,  
14       that is a remanent of the -- as we have  
15       identified in numerous discussion today, in  
16       another docket, and we -- and there was a  
17       significant amount of work that went into. We  
18       wanted to get benefited from that work. And, if  
19       my recollection is correct, in that docket, there  
20       were examples provided, and discussion ensued,  
21       and the recommendation made their way into this  
22       docket from that one.

23                So, I don't think it's appropriate for  
24       me to say that it's at the only end-user level.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 But what it does is to put a marker to  
2 acknowledge that, in their next LCIRP filing, the  
3 Company has to take this particular impact, and  
4 question the health impact into account in  
5 providing the least-cost option for us to  
6 evaluate it.

7 Q Okay. Yes, because, clearly, these elements,  
8 SOx, NOx and particulate matter are emissions  
9 from burning something. So, really, the  
10 recommendation from the parties is to measure the  
11 gas that's distributed to the end point, and what  
12 its particular matter, SOx, and NOx are. But  
13 then, how do you know what the efficiency is of  
14 the burner?

15 I'm just trying to figure out, how do  
16 quantify this? So, you could be in a 5 percent  
17 efficient burner, you could be in a 95 percent  
18 efficient burner. Like, how do you know what  
19 this is?

20 CHAIRMAN GOLDNER: And perhaps,  
21 Attorney Sheehan, that working session is  
22 probably what I choose to be thinking about now.  
23 So, okay, I'm not trying to put anybody on the  
24 spot. I'm just trying to understand.

[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 MR. SHEEHAN: Again, I think the  
2 concept is not so much to trace the gas to the  
3 burner and measure that, but to say, if you burn  
4 natural gas, it produces X amount of these  
5 pollutants. And what if one of the options we  
6 have is energy efficiency that's not going to  
7 burn -- it's going to burn less gas. So, now,  
8 you have a delta in the emissions, it's either  
9 burning at 100 or burning 90, but the energy  
10 efficiency route is a little bit more expensive  
11 dollarwise. So, again, it gives you different  
12 ways to measure Option A to Option B.

13 To your point, all the gas is burned,  
14 and it would be a nightmare to be tracking  
15 efficiencies in that, but it's really -- this is  
16 one of many factors that may be exactly the same.  
17 We may choose between two different pipeline  
18 options that will result in the exact same amount  
19 of gas being burned, so there's no difference.  
20 Or, there may be a situation, like I said, with  
21 energy efficiency, where there could be a  
22 difference, and these emissions, which could be  
23 factored into the calculus of do we do this  
24 project or that project.



[WITNESS PANEL: Tilbury|Dao|Perry|Arif]

1 CHAIRMAN GOLDNER: Okay. Thank you,  
2 Mr. Sheehan. That's very helpful.

3 Does anybody have anything they would  
4 like to add before we move to break?

5 *[No indication given.]*

6 CHAIRMAN GOLDNER: No. Okay. Very  
7 good. Well, let's -- I'm looking at the clock,  
8 it says "12:40". So, let's return at 1:40, and  
9 resume then with Mr. Hibbard. Thank you.

10 I have a few more questions for this  
11 witness -- sorry. I have a few more questions  
12 for this group as well, but very few. Thank you.

13 (Lunch recess taken at 12:40 p.m., and  
14 the hearing resumed at 1:45 p.m.)

15 CHAIRMAN GOLDNER: Okay. We'll resume.  
16 I think Commissioner Simpson covered very well  
17 the rest of the recommendations. So, I won't ask  
18 any additional questions at this time.

19 Mr. Sheehan, would we be prepared to  
20 swear in Mr. Hibbard?

21 MR. SHEEHAN: Sure. If this group is  
22 done, we can move to that step, sure.

23 CHAIRMAN GOLDNER: I think we'd like to  
24 keep them available.

[WITNESS: Hibbard]

1 MR. SHEEHAN: Okay.

2 CHAIRMAN GOLDNER: So, how would you  
3 like to proceed?

4 MR. SHEEHAN: We could have Mr. Hibbard  
5 sit next to me and do it from there.

6 CHAIRMAN GOLDNER: That would be --  
7 that would be great. Thank you.

8 Mr. Patnaude, would you please swear in  
9 the new witness.

10 (Whereupon **Paul J. Hibbard** was duly  
11 sworn by the Court Reporter, and  
12 testified separately from the  
13 Settlement Panel of witnesses.)

14 CHAIRMAN GOLDNER: All right. Then,  
15 Mr. Sheehan, would you like to do direct, and  
16 then we'll give the parties a chance at cross?

17 MR. SHEEHAN: Sure. And understand  
18 that we did not plan to have Mr. Hibbard testify  
19 in support of the Settlement Agreement. Some of  
20 the parties asked to make him available, so, thus  
21 we're doing that. So, I will walk through the  
22 preliminaries, and then turn him over.

23 **PAUL J. HIBBARD, SWORN**

24 **DIRECT EXAMINATION**

[WITNESS: Hibbard]

1 BY MR. SHEEHAN:

2 Q Mr. Hibbard, please introduce yourself, your  
3 name, and who you work for?

4 A (Hibbard) My name is Paul Hibbard. I'm a  
5 Principle with a consulting firm called "Analysis  
6 Group", headquartered in Boston, Mass.

7 Q And, Mr. Hibbard, you authored testimony in this  
8 docket filed in the Summer of 2019, that has been  
9 marked as "Exhibit 4". And do you recall that  
10 testimony?

11 A (Hibbard) I do.

12 Q And, aside from things that may have changed due  
13 to the passage of time, do you have any  
14 corrections to that testimony?

15 A (Hibbard) I do not.

16 Q Do you adopt that testimony as your sworn  
17 testimony here today?

18 A (Hibbard) I do.

19 Q And, at the very high level, what did the Company  
20 ask you to do that's embodied in Exhibit 4?

21 A (Hibbard) The Company asked me to look at the  
22 alternatives that it presented in the Least Cost  
23 Integrated Resource Plan, and evaluate them on  
24 the basis of greenhouse gas emissions and air

[WITNESS: Hibbard]

1 pollutants.

2 Q And the options that were central to the 27  
3 IRP -- 2017 IRP were the proposed Granite Bridge  
4 Project versus the proposed expansion of the  
5 Concord Lateral, is that correct?

6 A (Hibbard) Correct. And I also compared them to a  
7 status quo.

8 Q Okay. And, since filing your testimony in the  
9 Summer of '19, have you had any involvement with  
10 this case?

11 A I have not.

12 Q And, so, I called you a couple of weeks ago,  
13 right?

14 A (Hibbard) Yes.

15 MR. SHEEHAN: Okay. That's all I have,  
16 and Mr. Hibbard is available for questioning.

17 CHAIRMAN GOLDNER: Okay. Thank you.  
18 Let's begin with, Ms. Schwarzer, do you have any  
19 questions for the witness?

20 MS. SCHWARZER: Thank you,  
21 Mr. Commissioner. No. We support the  
22 Settlement. We don't have any cross-examination  
23 for this witness.

24 CHAIRMAN GOLDNER: Okay. Mr. Kreis,

[WITNESS: Hibbard]

1 Attorney Kreis?

2 MR. KREIS: Ditto for the OCA. No  
3 questions for this witness.

4 CHAIRMAN GOLDNER: Okay. Very good.  
5 Attorney Krakoff?

6 MR. KRAKOFF: Yes. I'd like to ask  
7 some questions of this witness. Thank you.

8 Mr. Hibbard, I have some fairly general  
9 questions about your testimony today.

10 **CROSS-EXAMINATION**

11 BY MR. KRAKOFF:

12 Q So, if I understand correctly, the purpose of  
13 your direct testimony was to provide additional  
14 analysis of the environmental and public health  
15 impacts of Liberty's preferred resource  
16 alternatives, as required under RSA 378:38 and  
17 RSA 378:39. Is that an accurate statement?

18 A (Hibbard) Yes.

19 Q And this included an analysis pursuant to RSA  
20 378:38, which requires "an assessment of the  
21 plan's long- and short-term environmental...  
22 impact on the state", right?

23 A (Hibbard) That sounds right, yes.

24 Q Okay. And then, this also included analysis

[WITNESS: Hibbard]

1           pursuant to RSA 378:39, that states "In deciding  
2           whether to approve a plan, the Commission shall  
3           consider potential environmental, economic, and  
4           health-related impacts of each proposed option."

5           Is that right, too?

6   A       (Hibbard) Correct.

7   Q       Okay. And then, I have a question about Page 12,  
8           that's been marked as Bates Page "016" of your  
9           testimony. Is it correct that you -- and I can  
10          identify it for you. I guess, the second -- the  
11          second sentence there, you mention "Section  
12          378:38 and 378:39". And you wrote "The sections"  
13          -- or, you testified, "The sections apply to both  
14          electric and natural gas utilities, and need to  
15          be interpreted and applied by the Commission on a  
16          case-by-case basis." Is that correct?

17   A       (Hibbard) That sounds familiar. Can you point me  
18          to the page again? I apologize.

19   Q       Sure. It's Exhibit 4, what's been marked as  
20          Bates "016". And it's the -- yes, the very  
21          first -- or, sorry, the second sentence on that  
22          page. Just where it begins with "The sections  
23          apply to both electric and natural gas  
24          utilities."

[WITNESS: Hibbard]

1 A (Hibbard) I see that. Yup. That's accurate.

2 Q Okay. So, would it be fair to say that the  
3 statutory requirements of RSA 378:38 and RSA  
4 378:39 guided your testimony on the public health  
5 and environmental impacts of the Liberty Plan?

6 A (Hibbard) They were certainly the impetus for my  
7 analysis.

8 Q Okay. Now, as part of your analysis of the  
9 public health and environmental impacts of  
10 Liberty's Plan, I want to draw your attention to  
11 what's been marked as Bates Page "026" of your  
12 testimony, your direct testimony, that's  
13 Exhibit 4.

14 It's really that last paragraph which I  
15 want to ask you about. It begins with "The  
16 service needs". You see that paragraph,  
17 Mr. Hibbard?

18 A (Normand) I do. Yes.

19 Q So, you testified that "The service needs of New  
20 Hampshire's residential, commercial, and  
21 industrial customers require consumption of oil,  
22 propane, natural gas, biomass, or electricity.  
23 The use of such fuels, in turn, leads to  
24 emissions that affect public health and the

[WITNESS: Hibbard]

1 environment within New Hampshire (with associated  
2 costs to the state and its residents), and  
3 contribute to the risks associated with climate  
4 change due to emissions of greenhouse gases."

5 You wrote -- you testified to that, correct?

6 A (Hibbard) Say that again? I'm sorry.

7 Q Was that part of your testimony?

8 A (Hibbard) Yes.

9 Q Okay. And that, on the next page as part of your  
10 testimony, your analysis of these environmental  
11 and public health impacts, you say that, on Bates  
12 Page 027, and this is, I think, the fourth -- the  
13 fourth sentence on that page. So, it's Lines 5  
14 and 6 on Bates 027, you testified that "CO2 (and  
15 other GHGs involved in energy production and use,  
16 such as methane) contribute to the risks  
17 associated with climate change." That's what --  
18 that's what you testified, correct?

19 A (Hibbard) Correct.

20 Q And then, on Page -- Bates 029, Lines 1 and 2,  
21 very first -- the very first sentence, you stated  
22 "Emissions of greenhouse gases contribute to the  
23 social, economic, and environmental risks  
24 associated with climate change." Is that what



[WITNESS: Hibbard]

1           you said?

2   A       (Hibbard) Yes.   That's correct.

3   Q       So, based on these last three statements in your  
4           testimony, would it be fair to say that you would  
5           agree that climate change poses a threat to New  
6           Hampshire?

7   A       (Hibbard) I agree.   Yes.

8   Q       And, so, your analysis of the environmental  
9           impacts conducted pursuant to those LCIRP  
10          statutes, which we just discussed, that included  
11          an analysis of the greenhouse gas emissions  
12          resulting from Liberty's preferred resource  
13          alternatives?

14   A       (Hibbard) Yes.   It included an analysis of  
15          impacts associated with greenhouse gas emissions.

16   Q       Thanks.   Now, regarding the public health  
17          impacts, looking back at Bates Page 20 -- I'm  
18          sorry, Bates Page 027, and this is Lines 3  
19          through 5, you testified that "Meeting customer  
20          service needs can result in local and regional  
21          health impacts.   This is because the combustion  
22          of fuel to meet home and business heating (and  
23          other service needs) is a source of harmful  
24          pollutants, including NOx, SO2, PM, Hg, and CO2."

[WITNESS: Hibbard]

1 Did you not?

2 A (Hibbard) That's accurate.

3 Q Okay. And could you just inform the Commission  
4 here what "NOx", "SO2", "PM", and "Hg", what they  
5 stand for?

6 A (Hibbard) "NOx" is "nitrogen oxides", "SO2" is  
7 "sulfur dioxide", "PM" is "particulate matter",  
8 and "Hg" is "mercury".

9 Q Thank you. And then, in the last sentence in  
10 that paragraph, still on Bates 027, this is  
11 following that previous sentence about "CO2", you  
12 stated that "The rest", this is at Lines 7  
13 through 9, you stated that "The rest of the  
14 pollutants can have local and regional impacts,  
15 and can lead to or exacerbate premature deaths,  
16 asthma, and other major health problems for the  
17 state's residents." Did you testify to that?

18 A (Hibbard) Yup. Yes.

19 Q And, so, when you analyzed the public health  
20 impacts and the environmental impacts, pursuant  
21 to the LCIRP statutes, that included an analysis  
22 of the impacts from the combustion of natural gas  
23 sold by Liberty, correct?

24 A (Hibbard) I analyzed both the combustion and the

[WITNESS: Hibbard]

1 upstream emissions associated with each of the  
2 fuels.

3 Q So, when you conducted your analysis, you thought  
4 that the -- the analysis of emissions resulting  
5 from combustion was germane to your analysis  
6 under the statutes?

7 A (Hibbard) In order to compare the different  
8 options, and compare them to the status quo,  
9 which includes either burning gas for home  
10 heating and other service needs, or, burning oil  
11 or wood or propane, I think it was important to  
12 be able to compare the impacts of all of those  
13 fuels across all of the pollutants we've been  
14 discussing.

15 Q And including combustion, right?

16 A (Hibbard) Including combustion, for the analysis,  
17 comparing it to the status quo.

18 Q Thank you.

19 A (Hibbard) If I were just comparing the gas  
20 options, the Concord Lateral or the Granite  
21 Bridge, then it wouldn't -- you would essentially  
22 the same combustion impacts of those two  
23 alternatives.

24 Q And you thought that --

[WITNESS: Hibbard]

1 MR. KRAKOFF: I have no further  
2 questions. Thank you.

3 CHAIRMAN GOLDNER: Okay. Thank you.  
4 Attorney Husband.

5 MR. HUSBAND: Thank you, Chairman  
6 Goldner.

7 Good afternoon, Mr. Hibbard. I'm  
8 Attorney Richard Husband. I'm here with my  
9 client, Terry Clark.

10 WITNESS HIBBARD: Good afternoon.

11 BY MR. HUSBAND:

12 Q We'll stick with the same exhibit, same Exhibit 4  
13 please. Would you turn to Page 53, the Bates  
14 number 053 of Exhibit 4?

15 A (Hibbard) I'm there.

16 Q Okay. Would you please take a look at Table 5,  
17 and tell me if this provides the greenhouse gas  
18 emissions analysis that you just testified to  
19 Attorney Krakoff about?

20 A (Hibbard) Table 5 represents the aggregate  
21 cumulative emission estimates over the long term,  
22 for each of the options that I evaluated.

23 Q And the "long term" under this estimate is 20  
24 years, correct?

[WITNESS: Hibbard]

1 A (Hibbard) Correct.

2 Q This is a 20-year emissions estimate that you  
3 provided?

4 A (Hibbard) Correct.

5 Q And, looking at the figures in Table 5, can you  
6 tell me what the projected decrease in emissions  
7 would be from using the Concord Lateral option,  
8 as opposed to the status quo, over the 20-year  
9 period?

10 A (Hibbard) I'm sorry, Mr. Husband. For which  
11 pollutants?

12 Q If you were -- I'm sorry. If you're looking at  
13 Table 5, if you wanted to calculate the actual  
14 percentage of decrease in emissions that would be  
15 achieved using the Concord Lateral option, as  
16 opposed to maintaining the status quo, how would  
17 you do that?

18 A (Hibbard) For any of these pollutants, you would  
19 take --

20 Q Well, looking specifically at Table 5, and  
21 focusing on the CO --

22 A (Hibbard) CO2.

23 Q -- CO2 emissions at the bottom?

24 A (Hibbard) Okay. So, you would take the value for

[WITNESS: Hibbard]

1 the status quo, which is "5,558,784" tons CO2  
2 equivalent, and you would subtract from that the  
3 Concord Lateral option quantity, which is  
4 "4,126,312" tons.

5 Q Do you have a calculator with you?

6 A (Hibbard) There's probably one on my phone.  
7 Probably be faster if someone has a calculator  
8 open, but --

9 Q Well, I would like you to please run us through  
10 the analysis and tell us what the final  
11 percentage of reduction would be?

12 *[Short pause.]*

13 **BY THE WITNESS:**

14 A (Hibbard) What I get is 1,432,472 tons of CO2  
15 equivalent as the difference between the status  
16 quo and the Concord Lateral.

17 BY MR. HUSBAND:

18 Q Okay. And taking that figure, would you tell me  
19 what the percentage increase -- percentage  
20 decrease in emissions would be from using the  
21 Concord Lateral, as opposed to the status quo?

22 *[Short pause.]*

23 **BY THE WITNESS:**

24 A (Hibbard) Subject to verification, I think it

[WITNESS: Hibbard]

1 looks like approximately 26 percent.

2 BY MR. HUSBAND:

3 Q I'll represent to you, I came up with about 25.7  
4 percent, does that sound right?

5 A (Hibbard) Yes. I rounded up.

6 Q Okay. And this is pursuant to what GWP, Global  
7 Warming Potential, did you use for methane in  
8 making these calculations?

9 A (Hibbard) In this case, I used, I believe, the  
10 100-year Global Warming Potential for methane.

11 Q And that would be a GWP of 25, correct, that you  
12 used?

13 A (Hibbard) To my recollection, that's --

14 Q Yes.

15 A (Hibbard) -- that sounds correct.

16 Q All right. And I'm sorry, let me -- I lost my  
17 questions here.

18 Why did you consider it proper to use  
19 the 100-year GWP for your analysis, instead of a  
20 20-year GWP, even though you were doing a 20-year  
21 analysis?

22 A (Hibbard) It represents the -- the 100-year GWP  
23 is, at the time I was doing the analysis, was the  
24 one most often used in regulatory settings.

[WITNESS: Hibbard]

1 Q Let me back up a little. Were you aware of  
2 20-year GWPs for methane at the time you did this  
3 analysis?

4 A (Hibbard) Yes.

5 Q Okay. And, even though you were doing an  
6 analysis for a 20-year period, and you had a  
7 20-year GWP for methane before you, you thought  
8 it was inappropriate to use that, because you  
9 were doing a regulatory analysis, is that  
10 correct?

11 A (Hibbard) No, no. I don't think there's a  
12 correlation between the number of years that I  
13 was analyzing emission reductions for, which is  
14 the 20 years, and what the right number --  
15 whether you're doing a 5-year or a 20-year or  
16 100-year analysis of CO2 equivalent emissions, of  
17 methane emissions, regardless of the term of the  
18 number of years of emissions you're analyzing,  
19 you have to pick a Global Warming Potential.

20 And the Global Warming Potential most  
21 often used, regardless of the timeframe of  
22 analysis done in regulatory settings was the --  
23 was the 100-year number. So, that's why I used  
24 it.

{DG 17-152} {08-18-22}



[WITNESS: Hibbard]

1           And, as I think I responded in one of  
2           the discovery requests, you can do the analysis  
3           using the 20-year, and I think I provided that  
4           analysis as well.

5   Q       Right. But, if you're talking about doing a  
6           20-year analysis, why do you consider it would be  
7           more appropriate to use a 100-year GWP, which is  
8           84, instead of the -- I'm sorry, strike that.

9           I understand that a 100-year analysis  
10          is most often used with a regulatory review. But  
11          why, when you were doing a specific 20-year  
12          analysis, and you have a 20-year GWP that you  
13          could apply, which is fair different and would  
14          provide a different result than a 100-year GWP,  
15          would you go with the 100-year GWP?

16   A       (Hibbard) Again, there's no -- the fact that --  
17          the 20-year analysis is looking at what are  
18          methane emissions over 20 years. It's the time  
19          period of when the emissions are happening.

20          The GWP factor you use isn't  
21          necessarily related to the timeframe of the  
22          quantity of emissions that you're calculating  
23          for. So, it's not -- that's not a -- that's like  
24          not a causal link between the two. Regardless of

[WITNESS: Hibbard]

1           whether you're doing a 100-year -- 100 years of  
2           emissions, 20 years of emissions, or 5 years of  
3           emissions, you still have to make the decision  
4           "Am I going to use the 20-year Global Warming  
5           Potential or the 100-year Global Warming  
6           Potential of methane?" And regulatory agencies  
7           have used both, regardless of the time period of  
8           the emissions that are being studied. So,  
9           there's no -- there's no reason, if I'm doing a  
10          20-year analysis that you would use the 20-year  
11          number.

12                        Now, as I said in my discovery  
13          response, I'm well aware that there's a huge  
14          amount of debate on what the proper number is to  
15          use for methane. And the only reason I selected  
16          that one in my direct testimony was because  
17          that's the one that the New Hampshire Department  
18          of Environmental Services, EPA, and, at the time,  
19          the IPCC were recommending as the appropriate  
20          number to use for regulatory analysis. It was  
21          nothing more than that. So, in response to  
22          discovery requests, I provided the numbers using  
23          the alternative value.

24                        And I don't agree with your

[WITNESS: Hibbard]

1           characterization. I actually think it doesn't  
2           change my conclusions to use the 20-year number,  
3           as opposed to the 100-year number. It changes  
4           quantitatively what the numbers are, I agree with  
5           that. But it doesn't -- it didn't change my  
6           opinion.

7   Q       And that's all I said. It would result in a  
8           vastly different number, --

9   A       (Hibbard) I would not --

10  Q       -- would it not, if you used a 20-year versus a  
11           100-year GWP?

12  A       (Hibbard) I wouldn't say "vastly". It leads to a  
13           different number.

14  Q       Well, you did -- you did the calculations in this  
15           case for a 20-year GWP, and we'll get to that in  
16           a minute. But let's still stay on why you chose  
17           the 100-year GWP in this case.

18                        Would you agree that there is only one  
19           appropriate GWP that applies to the impact of  
20           methane emissions released over a 20-year period,  
21           it's either going to 84 or 25, not both?

22  A       (Hibbard) No, I wouldn't. You know, I'm not a  
23           climate scientist. So, it's not -- I realize  
24           there's a very large amount of debate regarding

[WITNESS: Hibbard]

1           what is the appropriate methane number to use.

2   Q       But I picked the 84 GWP, because that reflects  
3           the global warming impact during that first  
4           20-year period, it's 84 times more than carbon  
5           dioxide, correct?

6   A       (Hibbard) Say that again?

7   Q       Isn't the 20-year GWP of 84 reflective of the  
8           fact that, during that first 20 years of release  
9           of methane, it has 84 times more the global  
10          warming impact of carbon dioxide?

11   A       (Hibbard) That's a, you know, a roughly accurate  
12          way of saying what the Global Warming Potential  
13          factor is.

14   Q       Yes. And the 25 GWP for a 100-year period  
15          reflects that the Global Warming Potential for  
16          methane release is spread out over a 100-year  
17          period, evens out or averages out to 25, is that  
18          correct?

19   A       (Hibbard) It means that, if you looked at -- if  
20          you compared the global warming impact of one ton  
21          of methane to one ton of CO<sub>2</sub>, and you looked at  
22          that global warming over a 100-year period,  
23          that's the relationship between the two.

24   Q       Over a 100-year period?

[WITNESS: Hibbard]

1 A (Hibbard) Over a 100-year period, yes.

2 Q Right. But, over a 20-year period, the  
3 relationship would be 84 to 1?

4 A (Hibbard) That's what I understand that means,  
5 yes. But that doesn't --

6 Q Okay. Thank you.

7 A (Hibbard) I mean, what you're leaving out is  
8 what's the additional global warming impact from  
9 year 20 to year 100, relatively --

10 Q And that wasn't in your analysis.

11 A (Hibbard) -- relatively between the two  
12 pollutants.

13 Q But that wasn't in your analysis, was it? You  
14 weren't evaluating years 20 to 100 in your  
15 analysis?

16 A (Hibbard) No. I was evaluating 20 years of  
17 emissions. So, in year 20, when methane is  
18 emitted, it still has a global warming impact --  
19 well, it has a global warming impact for at least  
20 20 years beyond that. Carbon dioxide, in year  
21 20, has a global warming impact for 100 years, on  
22 average, beyond that.

23 So, the 20 years is one of the years  
24 where there are emissions that I'm comparing.

[WITNESS: Hibbard]

1           The selection of 20 versus 100-year Global  
2           Warming Potential for methane is just a different  
3           measure of over what time these pollutants have  
4           impacts over a much longer period of time than  
5           just when the emissions happen. And, so,  
6           that's -- there's no -- that's why I'm saying,  
7           there's no relationship between analyzing 20  
8           years of emissions and selecting the Global  
9           Warming Potential number.

10    Q       Well, the GWP for 100- and 20-year use reflect  
11       two different ways of analyzing the emissions,  
12       either over a 20-year or 100-year period. But  
13       they aren't reflective of two identical GWPs that  
14       methane releases can have at one point in time,  
15       especially during the first 20 years, are they?

16    A       (Hibbard) I didn't understand the question.

17                   MR. HUSBAND: Can you read it back to  
18                   him?

19                   MR. PATNAUDE: No.

20                   MR. HUSBAND: No? Okay.

21    **BY THE WITNESS:**

22    A       (Hibbard) Well, I'll restate what I think you  
23       asked. I think you're suggesting that "the  
24       20-year analysis should use a 20-year Global

[WITNESS: Hibbard]

1           Warming Potential." And I'm saying there's no  
2           relation there. The decision about what  
3           potential to use is related to over what time  
4           period are you comparing the impacts of  
5           emissions.

6 BY MR. HUSBAND:

7 Q       And you were using a 20-year analysis. So, why  
8       wouldn't you use the 20-year?

9 A       (Hibbard) No. I was analyzing the emissions that  
10       occur over 20 years. And what I was trying to  
11       characterize is the total global warming impacts  
12       of the pollutants. And I --

13 Q       Well, there's -- there's only one 20-year global  
14       warming impact for methane, right, and it's 84?

15 A       (Hibbard) Scientists estimate that the Global  
16       Warming Potential of methane, compared to carbon  
17       dioxide, if you -- if a ton were emitted in year  
18       one, and you looked at the global warming impact  
19       of a ton of methane and a ton of carbon dioxide,  
20       every single year, when you emit carbon dioxide  
21       in year one, it has impacts in year one, year  
22       two, year three, out to year 100. And methane,  
23       it's the same thing. One ton emitted in year one  
24       doesn't only warm the planet in year one, it

[WITNESS: Hibbard]

1           warms it over some time period. So, the Global  
2           Warming Potential is comparing that.

3                       When you compare that, because methane  
4           is shorter lived in the atmosphere, it's going to  
5           have a higher Global Warming Potential the  
6           shorter the time period is. So, it doesn't have  
7           to be either 20 or 100, it can be 30, 40, 50, or  
8           60.

9                       But the reason that -- the reason I  
10          selected the one I did is because, in regulatory  
11          settings, that has been the number that's  
12          particularly used for evaluating public policies  
13          related to greenhouse gas emissions.

14    Q       All right. If you were doing an analysis for a  
15       20-year emissions impact of methane, other than  
16       for a regulatory review, would you use a 20-year  
17       GWP for methane?

18    A       (Hibbard) You know, again, I'm not testifying on  
19       which is the correct one to use. I understand  
20       that there's debate in the literature. And I  
21       looked at it. And I understand why --

22    Q       I asked you a question, sir.

23    A       (Hibbard) If you give me a minute, I'll answer  
24       it.



[WITNESS: Hibbard]

1                   *[Multiple parties speaking at the*  
2                   *same time.]*

3 BY MR. HUSBAND:

4 Q     It's a very specific question, sir.

5                   CHAIRMAN GOLDNER:   Excuse me, Mr.  
6     Husband.   The Commission is very interested in  
7     the witness's response.

8                   MR. HUSBAND:   Okay.

9                   CHAIRMAN GOLDNER:   So, if you could  
10    please allow him to answer, that would be helpful  
11    to us.   Thank you.

12                  WITNESS HIBBARD:   Now I forget what I  
13    was answering.

14 BY MR. HUSBAND:

15 Q     Well, my question again.   If you were going to do  
16     a 20-year analysis of the Global Warming  
17     Potential methane impact for anything other than  
18     regulatory review, wouldn't you use a 20-year  
19     GWP?

20 A     (Hibbard) No, I wouldn't come to that conclusion.  
21     I think the -- let me try again.   My  
22     understanding of the debate is, let's just say  
23     we're only comparing emission of -- today, for  
24     today, one ton of carbon dioxide versus one ton

[WITNESS: Hibbard]

1 of methane. So, they go into the atmosphere.  
2 That one ton of carbon dioxide, on average, will  
3 warm the planet every year for the next 100  
4 years, or 120 years, something like that.  
5 Methane will warm the planet only for about 20  
6 years or 30 years. And, so, the purpose of a  
7 Global Warming Potential is to say "what is the  
8 total lifetime damage associated with that  
9 emission?" And, so, how do you, on an  
10 apples-to-apples basis, compare methane and  
11 carbon dioxide?

12 The debate in the scientific community  
13 is "what is the right number to use?" Do we --  
14 when we're deciding on policy, do we want to make  
15 our policy decisions based on damages that occur  
16 over 100 years? Or, do we only want to base our  
17 decision on damages that occur just for the next  
18 20 years? And, so, that's why I'm saying "it's  
19 apples-to-oranges". The fact that I'm using 20  
20 years of emissions, doesn't mean I should use a  
21 20-year Global Warming Potential for methane.

22 Q But, if you wanted to use something that  
23 reflected the actual 20-year impact of methane,  
24 you would use the 20-year GWP?

[WITNESS: Hibbard]

1 A (Hibbard) If someone said to me "we want to know  
2 what the global warming impact is of carbon  
3 dioxide versus methane over just the next 20  
4 years?" Then, the right number to use would be  
5 the 20-year, the 20-year Global Warming Potential  
6 number.

7 But, again, that's not -- it has  
8 nothing to do with the 20-year analysis I did in  
9 my study, which was an analysis of "what are the  
10 emissions over 20 years?"

11 Q All right. Will you please take a look at  
12 Exhibit 14.

13 MR. SHEEHAN: I can pull it up for you.

14 BY MR. HUSBAND:

15 Q And, after you've had a minute to take a look at  
16 this, is this the 20-year analysis that we've  
17 been talking about that you did?

18 A (Hibbard) This looks like the discovery response  
19 that I was referring to earlier.

20 Q All right. Now, turning to Sensitivity Figure 3,  
21 I believe that reflects the 20-year GWP analysis,  
22 correct?

23 A (Hibbard) This is -- these are the values, if  
24 using a Global Warming Potential of 84 for

[WITNESS: Hibbard]

1 methane. Yes.

2 Q All right. And, so, to derive the percentage in  
3 reduction, under the GWP of 84, would you please  
4 run me through the same analysis as to what that  
5 would be, using this Sensitivity Table 2, I  
6 guess, right?

7 MR. SHEEHAN: And, if I may, if  
8 Mr. Husband has already done the math, maybe he  
9 can offer it, and my client can answer that it  
10 may be reasonable or not.

11 MR. HUSBAND: I don't have it handy.

12 BY MR. HUSBAND:

13 Q But, well, let me just ask you, it's the same  
14 thing, right? Excuse me.

15 A (Hibbard) It would be the same process.

16 Q Right. You start with the --

17 A (Hibbard) You start with the same numbers, then  
18 divided by the original number, and you get  
19 roughly a percentage. Right.

20 Q All right. And, if I represent that I came out  
21 with a number of 11.something, would that seem  
22 accurate to you? 11.something percent?

23 A (Hibbard) That looks like that's probably in the  
24 right ballpark.

[WITNESS: Hibbard]

1 Q All right. Thanks. Are you familiar with the  
2 IPCC's goals, the Intergovernmental Panel on  
3 Climate Change goals, specifically in terms of  
4 emissions reductions?

5 A (Hibbard) I'm not sure which goals you're  
6 referring to, which IPCC report. I've read IPCC  
7 reports. And I know that they express  
8 preferences for how quickly and by how much  
9 greenhouse gases need to be reduced to avoid  
10 certain levels of impact on the climate.

11 So, if that's what you're referring to,  
12 I'm aware generally of those reports.

13 Q That there has to be a 43 percent reduction in  
14 greenhouse gas emissions, as well as a one-third  
15 reduction in methane use by 2030. Are you aware  
16 of those goals?

17 A (Hibbard) Not off the top of my head.

18 Q And are you aware of the 2050 net zero goal, net  
19 zero emissions?

20 A (Hibbard) Well, not specifically. But I'm  
21 definitely aware that the IPCC does recommend  
22 getting to net zero CO2 emissions globally by  
23 2050, in order to avoid exceeding certain levels  
24 of temperature increase.

[WITNESS: Hibbard]

1 Q Looking at Exhibit 14 again then, back on the  
2 Sensitivity Table 2, and the 11 percent reduction  
3 figure that we agree would be the reductions,  
4 11 percent reduction over a 20-year period using  
5 a GWP of 84. And I represent that would be an  
6 Exhibit 11 percent reduction, and you indicated  
7 that that sounded right to you, correct?

8 A (Hibbard) Correct.

9 Q Is that 11 percent reduction consistent with IPCC  
10 emission reduction goals, as you know them?

11 A (Hibbard) I wouldn't compare them that way.

12 Q What do you mean you wouldn't compare them that  
13 way? Can you elaborate please?

14 A (Hibbard) The IPCC focuses on total global  
15 emissions of greenhouse gases. What I'm doing in  
16 this analysis is comparing three alternatives.  
17 Status quo, where emissions would be associated  
18 with the burning of oil, propane, wood, and then  
19 the Concord Lateral and the Granite Bridge  
20 Option. So, it's a comparison of three  
21 alternatives that were discussed in the Company's  
22 LCIRP.

23 It's not -- I don't think this reflects  
24 an effort to achieve any sort of particular

[WITNESS: Hibbard]

1 emissions standard. The point of the analysis is  
2 to demonstrate that, of these three alternatives,  
3 the lowest possible outcome was Granite Bridge.  
4 And, under the Concord Lateral option, you would  
5 end up with lower greenhouse gas emissions than  
6 under the status quo option.

7 Q No, I understand that. I'm not asking if that  
8 was the point of your analysis. I'm simply  
9 asking, is an 11 percent reduction in greenhouse  
10 gas emissions over a 20-year period, starting  
11 2019 to 2039, is that consistent with IPCC  
12 emission goals?

13 A (Hibbard) It may be. We're looking at a very  
14 specific sector and a specific location. The  
15 IPCC goals and recommendations are related to  
16 global greenhouse gas emissions, it's not  
17 emissions for a particular sector.

18 Q You're just not familiar enough, really, with the  
19 IPCC goals to make --

20 A (Hibbard) No. That's not what I said. What I  
21 was saying is that the IPCC goals are -- or,  
22 recommendations relate to total global emissions  
23 of greenhouse gases. They don't have  
24 recommendations about what reductions need to be

[WITNESS: Hibbard]

1           achieved in any individual sector. Whether it be  
2           heating, electricity generation, and industry.

3                        So, they're not -- there's no relation  
4           between the percent reduction you're providing  
5           here and the IPCC goals.

6   Q       But, if a utility wanted to be supportive of IPCC  
7           goals, would it not run its business in a manner  
8           that achieves the same emission reductions as the  
9           IPCC goals?

10  A       (Hibbard) I wouldn't draw that conclusion.

11  Q       Did you use roughly, if you recall at this point,  
12           a 3 percent renewable rate for all of your  
13           emissions calculations?

14  A       (Hibbard) I'm not sure.

15  Q       You can't remember at this point?

16  A       (Hibbard) Yes, I can't. It's been a while.

17  Q       It's so deeply buried in there, I don't even want  
18           to go back and try to find it. So, I'll skip  
19           that question.

20  A       (Hibbard) Okay.

21                        MR. HUSBAND: I have no further  
22           questions. Thank you.

23                        CHAIRMAN GOLDNER: Thank you. We'll  
24           turn to Commissioner Simpson.



[WITNESS: Hibbard]

1 CMSR. SIMPSON: Thank you, Mr.

2 Chairman. Hello, Mr. Hibbard. How are you?

3 WITNESS HIBBARD: Fine. Thank you.

4 BY CMSR. SIMPSON:

5 Q Are you familiar with Exhibit 12, which is the  
6 proposed Settlement Agreement in this proceeding?

7 A (Hibbard) I am, yes. I read it last week.

8 Q Okay. Very good. I'm hoping that you might be  
9 able to help elaborate on some of the  
10 recommendations that are provided or suggested to  
11 the Commission, starting on Page 3, Section 2.3.  
12 And I'll give you a moment to get there.

13 A (Hibbard) I'm there.

14 Q Great. Thank you. Looking specifically at  
15 Recommendation Number 4, which reads: "Assess  
16 resources in terms of environmental impacts by  
17 documenting the greenhouse gas impacts of  
18 evaluated resources in terms of emissions created  
19 or avoided." And the emissions figure, I  
20 believe, means "million tons of carbon dioxide  
21 equivalent". Can you confirm that for me?

22 A (Hibbard) I believe so. A million metric tons, I  
23 think.

24 Q "A million metric tons", okay. Thank you. Can

[WITNESS: Hibbard]

1           you describe what that metric means, and why  
2           that's a reasonable suggestion from the Settling  
3           Parties, to analyze environmental impacts by  
4           greenhouse gas emissions, million metric tons of  
5           CO2 equivalent?

6   A       (Hibbard) Yes. You know, million metric tons of  
7           CO2 equivalent is, really, I think the reason  
8           that would be included in this provision is just  
9           to be specific about what the metric is that  
10          should be analyzed. And "CO2 equivalent"  
11          references the fact that the analysis should not  
12          just be based on CO2 emissions, but based on CO2  
13          emissions and any other greenhouse gases that  
14          might be included. And the "million metric tons"  
15          is just, you know, what is the actual value that  
16          you're measuring, when you're comparing  
17          alternatives.

18   Q       Can you explain for us how CO2 equivalent is  
19          derived, based on what seems like a variety of  
20          greenhouse gases?

21   A       (Hibbard) Yes. And this is -- reflects back on  
22          part of the discussion I was just having with Mr.  
23          Husband. The simplest way I can explain it is,  
24          when different gases, that are considered

[WITNESS: Hibbard]

1 greenhouse gases, have different levels of  
2 absorption of the Earth's heat when they're in  
3 the atmosphere. So, methane will trap -- one ton  
4 of methane will trap more heat that's radiated  
5 from the Earth than one ton of carbon dioxide in  
6 a given moment.

7 And, so, when people talk about "CO2  
8 equivalent", it's to capture what is the total  
9 global warming impact of all of the gases that  
10 are greenhouse gases. But you don't compare them  
11 on a ton-for-ton basis, because they have  
12 different levels of absorption, heat absorption  
13 capability. And, so, that's why the scientific  
14 community recommends that you use different  
15 Global Warming Potential numbers for different  
16 greenhouse gases, so that you can put them all --  
17 you can compare them as much as possible on an  
18 apples-to-apples basis.

19 I think what you probably just heard in  
20 the discussion with Mr. Husband is there's some  
21 disagreement about what that number should be,  
22 depending upon over what timeframe you're trying  
23 to estimate the total global warming impact or  
24 total damages from climate change.

{DG 17-152} {08-18-22}

[WITNESS: Hibbard]

1 Q And, seemingly, you can pick a window over which  
2 you are determining the relative impact of some  
3 timeframe of emissions?

4 A (Hibbard) Yes. It's not -- I wouldn't phrase it  
5 in a way that makes it sound arbitrary. There's  
6 an incredible amount of scientific thought that  
7 has gone into this. And, in theory, you could  
8 pick a -- you could say I'm going to analyze the  
9 global warming impacts of emissions in year one  
10 over a very long timeframe, and then you would  
11 know exactly what that number should be for every  
12 single greenhouse gas.

13 But, for regulatory purposes, different  
14 agencies have considered that, for policymaking  
15 purposes, we should be looking at the total  
16 impact of emissions over some set timeframe, 20  
17 years or 30 years or 40 years. And, so, it's  
18 not -- all I'm trying to say is, it's not that  
19 arbitrary. I think the science is very well  
20 established about the relative climate impact of  
21 different greenhouse gases. And it's sort of up  
22 to the policymaker to decide what's the most  
23 appropriate number to use.

24 Q Okay. And I want to distinguish what I

[WITNESS: Hibbard]

1 understand from this recommendation in the  
2 Settlement, as proposed, from some of the  
3 elements of your testimony that we just heard you  
4 walk through with Attorney Husband.

5 There's no prescription here on the  
6 timeframe over which the Settling Parties are  
7 recommending that possible greenhouse gas impacts  
8 of future Liberty/EnergyNorth projects might be  
9 viewed, but that a standardized unit of  
10 measurement, by which the Company might assess  
11 greenhouse gas impacts, would be million metric  
12 tons of CO2 equivalent, and that's what's being  
13 recommended as a future measure here. Is that  
14 fair?

15 A (Hibbard) I think so, if I understood the  
16 question. The way I interpreted this, and,  
17 again, I haven't spoken with the Company about  
18 this, I've just read it once myself. So, you  
19 know, please take it with a grain of salt. But  
20 my interpretation of this was that the important  
21 recommendation made in the Settlement Agreement  
22 is that, when considering the appropriate forward  
23 investments the Company makes in an LCIRP, it  
24 should consider the impacts associated with

[WITNESS: Hibbard]

1 emissions of greenhouse gases.

2 And this recommendation is really just  
3 that. It just says "Consider those impacts,  
4 measure greenhouse gases for all greenhouse  
5 gases, not just carbon dioxide, so, use CO2  
6 equivalent. You know, measure it, provide the  
7 information in million metric tons."

8 And then, I think later in the  
9 Settlement, maybe under Section 2.4, it suggests  
10 that the Settling Parties will get together to  
11 try to figure out "okay, what's the right  
12 analytic method?" And, presumably, they would  
13 propose that to the Commission, and the  
14 Commission would have to accept the way the  
15 information was being used by the Company in its  
16 next LCIRP.

17 So, I don't think it's -- you know, it,  
18 obviously, would be, in the end, up to  
19 commissions to decide, you know, what's the  
20 appropriate way to do the analysis.

21 Q Okay. Thank you. And then, moving onto  
22 Recommendation Number 5, which seems like would  
23 be a somewhat similar analysis. But, in  
24 Recommendation 4, we're looking at "environmental

[WITNESS: Hibbard]

1       impacts", and, in Recommendation Number 5, we'd  
2       be looking at "public health impacts" of  
3       different sources of emissions, "sulfur oxides,  
4       nitrous oxides, and particulate matter".

5               Can you comment on why those specific  
6       emission sources are recommended for review in  
7       subsequent LCIRPs?

8   A       (Hibbard) Yes. The way I would interpret this is  
9       that sulfur dioxide, nitrogen oxides, and  
10       particulate matter of 2.5, it's sort of well  
11       established that they have local health impacts,  
12       premature deaths, sickness, hospital visits, and  
13       all that. And the relationship between the use  
14       of natural gas and emissions of these pollutants  
15       is well known, as is the -- you know, there  
16       are -- there's extensive literature on exactly  
17       what the health impacts of these pollutants when  
18       they're emitted locally, and the impacts that  
19       they have on people's health and hospital visits,  
20       and that sort of thing can be quantified. And,  
21       so, it's in -- you know, that's why they're on  
22       the National Ambient Air Quality Standards List,  
23       and regulated by EPA. And I think I would just  
24       interpret this as being a recommendation that

[WITNESS: Hibbard]

1 those important health impacts be studied in  
2 future LCIRPs.

3 Q And thinking about the types of investments that  
4 might be part of a company's LCIRP, we certainly  
5 are faced with a variety of projects, in terms of  
6 size, capacity, financial cost, environmental  
7 impact. When we compare something like a  
8 compressor or a valve replacement, versus a  
9 project like Granite Bridge, how might you  
10 suggest we gauge the depth and scope of analysis,  
11 when comparing relative size of projects?

12 A (Hibbard) Commissioner, I think it's entirely up  
13 to the Commission to determine what's the  
14 appropriate interpretation of the statutes,  
15 what's the appropriate energy policy for the  
16 State of New Hampshire.

17 When I was sitting in your seat in  
18 Massachusetts, we went through the same sort of  
19 thing, and sort of wrung our hands about, we had  
20 information provided to us from all different  
21 parties related to environmental impacts, and had  
22 to look at our statutes, our regulations,  
23 precedent, and consider the interest of the  
24 Commission, and decide what do we think is the



[WITNESS: Hibbard]

1 right level -- the right emphasis to place on  
2 cost versus reliability versus environmental  
3 impacts versus health impacts. I mean, all of  
4 these things are things that I think you need to  
5 weigh on a case-by-case basis.

6 And the Settlement itself, as I viewed  
7 it, was just an opportunity to provide more  
8 information to the Commission to be making that  
9 decision in future LCIRPs, without saying what's  
10 the relative importance you should be putting on  
11 each of those important factors.

12 Q Looking at Section 2.4 of the Settlement  
13 Agreement, which recommends to the Commission,  
14 from the Settling Parties, that, in the future,  
15 meetings would be convened with interested  
16 stakeholders "to consider recommendations  
17 regarding the monetary values of the impacts  
18 referenced above", SOx, NOx, presumably  
19 particulate matter, *etcetera*.

20 How would you suggest we frame  
21 "monetary value" of those types of impacts?

22 A (Hibbard) It's a great question. You know,  
23 there's extensive literature, and sort of  
24 extensive precedent amongst public utility

[WITNESS: Hibbard]

1           commissions in the country for -- and other  
2           regulatory agencies, for, you know, how do you  
3           take something like an air pollutant impact, and  
4           quantify it and put it dollar terms? Because, if  
5           you knew exactly what the dollar impact was of  
6           emissions of a ton of sulfur dioxide, then you  
7           could be comparing things on an apples-to-apples  
8           basis. You know, what Option B saves consumers?  
9           Ten million dollars, but it leads to \$20 million  
10          of health impacts. So, it would give you  
11          something that would allow you to base your  
12          decision on.

13                        Ultimately, I view this recommendation  
14          as -- what I would recommend is that the Settling  
15          Parties be given guidance to look at the  
16          literature on monetization of health impacts, and  
17          to consider qualitatively those impacts that  
18          haven't been quantified, and provide the  
19          Commission with, you know, an agreed upon  
20          assessment of what different values could be used  
21          by the Commission or could be considered by the  
22          Commission in thinking about future LCIRP  
23          options.

24                        Again, in the end, it will be up to the

[WITNESS: Hibbard]

1 Commission to decide what you think is  
2 appropriate in the comparison of options, and  
3 what emphasis you place on it. And there's  
4 uncertainty in the literature about what is the  
5 dollar impact of different pollutants.

6 So, the guidance I would give to the  
7 Settling Parties is to think about what the range  
8 of numbers might be, and provide you that  
9 information, and then you ultimately decide, you  
10 know, what's appropriate for considering in the  
11 context of an LCIRP.

12 Q And what sources come to mind, in terms of  
13 particularly relevant quantifications, whether  
14 perhaps IPCC has developed some assessments in  
15 this space, EPA, *etcetera*, do you have some that  
16 come to mind?

17 A (Hibbard) Yes. There's, you know, EPA has  
18 documented extensively, and probably DES as well,  
19 has used in its own regulatory processes  
20 estimates of the cost of health impacts  
21 associated with criteria pollutants. So, when  
22 talking about NOx and SO2 and particulate matter,  
23 it's a lot easier, because the literature is so  
24 deep that it can be relied upon for regulatory

[WITNESS: Hibbard]

1 purposes. And EPA and departments of  
2 environmental protection in every state have  
3 relied on a fairly significant body of  
4 literature, to use actual numbers and considering  
5 the benefits and costs of air pollution  
6 regulations. So, for those pollutants, the data  
7 are extensive.

8 For greenhouse gases, I think you  
9 would, you know, what I would want the Settling  
10 Parties to do is provide information on the  
11 extent to which the various organizations,  
12 international and national, there's a -- the IPCC  
13 is one of them, there's multiagency task force  
14 that developed, you know, Global Warming -- cost  
15 of greenhouse gas impacts, I'm forgetting the  
16 name of the agency, but we can provide that  
17 afterwards. But it was a multiagency effort at  
18 the federal level, and they came up with actual  
19 values for -- to be used in regulatory settings  
20 when considering greenhouse gas impacts.

21 But it's a lot less certain for global  
22 warming. And, so, I would want the Settling  
23 Parties to provide sort of the established  
24 literature on criteria pollutants, but then to

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[WITNESS: Hibbard]

1 provide information from, you know, reputable  
2 sources on what the monetary value of emissions  
3 associated with greenhouse gases might be. And,  
4 ultimately, you'll have to look at that and say  
5 "Is this solid enough evidence to be used in  
6 making regulatory decisions or not?"

7 Q And, in your experience as a regulator, how might  
8 you suggest weighing evidence that is seemingly  
9 contradictory or might lead to a different  
10 conclusion?

11 A (Hibbard) I think with -- so, when you think  
12 about -- again, I'll break it down between  
13 climate change and criteria pollutants. I think,  
14 when you think about criteria pollutants, it's  
15 not very challenging to think about -- without  
16 sort of doing a direct monetary comparison, if  
17 you're comparing a couple of options, and one  
18 option leads to a certain amount more emissions  
19 of SOx and NOx and particulate matter, there are  
20 a lot of impacts of those pollutants, and only  
21 some of them have been monetized. And I think  
22 probably what I would do is use the well  
23 established monetary values that have been  
24 developed associated with those pollutants.

[WITNESS: Hibbard]

1           Again, not, you know, when we've done  
2           this in regulatory proceedings in Massachusetts  
3           when I was on the Commission, we didn't actually  
4           do a specific cost-benefit analysis, comparing  
5           costs versus estimated health impacts in dollar  
6           terms. But it did help us inform, well, if there  
7           is a difference between two alternatives, it  
8           could be enough -- strong enough evidence for you  
9           to choose one over the other, without it being a  
10          very specific numerical comparison.

11                 What I would recommend with global  
12          warming, you know, I think, ultimately, it will  
13          depend heavily on what the statutory and  
14          regulatory laws are in New Hampshire at the time  
15          you're making decisions, and what is the policy  
16          preference that's built into the statutes and  
17          your regulations, and the opinions of the  
18          Commissioners, to think about "Well, if someone  
19          gives me a value for carbon dioxide that's \$50  
20          per ton, and that's backed up by IPCC and federal  
21          and other regulatory agencies as being a decent  
22          number for what the damages are associated with a  
23          ton of CO2 equivalent", then you give that a lot  
24          of weight, but there's more uncertainty there.

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[WITNESS: Hibbard]

1 I'd want the Settling Parties, if they  
2 recommended a number, to try to characterize the  
3 uncertainty in the numbers that they're giving  
4 you. And then, you'll ultimately have to decide,  
5 you know, what's the right number to use.

6 Q Okay. Thank you. And looking at Section 2.5 of  
7 the Settlement Agreement, which relies on  
8 guidance from Recommendations 4 and 5, which we  
9 just went through, it would seem to me that  
10 what's suggested here, listed in numbers (1),  
11 (2), and (3), so, "a status quo alternative on  
12 the continued reliance of heating oil and/or  
13 propane" to serve the utility's customers; "an  
14 enhanced energy efficiency alternative"; and "any  
15 RNG or Certified Gas alternative contemplated as  
16 part of Recommendation Number 2."

17 This "analysis of alternatives", is it  
18 fair to say that maybe the criteria outlined here  
19 and suggested by the Settling Parties isn't the  
20 same as what you did when reviewing status quo,  
21 Concord Lateral, and Granite Bridge Project, but  
22 the intent is similar? That the utility would be  
23 presenting to us a variety of scenarios,  
24 including what they are proposing in their LCIRP,

[WITNESS: Hibbard]

1 and demonstrating what the relative impacts of  
2 the ultimate outcome might be?

3 A (Hibbard) Yes, I think it's very similar to what  
4 I did in my testimony. The -- in principle,  
5 exactly as you say. And I don't read this as  
6 being limiting to the Company or to the  
7 Commission. In other words, the Company could  
8 provide three different options that aren't on  
9 this list. I read this as saying "well, in  
10 addition, a company's LCIRP should consider the  
11 relative cost and environmental impacts  
12 associated with energy efficiency, and, to the  
13 extent they're available, alternative sources of  
14 gas."

15 And, of course, you're going to weigh  
16 that against everything else associated with  
17 those alternatives, costs, you know, economic and  
18 technical feasibility. I mean, all of those  
19 things will be important.

20 But I just read this as the Settling  
21 Parties agreeing it would be helpful to the  
22 Commission to provide this additional  
23 information, so that you have a broader context  
24 for your decision.



[WITNESS: Hibbard]

1 CMSR. SIMPSON: Okay. Thank you,  
2 Mr. Hibbard.

3 I don't have any further questions for  
4 the witness, Mr. Chairman.

5 CHAIRMAN GOLDNER: Okay. Very good.

6 BY CHAIRMAN GOLDNER:

7 Q So, now, Mr. Hibbard, I see that you have an  
8 impressive technical background. I wanted to  
9 know how you got from nuclear reactor design, to  
10 your current position as -- in terms of what  
11 we're talking about today?

12 A (Hibbard) That's a great question. And I'll give  
13 you the answer.

14 You know, I actually wanted to study  
15 nuclear engineering in graduate school, and, you  
16 know, was interested in nuclear physics from my  
17 first year of college. So, I was kind of a geek.

18 But, when I was in my first year of the  
19 Ph.D. program in nuclear engineering, my mother  
20 got really sick. I was in California, I moved  
21 back to Massachusetts. The next thing I know, I  
22 was married, I had kids, and I was working at the  
23 Public Utility Commission.

24 So, that was it. It's not a great

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1 answer.

2 Q Right. Very good, sir. And I was looking at, I  
3 think it's on Page 12, you have many of the same  
4 graphs, I'll just choose one, so we're all  
5 looking at the same thing, in your testimony,  
6 Exhibit 4. And just, you know, the simple  
7 interpretation of the graph is you were comparing  
8 the status quo, as you, I think, highlighted  
9 earlier, you know, propane and different fuel  
10 oils and so forth, and compared to the Concord  
11 Lateral and the Granite Bridge Option. And  
12 there's a pretty sizable reduction in each of the  
13 categories, based on your analysis.

14 And then, interestingly, the Concord  
15 Lateral and the Granite Bridge Option are the  
16 same, the graphs are the same height. Meaning  
17 that, you know, gas is gas, you're burning gas,  
18 and, you know, it has the same emissions no  
19 matter how you burn it.

20 And I'm curious as to this, and this  
21 goes to that Recommendation 5 that Commissioner  
22 Simpson was alluding to, these sulfur oxides and  
23 nitrous oxides and so forth, you know, there's,  
24 you know, that implies that the gas is getting

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1 burned, which, of course, it is, but that the  
2 distribution utility is taking ownership of that  
3 process of burning the natural gas. I'm sort of  
4 not following the logic, if you can help me with  
5 that? Like, why -- why are we monitoring SOx and  
6 NOx for a distribution gas utility?

7 A (Hibbard) You mean at the burner tip? Basically,  
8 why, for a distribution gas utility, you're  
9 delivering gas to -- I'm restating the question  
10 to make sure I understand it.

11 Q Thank you. No, I appreciate it.

12 A (Hibbard) You're distributing gas and the same  
13 quantity of gas is being used by customers, so  
14 what's the point in considering?

15 In this chart, there actually is a  
16 difference in the emissions, even though it's not  
17 noticeable between the two options. And the  
18 reason -- the reason there's a difference is  
19 because, with the Granite Bridge Project, there  
20 was more opportunity for customers to convert  
21 from oil and propane to natural gas. So, in both  
22 cases, there are opportunities for existing  
23 customers to convert and to increase the number  
24 of customers using gas, so that you displace the

[WITNESS: Hibbard]

1 emissions associated with oil and propane. And,  
2 so, that's the drop from the blue, down to the  
3 orange and green.

4 The difference between the orange and  
5 green, though, is that, with Granite Bridge,  
6 there would have been towns that would now have  
7 access to natural gas that didn't previously, and  
8 that wouldn't with the Concord Lateral Option.

9 Q Okay.

10 A (Hibbard) And, so, in that case, you're  
11 increasing the number of customers that would get  
12 off of oil and propane and burn gas. So, there  
13 is a small difference between those two, and that  
14 was why we, you know, I felt it useful to compare  
15 them from the same perspective here.

16 I understand your question, you know,  
17 "why are you considering, for the same set of  
18 customers, getting the same molecules and burning  
19 them, and ending up with the same pollutants, why  
20 would you want to compare them?" And I think, in  
21 that case, there's not a regulatory need to  
22 compare them, because the DES is considering the  
23 total emissions associated with combustion of all  
24 fuels.

[WITNESS: Hibbard]

1                   What may be relevant in the context of  
2                   the Settlement is that, if you were comparing  
3                   this to RNG alternatives and energy efficiency  
4                   alternatives, you might see a big difference.  
5                   Because, ultimately, it could lead to reductions  
6                   in total gas consumption through efficiency, and  
7                   the actual emissions associated with alternative  
8                   fuels might be different, could be different,  
9                   when you take into account the upstream impacts  
10                  as well.

11    Q    Okay. Okay, and just, you know, I'll return to  
12           your background question again. You said before  
13           that you're -- obviously, you're very, very  
14           skilled at the analysis in this field. You sort  
15           of became an expert on that sort of through  
16           experience from nuclear reactors on, and feel  
17           good about that. But, then, you also said you  
18           "weren't a climate scientist" earlier in your  
19           testimony. So, I'm just trying to understand the  
20           expertise that you're representing today. Can  
21           you maybe expand on that a little bit?

22    A    (Hibbard) Sure. In my testimony, I have since,  
23           actually, in graduate school, I have done  
24           environmental analysis, and have spent a lot of

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1 time, both in my work with the Public Utilities  
2 Commission and with the Department of  
3 Environmental Protection, in Massachusetts,  
4 always been involved in analyses that look at  
5 emissions and the public health impacts of  
6 emissions, and all of that. So, very comfortable  
7 with that, and that's what's included in the  
8 testimony and my report.

9 When I said I "wasn't a climate  
10 scientist", we were having a discussion about  
11 "what is the actual heat-trapping capability of a  
12 molecule of methane versus a molecule of carbon  
13 dioxide, and what is the timeframe for those  
14 gases staying in the atmosphere?" I've read the  
15 IPCC reports and other reports on this. I  
16 understand what the difference is and how they  
17 think about it. But it's not something that I've  
18 studied, you know, the heat-trapping capability  
19 of different gases. So, that's the distinction I  
20 was making.

21 Q Okay. Thank you for that. And what could you  
22 recommend to the Commission, as we sort of move  
23 forward, and we're looking at, you know, for  
24 example, an understanding of, you know, this heat

[WITNESS: Hibbard]

1           absorption impact, and, you know, water vapor  
2           versus carbon dioxide, versus, you know, NOx and  
3           SOx and so forth? Is there someplace that you  
4           would point us to, in terms of what you would  
5           recommend to educate us on that as much as  
6           possible?

7    A       (Hibbard) Yes. Absolutely. And this may be --  
8           may be a bit of a cop-out, but I know that, when  
9           I was on the Commission, questions like this, I  
10          would turn to our Department of Environmental  
11          Protection. You know, I'd want to get their  
12          input, number one. But I would also look to  
13          what's relied upon by environmental regulatory  
14          agencies. You know, as a public utility  
15          commission, it's not our bailiwick to be thinking  
16          about what the right Global Warming Potential is  
17          for different gases.

18                        But there are experts in this field,  
19                        and regulators have interpreted the scientific  
20                        literature to come up with conclusions that  
21                        they're using in policymaking decisions. And,  
22                        so, that's what I would do, I would turn to the  
23                        DES, I think it is, in New Hampshire, I would  
24                        look to EPA, and I would just try to get their

[WITNESS: Hibbard]

1 input, and base the decision on their expertise,  
2 since it's their field of expertise, rather than  
3 thinking that, as a public utility commissioner,  
4 I could figure out what the right answer is.

5 CHAIRMAN GOLDNER: We're not afraid of  
6 anything, but that is -- that is a big task.

7 Okay. Very good. Yes, appreciate your  
8 coming today and providing testimony. That's  
9 very much appreciated.

10 Commissioner Simpson, did you have  
11 anything you'd like to follow up on?

12 CMSR. SIMPSON: No. Thank you.

13 WITNESS HIBBARD: Thank you,  
14 Commissioners.

15 CHAIRMAN GOLDNER: Okay. Thank you.

16 All right. We can move, at this point,  
17 I think, to redirect. And do you have any  
18 remaining redirect for the rest of your witnesses  
19 or redirect for --

20 MR. SHEEHAN: Actually, I don't. I  
21 have my list, and slowly checking things off as  
22 we went in circles. So, I think we're all set.

23 CHAIRMAN GOLDNER: Okay. Okay.  
24 Attorney Schwarzer, did you have any additional



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1 or redirect for your witness?

2 MS. SCHWARZER: I don't, Mr. Chairman.  
3 Thank you.

4 CHAIRMAN GOLDNER: Okay. Okay, very  
5 good.

6 MR. SHEEHAN: Let me just cross one "t"  
7 I forget. Mr. Hibbard authored a second piece of  
8 testimony I didn't ask him about. But, just for  
9 the record, he also filed rebuttal testimony.  
10 And I ask that he -- does he adopt that here  
11 today?

12 WITNESS HIBBARD: I do.

13 MR. SHEEHAN: Thank you.

14 CHAIRMAN GOLDNER: Thank you. Okay.  
15 Now, we can release all the witnesses. So, thank  
16 you. Thank you. We didn't have any additional  
17 questions. Appreciate your sticking around.

18 Okay. So, without objection, we can  
19 strike ID on Exhibits 1 through 19, admit them as  
20 full exhibits.

21 And it's ten minutes till three. Would  
22 the parties like to proceed with a oral closing  
23 or would the parties prefer a written closing?

24 MR. SHEEHAN: I would prefer oral.

1 CHAIRMAN GOLDNER: Okay.

2 MS. SCHWARZER: Agreed.

3 CHAIRMAN GOLDNER: Agreed?

4 MR. KRAKOFF: Agreed.

5 MR. KREIS: I love oral.

6 CHAIRMAN GOLDNER: Excellent.

7 Excellent.

8 MR. HUSBAND: Agreed.

9 CHAIRMAN GOLDNER: All right. Great.  
10 We're five for five. It's a good day. Okay.  
11 Very good.

12 MS. SCHWARZER: Mr. Chairman, if I  
13 might?

14 CHAIRMAN GOLDNER: Yes.

15 MS. SCHWARZER: Could we take a brief  
16 recess perhaps, for people to get a drink of  
17 water, before we do these closings?

18 CHAIRMAN GOLDNER: Of course, yes. So,  
19 let's -- we can pick up pretty quick, would three  
20 o'clock be okay?

21 MS. SCHWARZER: Absolutely.

22 CHAIRMAN GOLDNER: Okay. All right.  
23 Very good. We'll return at 3:00.

24 (Recess taken at 2:50 p.m., and the

1 hearing resumed at 3:02 p.m.)

2 CHAIRMAN GOLDNER: Okay. We can move  
3 onto closing. And begin, if it's okay with you,  
4 Mr. Krakoff, with CLF.

5 MR. KRAKOFF: Absolutely.

6 As discussed in CLF's response to the  
7 Settlement Agreement that was filed last week,  
8 CLF does not support the Settlement Agreement,  
9 because it does not require Liberty to consider  
10 electrification alternatives to its future gas  
11 expansion plans and does not require Liberty to  
12 compare the environmental and public health  
13 impacts of its preferred resource alternative to  
14 the impacts from a strategic electrification  
15 alternative.

16 However, CLF also wishes to reiterate  
17 that the Settlement Agreement contains several  
18 provisions that will help ensure that Liberty's  
19 next LCIRP complies with the LCIRP statutes.

20 First, the Settlement Agreement  
21 contains terms that will help Liberty's next  
22 LCIRP serve its intended purpose. The Commission  
23 has previously recognized that a well crafted  
24 LCIRP allows the Commission the opportunity for

1 input regarding a utility's current planning  
2 processes, procedures, criteria, and planned  
3 investments, and provides a regular snapshot of  
4 the factors supporting a utility's investment  
5 decisions.

6 However, given that Liberty filed its  
7 LCIRP in this docket nearly five years ago, the  
8 Commission has already issued decisions regarding  
9 Liberty's gas expansion plans in other dockets,  
10 including DG 21-008, and Liberty's next LCIRP is  
11 due soon, this docket does not serve its intended  
12 purpose. The provision in the Settlement  
13 Agreement in which Liberty agrees to propose to  
14 the Commission a procedural and hearing schedule  
15 whereby the hearing on the LCIRP would occur  
16 within one year of Liberty's filing of the LCIRP  
17 would help enable the Commission the opportunity  
18 for input regarding Liberty's planning processes  
19 and planned investments.

20 Additionally, the Settlement Agreement  
21 contains a number of terms that will help ensure  
22 Liberty's compliance with the substantive  
23 provisions of the LCIRP statutes. First, Section  
24 2.3, Recommendation 1, will require Liberty to

1 evaluate energy efficiency as a potential  
2 resource alternative incremental to any  
3 customer-funded programs offered via NHSaves.  
4 This merely requires Liberty to satisfy the  
5 provisions in RSA 378:37 through 39 relating to  
6 energy efficiency, and particularly the  
7 provisions in RSA 378:37, which states that it is  
8 the State's energy policy to maximize energy  
9 efficiency, maximize energy efficiency. This  
10 provision was added to RSA 378:37 by the  
11 Legislature in 2014, and it signaled back then  
12 the Legislature's intention that energy  
13 efficiency and other demand-side resources should  
14 play as essential a role in accomplishing the  
15 state's energy needs as the other policies  
16 outlined in RSA 378:37, including the requirement  
17 that energy needs to be provided at the lowest  
18 reasonable cost.

19 The terms in the Settlement Agreement  
20 will also help ensure Liberty's compliance with  
21 the provisions in RSA 378:37 through 39 relating  
22 to Liberty's assessment of the environmental and  
23 public health impacts of its plan.

24 Recommendation 4 would require Liberty

1 to assess resources in terms of environmental  
2 impacts by documenting the greenhouse gas impacts  
3 of evaluated resources in terms of emissions  
4 created or avoided. Given that climate change  
5 represents the gravest environmental threat to  
6 New Hampshire today, it is axiomatic that an  
7 assessment of environmental impacts pursuant to  
8 the requirements of RSA 378:37 through 39 would  
9 require Liberty to conduct an assessment of the  
10 greenhouse gas emissions resulting from the  
11 natural gas sold by Liberty.

12 In fact, as detailed in Mr. Hibbard's  
13 testimony, Liberty recognized that the  
14 environmental assessment requirements of RSA  
15 378:37 through 39 required it to analyze the  
16 greenhouse gas emissions resulting from the  
17 natural gas it sells, when it conducted analysis  
18 of such emissions.

19 Moreover, a full analysis of the  
20 greenhouse gas emissions impacts requires an  
21 analysis of the emissions caused by the  
22 combustion of natural gas, i.e., the natural gas  
23 emissions from the burner tip, which Liberty  
24 similarly recognized when it included it in its

1 analysis of the greenhouse gas emissions. An  
2 assessment of greenhouse gas emissions, as  
3 outlined in the Settlement, is not only required  
4 by the environmental provisions in the LCIRP  
5 statutes, but also does not represent a change  
6 from how Liberty already approaches its analysis,  
7 you know, with respect to the fact that it  
8 already conducts analysis of natural gas  
9 emissions from the burner tip.

10 Further, the terms in the Settlement  
11 Agreement will ensure Liberty's compliance with  
12 the public health impact requirements of the  
13 LCIRP statutes. These statutes require Liberty  
14 to perform an analysis of the public health  
15 impacts of its plan. Recommendation 4, which  
16 would require Liberty to assess the public health  
17 impacts of local air quality evaluated resources  
18 by documenting sulfur oxides, nitrous oxides, and  
19 particulate matters, as well as the health  
20 impacts of these, would merely require Liberty to  
21 follow the public health assessment requirements  
22 of the LCIRP statutes.

23 Finally, the requirement in Section 2.5  
24 that would require Liberty to compare the

1 environmental and public health impacts of its  
2 preferred resource alternatives to (1) a status  
3 quo alternative; (2) an enhanced energy  
4 efficiency alternative; and (3) an RNG or  
5 Certified Gas alternative, would merely enable  
6 the Commission to consider the potential  
7 environmental, economic, and health-related  
8 impacts of each proposed option, as required by  
9 RSA 378:39.

10 While the Settlement Agreement contains  
11 a number of terms that will help ensure that  
12 Liberty follows the requirements of the LCIRP  
13 statutes, I want to briefly discuss the reasons  
14 why we are not signing onto the Settlement  
15 Agreement. This is because it does not contain  
16 any provisions relating to heating  
17 electrification. RSA 378:37 states that, in  
18 addition to it being the State's energy policy to  
19 meet energy needs at the lowest reasonable cost,  
20 it is also the State energy policy to provide for  
21 the reliability and diversity of energy sources.  
22 Electrification would help increase diversity of  
23 New Hampshire's resources, especially in light of  
24 the fact that 80 percent of our heating resources



1           come from fossil fuels.

2                         Further, RSA 378:38 requires an LCIRP  
3           to be consistent with the State Energy Strategy;  
4           as supported by the evidence in the hearing  
5           today, the State Energy Strategy promotes fuel  
6           diversity for heating; finds that heat pumps make  
7           sense as a replacement for high-cost carbon  
8           intensive heating systems in certain  
9           circumstances; and that heat pumps have lower  
10          emissions of air pollutants and provide potential  
11          cost savings.

12                        Despite this, the Settlement Agreement  
13          would not require Liberty to analyze  
14          electrification alternatives. Similarly, CLF  
15          does not support the Settlement Agreement because  
16          it does not require Liberty to compare the public  
17          health and environmental impacts of its preferred  
18          resource alternative to an electrification  
19          alternative, as required by RSA 378:39. In sum,  
20          CLF is unable to join the Settlement Agreement  
21          because it does not require Liberty to explore  
22          electrification alternatives, with such a  
23          requirement supported by both the language of RSA  
24          378:37 through 39, as well as the State Energy

1 Strategy.

2 Finally, CLF wishes to address the  
3 elephant in the room in this hearing today,  
4 mainly why the Commission should issue an order  
5 that differs from its order in the Northern  
6 Utilities' LCIRP docket, DG 19-126. While that  
7 order focused on the language in RSA 378:37 that  
8 it is State energy policy to meet the energy  
9 needs of the citizens and businesses of the state  
10 at the lowest reasonable cost, it ignored the  
11 remaining language in RSA 378:37, and failed to  
12 address any of the requirements in RSA 378:38 and  
13 39. More specifically, the order ignored the  
14 language in RSA 378:37 through 39 involving  
15 energy efficiency and public health and  
16 environmental impacts.

17 Many of the Settlement Agreement terms  
18 here would merely require Liberty to comply with  
19 provisions that are already in the LCIRP  
20 statutes. Conversely, an order here that is  
21 similar to or mirrors the order in the Northern  
22 Utilities' LCIRP docket would weaken Liberty's  
23 requirements under its next LCIRP, and violate  
24 the provisions in RSA 378:37 through 39 involving

1 energy efficiency and environmental and public  
2 health impacts.

3 Accordingly, the Commission should  
4 approve the Settlement Agreement terms, as well  
5 as further require Liberty to analyze  
6 electrification alternatives, as argued by CLF  
7 throughout this hearing and in its filings in  
8 this docket.

9 Thank you for your time today.

10 CHAIRMAN GOLDNER: Okay. Thank you,  
11 Attorney Krakoff. We'll move to Attorney  
12 Husband.

13 MR. HUSBAND: Thank you, Mr. Chairman.

14 The Commission's final decision in this  
15 matter must take into account not only the  
16 testimony and exhibits offered today, but the  
17 entire record of the proceedings. The record  
18 before the Commission reveals not only the legal  
19 impediments, procedural, and other flaws  
20 precluding settlement and LCIRP approval raised  
21 on the record by Clark and others, but also the  
22 substantial evidence of fraud or other improper  
23 conduct used to further Liberty's planning that  
24 is otherwise established on the record under

1 Clark's response to the proposed Settlement  
2 Agreement and otherwise.

3 Mr. Clark's foremost position, as noted  
4 in his position statement, Position 1, is that  
5 Liberty's planning is unlawful and not approvable  
6 on the merits, under the proposed Settlement  
7 Agreement or otherwise, as it is inconsistent  
8 with the state's official energy policy under RSA  
9 378:37, and contrary to the public interest,  
10 since it plans for substantially increasing,  
11 rather than decreasing the utility's natural gas  
12 methane emissions in conflict with Paris Climate  
13 Accord/IPCC emissions reduction goals. As noted  
14 in Clark's position statement, Liberty not only  
15 does not dispute the propriety of adhering to  
16 those goals, which is indisputable on the  
17 established science and other facts of the case,  
18 but professes to adopt them as its standard of  
19 service, and, therefore, should be held to that  
20 standard, under RSA 374:1 and otherwise.

21 If Liberty is unwilling or unable to  
22 meet this standard, a moratorium on Liberty's  
23 future expansion should be imposed, as Clark  
24 urged at the outset of the case in his Motion to

1 Dismiss. Beyond that, there are substantial  
2 deficiencies and errors in Liberty's filings and  
3 procedural issues discussed in Clark's position  
4 statement and pleadings, and the pleadings of  
5 others, as noted in Clark's position statement,  
6 that preclude approval.

7 But there is also the substantial  
8 evidence of fraud previously mentioned, which  
9 also precludes approval absent appropriate  
10 corrective/remedial terms. This evidence  
11 includes as follows: Before Liberty even  
12 submitted its emissions analysis in this matter  
13 on June 28, 2019, Clark twice made clear that  
14 curbing methane emissions and our reliance on  
15 natural gas that causes them is critical to  
16 climate action because methane has an extremely  
17 high initial 20-year Global Warming Potential, or  
18 GWP, then estimated to be 86, which makes it  
19 inconsistent with responsible climate action at  
20 this point in time. Clark noted this in  
21 Paragraph 13 of his March 6, 2018 Petition to  
22 Intervene, which is under Tab 7, and again in  
23 Paragraph 9 of his Motion to Dismiss, under  
24 Tab 16, which was filed on May 15th.

1           Yet, when Liberty submitted its  
2           emissions impact analyses on June 28th, 2019, it  
3           used a 100-year GWP of 25 for methane, as shown  
4           in hearing Exhibit 11, Bates Number 209, Lines  
5           5-7, even though the analysis was for a 20-year  
6           timeframe. I would note that it was also  
7           confirmed through the testimony of Mr. Hibbard  
8           today. A 20-year GWP was clearly more  
9           appropriate, as Clark explained in both Paragraph  
10          5(D) of his July 8th, 2019 response to Liberty's  
11          submission, which is under Tab 45, and in his  
12          September 6, 2019 testimony, which is hearing  
13          Exhibit 7, at Bates 18 to 20, the latter noting  
14          that the recently released IPCC 5th Assessment  
15          Report assigned methane a GWP of 84.

16                 Nonetheless, Liberty was made aware of  
17                 the actual 20-year emissions impact of its  
18                 planning by August 6 [16?], 2019, as shown by  
19                 hearing Exhibit 14, which is Liberty's response  
20                 to Clark's Data Request 5-9, providing the proper  
21                 20-year GWP analysis. That impact, as discussed  
22                 in Clark's response to the Settlement Agreement,  
23                 and confirmed by Mr. Hibbard's testimony, was/is  
24                 only roughly an 80 -- only roughly an 11 percent

1 decrease in emissions over a 20-year period.  
2 However, even by its own improper 100-year GWP  
3 calculations, Liberty asserts only about a 26  
4 percent reduction in emissions over a 20-year  
5 period, as Mr. Hibbard testified. Whether it's  
6 11 percent or 26 percent over 20 years, it does  
7 not support IPCC emission reduction goals.

8 Yet, notwithstanding this knowledge of  
9 its actual emissions reductions, which fall far  
10 short of the responsible emissions goals of the  
11 IPCC shown in hearing Exhibit 17, Liberty engaged  
12 in the fraudulent "green" advertising and  
13 Commission conduct discussed in Clark's response  
14 to the Settlement Agreement, and further  
15 evidenced or otherwise established by the hearing  
16 exhibits already noted, as well as hearing  
17 Exhibits 2, 8, 9, 13, 15, 16, 18, and 19, and  
18 such other hearing exhibits as may be referenced  
19 in Clark's response to the Settlement Agreement.

20 So, when the Commission considers the  
21 entire record of these proceedings, the result  
22 must be denial, denial of approval of the  
23 Settlement Agreement, denial of approval of  
24 Liberty's LCIRP, but hopefully guidance on future

1 LCIRP proceedings in accordance with Clark's  
2 position statement. And I say "hopefully", but  
3 that would be something that Mr. Clark would  
4 insist on.

5 Moreover, as Liberty has not  
6 sufficiently rebutted the evidence of fraud and  
7 has not agreed to Clark's proposed  
8 corrective/remedial terms or proposed other  
9 appropriate corrective/remedial terms, if the  
10 Commission does not properly address the matter  
11 itself in its final order, it should immediately  
12 refer the matter to the Attorney General's Office  
13 for action under RSA 374:41, as there are  
14 certainly more than ample evidence for such a  
15 referral.

16 A few final matters. First, Clark  
17 reminds the Commission that his pending amended  
18 motion to condition the Keene Project on RSA 378  
19 consistency and compliance and related relief is  
20 still to be decided. Although the motion was  
21 filed in this proceeding, Prayer D of the motion  
22 requests relief as is just, reasonable, and  
23 proper, and it is Clark's position that, at this  
24 time, as Liberty never submitted any RSA 378:38



1 to 39 filings for Keene in this proceeding, or  
2 otherwise, Liberty's planned conversion and  
3 expansion for Keene may only go forward, if at  
4 all, and Clark contends that it may not, for the  
5 reasons he has put forth of record, if it is to  
6 go forth at all, it must be included and approved  
7 under the next and all appropriate LCIRP  
8 proceedings. The Commission has as such  
9 indicated as -- the Commission has -- the  
10 Commission as much as indicated in its Order  
11 Number 26,613, entered in the Keene case, Docket  
12 Number DG 17-068, that Keene's development would  
13 be included in all appropriate LCIRPs going  
14 forward, as the Commission noted at Page 4 of  
15 that opinion that "Any aspect of Liberty's  
16 conversion project that requires Commission  
17 approval will continue to take place in other  
18 dockets, including review of Liberty's LCIRPs,  
19 such as that filed in DG 17-152." Again, as  
20 Keene was never approved under this proceeding or  
21 otherwise, it falls under that order.

22 Sort of housekeeping note, as I  
23 mentioned, Exhibit 18 that you have is an excerpt  
24 of testimony from the Granite Bridge proceeding,

1 Docket Number DG 17-198, which shows Liberty's  
2 projections for that option under its LCIRP for  
3 the Commission's reference in considering  
4 Mr. Clark's claims respecting the fraud issue.

5 And, finally, I would note, as noted in  
6 Clark's response to the Settlement Agreement,  
7 Footnote 3, the GWP for methane may have been  
8 subsequently lowered by the IPCC or may be in the  
9 process of being lowered to 81.2. I've also seen  
10 recently a range of 81 to 83 for the change  
11 they're considering for the GWP of methane for  
12 the 20-year period. I'm not sure if that's still  
13 being considered or has gone through, or what.  
14 But the GWP was 84 at the time of Clark's  
15 testimony, which is referenced in the testimony,  
16 and the small potential change likely does not  
17 materially change the results, and certainly not  
18 the impropriety of the Liberty conduct complained  
19 of. To the extent, I'd note, though,  
20 Commissioners, that the -- you know, that there  
21 is that change that should be considered in  
22 relation to Mr. Clark's testimony. It's also  
23 referred to again in Footnote 3 of Mr. Clark's  
24 response to the Settlement Agreement.

1           And I have nothing further, except to  
2           thank all of the parties in this proceeding, and  
3           the Commissioners for their time and patience  
4           today.

5                   CHAIRMAN GOLDNER: Okay. Thank you,  
6           Attorney Husband.

7                   Let's move to Attorney Kreis.

8                   MR. KREIS: Thank you. Mr. Chairman.  
9           Thank you, Commissioner Simpson. Thank you for a  
10          very interesting, edifying, and even stimulating  
11          hearing today.

12                   Having listened carefully to all of the  
13          testimony adduced today, and all of the questions  
14          and concerns that were raised, the Office of the  
15          Consumer Advocate remains convinced that approval  
16          of the pending Settlement Agreement is in the  
17          public interest, and represents an extremely fair  
18          and thoughtful way of winding up what has been a  
19          very, very, very long, and even tortured, PUC  
20          proceeding.

21                   I was noticing this morning how much  
22          personnel turnover there has been since this  
23          docket was filed five years ago. I think  
24          Mr. Sheehan and I might be the only people left

1 from the very beginning of the docket. And I  
2 mention that, because I just want to -- I want to  
3 make sure that the Commission knows that the OCA  
4 has been working very diligently, and  
5 communicating pretty constantly over those five  
6 years with this utility, about how to get this  
7 whole thing right. How to get us to the place  
8 that we need to be, as a state, with respect to  
9 least cost integrated resource planning  
10 generally, and how to get it to the right place  
11 with respect to least cost integrated resource  
12 planning specifically as to natural gas  
13 utilities. And no utility has been more  
14 cooperative in exploring those questions than  
15 this utility has. And that sense of  
16 openmindedness and cooperativeness deserves to be  
17 rewarded.

18 Now, I'd like to comment briefly on a  
19 couple of things that I heard from the closings  
20 that you heard previously.

21 I was very interested in hearing what  
22 Conservation Law Foundation has to say. And my  
23 response to the concerns that they raised, and  
24 the reasons that they gave for not signing onto

1 the Settlement Agreement, is that nothing the  
2 Conservation Law Foundation is proposing is  
3 actually precluded by the Settlement Agreement.  
4 And it is possible, and plausible, for any gas  
5 utility in its next Least Cost Integrated  
6 Resource Plan to address the question of  
7 electrification. The OCA thinks that would be a  
8 very good idea. But, for reasons we heard today,  
9 it is a controversial proposition. There is a  
10 colorable argument to be made, I don't happen to  
11 agree with it, but I acknowledge its  
12 colorability, that electrification is outside the  
13 four corners of a natural gas utility's  
14 franchise, and therefore out-of-bounds to such a  
15 utility.

16 So, the point is, though, that approval  
17 of the Settlement Agreement doesn't mean that the  
18 Commission is rejecting or has no interest in the  
19 issues that you heard about in Mr. Krakoff's  
20 closing.

21 As to Mr. Clark, I respectfully  
22 disagree that there is anything of record here  
23 that suggests that there is any fraud that is  
24 germane to what the Commission is required to

1           decide here today. I addressed the fraud  
2           allegations in the pleading I addressed to the  
3           Commission previously in this docket. It is  
4           Tab 129.

5                        I just want to reiterate here, that, if  
6           I thought there were any fraud going on, I most  
7           assuredly would bring that not only to the  
8           attention of the Commission, but potentially to  
9           other authorities as well. And I just -- I do  
10          not think that the Commission even needs to  
11          address that issue in whatever order it issues in  
12          response to the Settlement Agreement. And I take  
13          that position, in part, because the question of  
14          "fraud" simply isn't germane to what is at issue  
15          in a proceeding like this.

16                       Okay. I want to say that I take very  
17          seriously, as I said before, the concern that  
18          Commissioner Simpson expressed about whether  
19          approving the Settlement Agreement, and, in  
20          particular, approving Section 2.2 of the  
21          Settlement Agreement, would amount to an  
22          abdication of the responsibility that the  
23          Commissioners have to assure that there is full  
24          compliance with the LCIRP statute. Because, as

1 we all know now, Section 2.2 asks the Commission  
2 to essentially avoid the key question, and not  
3 really make a definitive ruling on whether the  
4 LCIRP that's pending here meets all of the  
5 standards that are laid out in Sections 37, 38,  
6 and 39 of RSA 378.

7 And, as I said earlier, to the extent  
8 that abdication is an issue, I think that that  
9 abdication has already taken place, in the form  
10 of commissioners who, for whatever reason, and I  
11 think, in some ways, there were some good  
12 reasons, allowed this docket to linger on the  
13 list of active cases for as long as it had.  
14 There was a long period of quiescence here that,  
15 had it not happened, could have meant that the  
16 Commission could have ruled on the pending LCIRP,  
17 I don't know, something like two, maybe even  
18 three, years ago.

19 And, so, the Commission, I agree, has  
20 been placed in a difficult position now. The  
21 Settlement Agreement represents a decent  
22 framework for addressing the problem, and for the  
23 reasons I've already given. It would be absurd  
24 for this, or any other commission, to approve a

1 planning document that really talks about things  
2 that have already transpired in the past. And it  
3 would also be absurd to really hold the Company's  
4 feet to the fire about this LCIRP, because I'm  
5 concerned that it wouldn't really warrant  
6 approval under a full application of the approval  
7 standards. And, yet, I don't think it would be  
8 fair, in fact, I do think it would be absurd, to  
9 put the Company in a position where it is  
10 statutorily precluded under Section 40 of the  
11 statute from changing any of its rates. Because,  
12 as we all know, the Company's rates do need to  
13 change, for a variety of reasons, and fairly  
14 soon. So, I just don't want to see that outcome.

15 With respect to Section 2.7 of the  
16 Settlement Agreement, which describes or I guess  
17 requests, on behalf of the Settling Parties, a  
18 deadline extension with respect to the filing of  
19 the next LCIRP by the Company, in my respectful  
20 opinion, there's really no way that this company  
21 can get this right by October 2nd. And the  
22 statute, again, with respect, really doesn't  
23 contemplate a utility filing an incomplete least  
24 cost integrated resource plan, and then being



1           allowed, over the course of the adjudicative  
2           proceeding that that filing triggers, to allow  
3           the utility to backfill their filing.

4                       I realize the Commission has indulged  
5           that in past LCIRP dockets. But I don't think  
6           that's what the LCIRP statute actually instructs  
7           either the utilities or the Commission to do, and  
8           I don't think the Commission should allow that to  
9           happen, or even suggest that should happen here.

10                      Now, that brings me to Section 2.3 of  
11           the Settlement, which lays out the substantive  
12           recommendations about the next least cost  
13           integrated resource plan that this utility will  
14           have to file, at what point or another. And, as  
15           you've already heard, there are nine  
16           recommendations. Those recommendations are,  
17           essentially, cut-and-paste out of the Northern  
18           docket, Docket Number 19-126. And I continue to  
19           believe, and suggest to the Commission that it  
20           conclude, that those nine recommendations  
21           comprise a -- excuse me -- a sensible framework  
22           for least cost integrated resource planning to go  
23           forward on the part of a gas utility.

24                      Now, I know there's a lot of concern

1           about Recommendation 1, which concerns energy  
2           efficiency. And I want to make sure that  
3           everybody understands what Recommendation 1  
4           really does. And I endeavored to explain what I  
5           think Recommendation 1 really does in the  
6           rehearing motion that I filed yesterday in Docket  
7           Number 19-126, and I would urge folks to take a  
8           look at that pleading, if they'd like a written  
9           explanation. And here's a recapitulation of that  
10          explanation.

11                        By virtue of House Bill 549, that the  
12          Governor signed into law in February, and by  
13          virtue of the decisions that the Commission has  
14          made implementing that bill, there are now  
15          extreme limits on what the NHSaves Programs can  
16          do, because there are extreme limits on how much  
17          money the NHSaves Programs can collect from  
18          customers to fund their programs. So, because of  
19          the way the Commission has ruled on the previous  
20          Triennial Plan, the era of the Energy Efficiency  
21          Resource Standard is over, and it's no longer the  
22          public policy of this state that we are asking  
23          our utilities or directing our utilities to  
24          pursue all cost-effective energy efficiency.

1           Instead, we're actually leaving, we are  
2           knowingly leaving cost-effective energy  
3           efficiency on the table, unused, because the  
4           NHSaves utilities do not have the budget to buy  
5           that cost-effective energy efficiency. And,  
6           again, for the reasons I explained before, that  
7           problem is exacerbated by the way the Commission  
8           has interpreted the 65 percent requirement,  
9           65 percent electric savings requirements in the  
10          context of the electric utilities' NHSaves  
11          Programs. That determination will have the  
12          effect of all but wiping out residential  
13          weatherization, other than for low-income  
14          households.

15                 The result of all of that is that there  
16                 is energy efficiency potentially left on the  
17                 table that would be least cost, in relation to  
18                 other options that this or any other utility must  
19                 consider as it conducts least cost integrated  
20                 resource planning. And all Recommendation 1 asks  
21                 the Commission to allow utilities to do, or to  
22                 direct utilities to do, is to take a look at, not  
23                 necessarily adopt, but take a look at and analyze  
24                 the extent to which there is energy efficiency

1 available to be purchased that will be least  
2 cost, in relation to supply-side options. That's  
3 all it does.

4 So, in terms of the themes that are  
5 present here, I just want to say to the  
6 Commission that, while I take least cost  
7 integrated resource planning really seriously on  
8 behalf of residential customers, I think it is  
9 unhelpful and arguably simplistic to assume that  
10 "least cost" inevitably has to mean "reduced  
11 costs". It can mean that. But, in an  
12 inflationary period, and in relation to things  
13 that require a future orientation with regard to  
14 future costs and future impacts, it really is a  
15 misapplication of the LCIRP statute to say that  
16 "Whatever you do, utility, what you come up with  
17 in your Least Cost Integrated Resource Plan has  
18 to reflect a reduction in cost."

19 Now, having said that, I want to stress  
20 that there are certain things about what the  
21 Commission has been saying recently about least  
22 cost integrated resource planning that the Office  
23 of the Consumer Advocate really, really likes,  
24 and hopes to see flourish. One is, that the

1 Commission obviously gets it that least cost  
2 integrated resource planning is super important.  
3 It is probably -- it could be the most important  
4 thing that utilities do as regulated entities,  
5 and review of least cost integrated resource  
6 plans might be the most important thing that the  
7 Commission does as a regulatory agency.

8 That's a message that I think the  
9 Commission has embraced in its recent orders.  
10 And I would be very pleased to see an order in  
11 this docket that reinforces that idea of how  
12 seriously the Commission has come to take least  
13 cost integrated resource planning.

14 The Commission now understands, in a  
15 way that its predecessors didn't, I think, that  
16 least cost integrated resource planning, and  
17 review of LCIRPs, is not about how a utility  
18 makes its resource allocation choices. It's  
19 about the actual decisions that utilities make.  
20 How -- what options the utility evaluates, which  
21 options it chooses, in light of the State energy  
22 policy stated in Section 37, and whether the  
23 totality of those choices are least cost, and  
24 that is "least cost" from the perspective of

1 customers. It's not an idle phrase. It's  
2 important to protect the interests of customers  
3 and their wallets. That's the reason the phrase  
4 "least cost" is in the statute, and it should be  
5 taken seriously, but, again, in the context of  
6 the State's energy policy.

7 The recommendations in the Settlement  
8 Agreement are sensible and well considered. They  
9 have their roots in the Northern docket. In the  
10 Northern docket, a working group labored, as I  
11 said, very diligently, with consulting help. And  
12 the result of the working group, and the result  
13 of this Settlement Agreement here, are actually  
14 two natural gas utilities that are willing to be  
15 future-oriented and creative, in respect to their  
16 discharge of their statutory responsibilities to  
17 be least-cost planners.

18 The recommendations take the State  
19 energy policy and the approval criteria  
20 seriously. They create a framework for getting  
21 these least cost integrated resource plans from  
22 being something other than the rote homework  
23 assignment that they used to be, to being a  
24 useful and important and impactful public policy

1 tool. And altogether, I think the inevitable  
2 determination to be made by the Commission is  
3 that the public interest warrants approval of the  
4 Settlement Agreement.

5 I thank the Commissioners for their  
6 attention. I thank Liberty Utilities for its  
7 willingness to dance this particular dance, with  
8 us and other interested parties. And I  
9 respectfully look forward to an order approving  
10 our Settlement Agreement.

11 Thank you.

12 CHAIRMAN GOLDNER: Thank you, Attorney  
13 Kreis. We'll move to Attorney Schwarzer.

14 MS. SCHWARZER: Thank you, Mr.  
15 Chairman, Commissioner Simpson.

16 The Department of Energy supports the  
17 Settlement Agreement as filed today. We  
18 certainly acknowledge there's a very challenging  
19 framework and lengthy history that presents this  
20 Commission in a new time, and that  
21 responsibilities for the delay, and some of the  
22 unique challenges here, lie with the Commission's  
23 predecessor and all the parties here having a  
24 shared responsibility for those delays, that

1           strangely results in our reviewing a 2017 and  
2           2022 LCIRP to plan for what is now past, or in  
3           the very immediate future soon will be.

4                       We acknowledge that other LCIRP orders,  
5           including the February 2015 order on Liberty's  
6           prior LCIRP, also dealt with somewhat challenging  
7           circumstances, and that the statutory language  
8           had recently changed, and, so, the Commission had  
9           to address a perhaps not unsimilar disconnect  
10          between some statutory language and what was  
11          possible to review, and the scope or depth of the  
12          approval that it gave.

13                      The Department certainly feels that the  
14          granularity and the framework of the Settlement  
15          Agreement is important and helpful with regard to  
16          the future process of assessing Liberty's next  
17          LCIRP in a productive and uncontentious manner,  
18          or at least minimizing the contention that has  
19          been identified to date in many important areas.

20                      Based on the exhibits and the testimony  
21          that have been provided here today, the  
22          Commission, consistent with Paragraph 2.2,  
23          certainly may approve Liberty's LCIRP without  
24          making any specific findings as to the LCIRP's



1 compliance with specific provisions of the LCIRP  
2 statute. And we share the OCA's view that in no  
3 way would this abdicate the Commission's  
4 responsibility. It would rather more precisely  
5 reflect the highly unusual and challenging  
6 circumstances faced in resolving this LCIRP at  
7 this late date.

8 DOE's position is that the Settlement  
9 Agreement is just and reasonable, and in the  
10 public interest.

11 We thank you for your time. We thank  
12 the parties here, both those who eventually  
13 reached a Settlement Agreement with the  
14 Department, and those who otherwise, in good  
15 faith, engaged in conversations and work, which  
16 was not, perhaps, allowing them to join us, but  
17 which moved the ball further down the field.

18 Thank you very much.

19 CHAIRMAN GOLDNER: Thank you, Attorney  
20 Schwarzer. And, after four years, ten months,  
21 sixteen days, battling cleanup, Attorney Sheehan.

22 MR. SHEEHAN: Thank you.

23 I will add to the list of folks who  
24 have been here from the beginning are the two

1 people to my right. They actually start on it  
2 before I did, doing the hard work. And the  
3 gentleman taking the notes today has been here  
4 since the beginning, too.

5 First, I want to address Mr. Husband's  
6 blatantly ridiculous claims fraud. "Fraud" is a  
7 loaded word, it is a dangerous word, and it is  
8 simply wrong to be applied here.

9 His claim is that our local  
10 representatives echoed "net zero 2050" targets by  
11 our corporate parent. We are part of a large  
12 family. That family has made that commitment.  
13 And each component of that family will contribute  
14 towards the overall "net zero".

15 If you go to Algonquin's home page,  
16 and, of course, we are a subsidiary of Algonquin,  
17 traded on both New York and Toronto Stock  
18 Exchanges, they don't take these things lightly.  
19 The opening page has a statement "We are proud to  
20 establish a goal of net zero by 2050." You click  
21 on the button, and up comes a two- or three-page  
22 high-level description of the efforts made, the  
23 efforts to be made. They note that we have  
24 already achieved substantial savings. That the

1 Company is roughly divided in half. Half is  
2 unregulated power development, solar, wind,  
3 hydro. The other half is about 30 small to  
4 medium-size regulated utilities.

5 On the generation side, it's almost  
6 3,000 megawatts of renewable power that they have  
7 built in the last ten years, and going up.

8 And, so, this whole picture is what's  
9 "net zero by 2050", not necessarily EnergyNorth.  
10 EnergyNorth will do its share, and that's part of  
11 the discussion today.

12 But, for the New Hampshire president to  
13 say that "Liberty is on a path to net zero by  
14 2050" is entirely true, and as far from fraud as  
15 possible. And, frankly, I hope the Commission  
16 doesn't even mention that in the order, to cause  
17 any more attention to it than has already been  
18 paid.

19 Second, Mr. Husband's comment about  
20 Keene; yes, the next IRP will address Keene.

21 And, now, to the merits for today. As  
22 I mentioned, there were three goals for Liberty  
23 all contained in the Settlement Agreement. First  
24 is approval of the 2017 Plan. The Settlement

1 recommends approval without necessarily making  
2 the underlying findings. But I submit that you  
3 can make the underlying findings.

4 If you look at the statutory  
5 requirements, and you go one-by-one, we have  
6 checked all the boxes. The demand forecast, and  
7 the assessment of our resources to meet that  
8 demand, is contained in the Plan, it's contained  
9 in the rebuttal testimony, because some party  
10 says we didn't do that. And, in fact, the Staff  
11 witnesses testified that our demand forecast was  
12 good, that our assessment of options was good.  
13 And, so, there's agreement there.

14 The next part of the Plan was, and I'm  
15 oversimplifying, is the assessments that we spent  
16 so much time talking about today. Going back to  
17 the history of that, our prior plan was filed in  
18 '13. The statute adding gas utilities to the IRP  
19 statute was '14, 2014. So, when we filed the  
20 2013 Plan, we were not subject to the statute, we  
21 were subject to a series of Commission orders  
22 that say "This is what you do." So, the 2013  
23 Plan was filed prior to the statute. The order  
24 was issued after, in 2015, and that order

1 acknowledges that. And says "We understand  
2 Liberty filed before. We are nonetheless  
3 evaluating it." And, basically, said we did meet  
4 most of the obligations. And, to the extent we  
5 were short, "you need to do it on your next  
6 plan", and most of it being the  
7 environmental/health assessments.

8 So, we filed the Plan in 2017, taking  
9 our best shot of what that should be. Because,  
10 at that point, there had been no Commission order  
11 saying "This is how you do it, how you meet the  
12 environmental, the health."

13 In response, I think was Mr. Husband's  
14 Motion to Dismiss. There's a Commission order in  
15 early '19. So, had been a year of discovery, and  
16 some litigation. And that order comes out and,  
17 basically, denies a Motion to Dismiss, but told  
18 the Company we need to do more. And they gave us  
19 a deadline to supplement our filing. Again, that  
20 order did not say what "more" meant. It simply  
21 said "you need" -- I don't have the quote here,  
22 but "You need to do a better job of describing  
23 the environmental and health assessment."

24 So, that resulted in the Killeen

1 testimony of the Spring of '19, Exhibit 3. After  
2 that was filed, we had technical sessions,  
3 conversations with the parties. It's clear the  
4 parties still weren't satisfied with what we had  
5 done. So, we acknowledged that, and said we will  
6 supplement further. And that's the testimony  
7 that was filed in the summer, included  
8 Mr. Hibbard's testimony, Mr. Stanley testified  
9 about the energy efficiency pieces, a woman named  
10 Sherrie Trefry, who was an environmental  
11 consultant, was working on the Granite Bridge  
12 Project, offered testimony on the environmental  
13 side.

14 And then, in rebuttal testimony, a lot  
15 of this was recaps, because we're responding to  
16 what the parties filed in September, our rebuttal  
17 testimony was in October of '19.

18 So, if you were to look at  
19 Mr. Hibbard's original testimony, and then the  
20 Company's rebuttal testimony, you will see more  
21 than enough evidence that shows that the '17 Plan  
22 was compliant. And you could make findings that  
23 we did comply, and thus you can approve the 2017  
24 Plan.

1           And the other piece of Staff testimony,  
2           which was filed again late '19, the Liberty  
3           Consulting, oddly named, their witnesses  
4           supported our demand forecast and those core  
5           pieces. And Mr. Iqbal, on behalf of Commission  
6           Staff, testified that our environmental/health  
7           assessment was adequate as well. So, there was  
8           agreement on that piece as well, at least as  
9           among Staff and the Company.

10           So, as to Goal Number 1, I think  
11           there's more than sufficient evidence to approve  
12           the 2017 Plan. As a last thought on that, the  
13           Northern Settlement, the order that came out a  
14           year or two ago approving their Settlement, also  
15           approved their plan. And, if you look at their  
16           plan, and you compare it to ours, ours is at  
17           least as robust as theirs. And the Commission  
18           approved that plan, finding that it had satisfied  
19           all the requirements. I submit ours was a step  
20           better than that.

21           So, there's a precedent there. It's,  
22           obviously, not easy to compare them side-by-side.  
23           But a review of their environmental/health  
24           assessments will show that ours was at least as

1 good, and, again, warranting approval.

2 The second goal, of course, is guidance  
3 for the next IRP. Those are the recommendations  
4 in the Settlement Agreement. I don't need to  
5 repeat any of them. We have discussed them at  
6 length. We agree with the other parties in this  
7 room, that they are good, they are helpful, and  
8 giving us structure for how to prepare the next  
9 plan. They are consistent with the statute.

10 And it's -- and appreciate the  
11 compliments from Mr. Kreis. We're happy to go  
12 down that road with him, only because, frankly,  
13 it's the right way to go, in part, to comply with  
14 the statute, in part to help our Company meet its  
15 net zero goals.

16 And, last is the -- once more a plea  
17 for more time. No need to say much more there as  
18 well. Mr. Tilbury described all the work they're  
19 doing. And, especially, to the extent that we  
20 don't have direction still on what to do. We --  
21 again, the core pieces are known. It's the part  
22 in the Settlement Agreement that's not defined.  
23 We started working on the working group  
24 recommendations, thinking that would be a logical



1 place to go. We, frankly, expected the  
2 Commission to largely approve them. And we  
3 figured, there was a lot of work behind them, and  
4 it makes sense for us to be doing the same thing.

5 We didn't go very far that road,  
6 because we didn't know. So, the additional time  
7 would allow us to do that work as well.

8 And that's all I have. Thank you.

9 CHAIRMAN GOLDNER: Okay. Thank you,  
10 Attorney Sheehan.

11 Let's -- is there anything else that we  
12 need to cover today?

13 MR. SHEEHAN: I'm sorry. There's one  
14 more, on the very top of my list, there was -- on  
15 confidentiality. We filed a motion for some of  
16 the -- I filed a Motion for Confidential  
17 Treatment of data responses. And there's also  
18 pending from 2019 a Motion for Confidential  
19 Treatment of one of the testimonies that hasn't  
20 been acted on. So, we just ask that the  
21 Commission tie up those loose ends.

22 CHAIRMAN GOLDNER: Okay. Thank you.  
23 Okay. Anything else?

24 *[No verbal response.]*

1                   CHAIRMAN GOLDNER: No? Okay. Very  
2 good. We'll take the matter under advisement and  
3 issue an order. We are adjourned. Thank you.

4                   ***(Whereupon the hearing was adjourned***  
5                   ***at 3:50 p.m.)***

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