

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

December 19, 2017 - 10:07 a.m.  
Concord, New Hampshire

9 JAN '18 PM 1:03

RE: DE 17-160  
EVERSOURCE ENERGY:  
Petition for Recovery of Annual  
Assessment and Consultant Costs.

**PRESENT:** Chairman Martin P. Honigberg, Presiding  
Commissioner Kathryn M. Bailey  
Commissioner Michael S. Giaimo

Jody Carmody, Clerk

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

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

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

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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

Direct examination by Mr. Fossum	6
Cross-examination by Mr. Kreis	10
Cross-examination by Ms. Amidon	14
Interrogatories by Cmsr. Bailey	15
Interrogatories by Cmsr. Giaimo	19

**CLOSING STATEMENTS BY:**

Mr. Kreis	23
Ms. Amidon	24
Mr. Fossum	26

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

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
1	Petition for Recovery of Annual Assessment and Consultant Costs, including Prepared Testimony of Christopher J. Goulding, with attachments (10-20-17)	5
2	Eversource Energy Comparison of Current and Proposed Residential Rate R (3 pages)	5

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

CHAIRMAN HONIGBERG: Good morning, everyone. We're here, we're going to be doing three hearings back-to-back. I believe the first one is in DE 17-160, which is Eversource's Petition to Recover Assessment and Consultant Costs.

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

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

MR. KREIS: Good morning, Mr. Chairman. I'm D. Maurice Kreis, the Consumer Advocate, doing business on behalf of New England Patriots fans, Boston Red Sox fans, and all other residential utility customers.

CHAIRMAN HONIGBERG: You forgot the Celtics and Bruins.

MR. KREIS: Ah. I stand corrected.

MS. AMIDON: I always wondered why it wasn't the "Keltics"?

Suzanne Amidon, for Commission Staff,

1 and with me today is Rich Chagnon, who is an  
2 Analyst in the Electric Division.

3 CHAIRMAN HONIGBERG: All right. How  
4 are we going to proceed this morning?

5 Mr. Fossum.

6 MR. FOSSUM: As you've noted, we're  
7 going to start with 17-160. We have one  
8 witness for that. And we would begin by having  
9 him take the stand.

10 While he's doing that, I'll note  
11 we've had premarked for identification the  
12 Company's October 20th filing as "Exhibit 1.  
13 And the exhibit that's typically referred to as  
14 the "bingo sheet" would be "Exhibit 2",  
15 premarked for identification. And a copy of  
16 which has been provided to each of you, I  
17 believe.

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

23 CHAIRMAN HONIGBERG: Mr. Patnaude.

24 (Whereupon **Christopher J.**

1                   **Goulding** was duly sworn by the  
2                   Court Reporter.)

3                   CHAIRMAN HONIGBERG: Mr. Fossum.

4                   MR. FOSSUM: Thank you.

5                   **CHRISTOPHER J. GOULDING, SWORN**

6                   **DIRECT EXAMINATION**

7 BY MR. FOSSUM:

8 Q Mr. Goulding, could you please state your name,  
9 your place of employment, and your  
10 responsibilities for the record.

11 A Yes. My name is Christopher Goulding. I'm  
12 employed by Eversource Energy Company, at 780  
13 North Commercial Street, in Manchester. My  
14 position is Manager of New Hampshire Revenue  
15 Requirements.

16 Q And, Mr. Goulding, back on October 20th, did  
17 you submit prefiled testimony in this  
18 proceeding?

19 A Yes, I did.

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

22 A Yes, it was.

23 Q And do you have any changes or updates or  
24 corrections to that testimony this morning?

1 A Yes, I do.

2 Q Would you please explain what that correction  
3 is?

4 A Sure. On Bates Page 011 of the testimony,  
5 Line 5, it says "submission results in an  
6 increase to the average distribution rate of  
7 1.7 cents" -- or, "1.7 cents per kWh". It  
8 should be "0.017 cents per kWh".

9 Q So, for clarity, then we would just -- we  
10 delete the dollar sign and replace -- and add  
11 in the word "cents"?

12 A That is correct.

13 Q Do you have any other changes or corrections?

14 A I do not.

15 Q And subject to that correction, do you adopt  
16 this testimony as your sworn testimony in this  
17 proceeding?

18 A Yes, I do.

19 Q Mr. Goulding, could you very -- very briefly, I  
20 think it mostly speaks for itself, very briefly  
21 explain what the Company is requesting by this  
22 filing?

23 A Yes. So, in this filing, the Company is  
24 requesting an average distribution rate change

1 of 0.17 cents per kWh. And it's to address two  
2 items. One of those items is a change in the  
3 assessment expense of the Commission. Back in  
4 Order Number 25,743, we had a set level of  
5 assessment costs in our distribution rates.  
6 And there was a option for adjusting that in  
7 the future, if there were significant changes  
8 or changes in the assessment going forward.  
9 So, that's one of the items that's being  
10 captured here.

11 And in addition, we're seeking recovery of  
12 consultant costs charged for two legislatively  
13 mandated dockets: The grid modernization  
14 docket, DE 15-296, and the net metering docket,  
15 16-576.

16 Q Thank you. Mr. Goulding, turning to what has  
17 been premarked for identification as "Exhibit  
18 2", could you please explain what is shown on  
19 that exhibit, and in particular with reference  
20 to this request?

21 A Yes. So, on Page 1 of Exhibit 2, it's a  
22 calculation of a average residential customer's  
23 monthly rate impact. If you look down to the  
24 line where it kind of lists the tables as



1 "Distribution", currently, customers are paying  
2 \$37.39, a residential customer is paying \$37.39  
3 for their distribution service. After this  
4 adjustment, they will be paying \$37.54. So, a  
5 change of roughly 15 cents a month, or an  
6 increase in their total bill of 0.1 percent.

7 Page 2 of this exhibit, this just looks at  
8 the individual different components. There's  
9 proposals for a distribution rate change, a  
10 Stranded Cost Recovery change, and an Energy  
11 Service change being discussed today. Last  
12 week, there was a discussion around the change  
13 for the System Benefits Charge.

14 So, if we just focus on the "Total Retail"  
15 for "Distribution", which is the focus of this  
16 docket, there is a 0.2 percent increase in  
17 distribution rates for customers not taking  
18 delivery -- not taking Energy Service from the  
19 Company.

20 And, on Page 3, this is for a customer  
21 taking Energy Service, we just look at the  
22 "Total Retail" change for "Distribution" line,  
23 there's a "0.1 percent" increase in the  
24 electric rates for customers taking Energy

1 Service.

2 Q Thank you. And, Mr. Goulding, is it the  
3 Company's position that this request results in  
4 rates that are just and reasonable and in the  
5 public interest?

6 A Yes, it is.

7 MR. FOSSUM: Thank you. That's all I  
8 have for direct.

9 CHAIRMAN HONIGBERG: Mr. Kreis.

10 MR. KREIS: Thank you. Just a few  
11 questions.

12 **CROSS-EXAMINATION**

13 BY MR. KREIS:

14 Q Let's continue where Mr. Fossum left off with  
15 Exhibit 2, which is the so-called "bingo  
16 sheet", just so it's clear.

17 If you look at Page 2 of Exhibit 2, I just  
18 want to make sure I understand this. For  
19 Residential Rate R customers, as a result of  
20 the changes we're talking about today, total  
21 delivery service charges go up 2.9 percent,  
22 correct?

23 A Yes.

24 Q And that 2.9 is a total of all the numbers in

1       that row. And, so, therefore, distribution  
2       rate increases account for 0.3 percent of that  
3       increase; the SCRC increase accounts for  
4       1.6 percent; and the increase -- proposed  
5       increase in the SBC accounts for 1.1 percent?

6   A    That's correct.

7   Q    If you look at Exhibit 1, and go to Bates Page  
8       014 of Exhibit 1, it looks like the Company is  
9       seeking a recovery of about \$430,000 in  
10       consultant expenses incurred by the Office of  
11       the Consumer Advocate and the Staff of the  
12       Commission. Correct?

13   A    Yes.

14   Q    And would it be fair, in round numbers, to say  
15       that the Office of the Consumer Advocate  
16       accounts for about \$100,000 of that \$430,000?

17   A    I don't have it split out here, but I'll take  
18       your number subject to check.

19   Q    Well, you would agree with me that the expenses  
20       associated with Raab Associates and nine  
21       Synapse Energy Economics and DayMark Energy  
22       Advisors, those relate to the Staff expenses,  
23       yes?

24   A    Yes.

1 Q And the Strategen Consulting concerns OCA  
2 expenses?

3 A Yes.

4 Q And I guess I would ask you, subject to check,  
5 to agree with me that the Strategen expenses  
6 are slightly less than \$100,000, and the  
7 remainder are consultants employed by Staff?

8 A I just did the rough math. And, yes, that's  
9 correct.

10 Q Thank you. I have a general question about all  
11 of this. Why is a request like this not  
12 single-issue ratemaking?

13 A It's not single-issue ratemaking, because  
14 there's a law out there. There's two laws that  
15 allow for recovery associated with proceeding  
16 costs, one for Staff and one for OCA. So,  
17 we're just complying with the law for seeking  
18 recovery of the costs.

19 Q But the Company's not proposing to break this  
20 out as a separate charge, is it? On bills, I  
21 mean?

22 A No. It's just being rolled into the  
23 distribution rate.

24 Q On Page -- Bates Page 008 of Exhibit 1, you

1       raise the possibility of proposing a separate  
2       reconciling mechanism for assessment costs as  
3       part of the Company's next distribution rate  
4       case. Do you know when the Company intends to  
5       file its next distribution rate case?

6   A    I don't.

7   Q    And what is the difference between a separate  
8       reconciling mechanism and the proposal you have  
9       before the Commission today?

10   A   Well, this one just adjusts the distribution  
11       rates for a year, and then we would adjust them  
12       back down. So, it acts as a reconciling  
13       mechanism. But sometimes you can develop a  
14       separate mechanism that just captures kind of  
15       these one-off type costs. And I think other  
16       utilities have something called an "external  
17       delivery charge", where they capture costs  
18       associated with the NHPUC assessment change, I  
19       think some storm costs, and other miscellaneous  
20       costs. So, it would be like kind of -- look at  
21       it as -- it can be applied differently, too.  
22       It can be applied on a kWh basis -- per kWh  
23       basis, versus kind of, like I said, adjusting  
24       the average distribution rate proportionally.

1           So, it's just a matter of kind of making it  
2           more of a routine filing.

3                   MR. KREIS:   Okay.   Thank you.   Mr.  
4           Chairman, those are all the questions I have.

5                   CHAIRMAN HONIGBERG:   Ms. Amidon.

6                   MS. AMIDON:   Thank you.   Good  
7           morning, Mr. Goulding.

8                   WITNESS GOULDING:   Good morning.

9   BY MS. AMIDON:

10   Q     In 2014, there was a docket, you mention it in  
11           your testimony, I believe it's referenced on  
12           Page 7, and it's referenced probably prior to  
13           this, but on Line 24.   And that was the docket  
14           in response to a change in legislation on the  
15           assessment, is that right?

16   A     Yes.

17   Q     And, generally, in that order the Commission  
18           issued in the docket, it said that it was not  
19           appropriate at the time to develop or introduce  
20           a reconciling mechanism for assessment costs,  
21           right?

22   A     That's correct.

23   Q     So, that's why this docket takes into account  
24           the fluctuation between the -- in the 2016,

1           2017, and 2018 assessments, as compared with  
2           what was approved in that proceeding, which was  
3           the 2015 assessment?

4   A     That's correct.

5   Q     Okay. Thank you. With respect to the  
6           consultant costs, is the Company agreeable to  
7           having those costs audited by the Staff?

8   A     Yes, we are.

9   Q     And in the event that there were any changes  
10          that would require a reconciliation to findings  
11          from the audit, the Company would be willing to  
12          make that adjustment?

13   A     Yes.

14   Q     Thank you. And you want these changes to go in  
15          effect for January 1, is that right?

16   A     Yes. That's correct.

17                 MS. AMIDON: Okay. Thank you.

18                 That's all I have.

19                 CHAIRMAN HONIGBERG: Commissioner  
20                 Bailey.

21                 CMSR. BAILEY: Good morning.

22                 WITNESS GOULDING: Good morning.

23   BY CMSR. BAILEY:

24   Q     Did you say that the rate impact on

1 distribution rates was 0.17 cents or 0.017  
2 cents?

3 A 0.017 cents.

4 Q Okay. That's what I thought. Now, if you look  
5 at Exhibit 2, and you take the difference  
6 between the proposed rate and the current rate,  
7 I get 0.016 cents. In Column (1), on  
8 Exhibit 2, Page 1, the difference between  
9 0.04141 and 0.04125?

10 A Okay. Yes. I see that.

11 Q So, what should we say the rate impact is to  
12 customers?

13 A The average rate impact is 0.017 cents. But  
14 there's a change in the customer charge also.  
15 So, it's a equiproportional change to overall  
16 rates. So, not every customer sees a 0.017  
17 cent increase. That's just the average rate  
18 increase for customers, because not all  
19 customers are charged the exact same rate. So,  
20 when you adjust the rate proportionally, based  
21 on the current rate design, there's slight  
22 fluctuations between different customer  
23 classes.

24 Q Are you showing average rates on this table in



1 Column (1) right now, the charge per  
2 kilowatt-hour?

3 A No. This is a residential customer.

4 Q Okay. So, a residential customer will see a  
5 0.016 cent per kilowatt-hour increase?

6 A And then also a 5 cent increase in the  
7 distribution -- or, customer charge, going from  
8 \$12.64 to \$12.69.

9 Q Okay. Oh. And that's how you get to an  
10 overall 0.017 cent?

11 A Yes.

12 Q Okay. Thank you. You said that you would  
13 reconcile -- that this rate will only be in  
14 effect for one year, and that you'd reconcile  
15 it back down next year?

16 A Yes.

17 Q Back down to what?

18 A We would remove this recovery. So, let me just  
19 double check. We're adjusting the rates up by  
20 0.017 cents. So, we would adjust them back  
21 down by 0.017 cents.

22 Q Is that assuming that the assessment is going  
23 to go down next year?

24 A Yes. So, it all depends on what the assessment

1 comes in in the fall. If it comes in at the  
2 current level, then there will be no adjustment  
3 necessary for the assessment. But, assuming  
4 there's no other miscellaneous proceeding  
5 costs, then we would adjust the rate back down  
6 for the proceeding costs proportion of the rate  
7 increase.

8 Q So, it's not going to be automatic that it just  
9 goes back down to what it was, it's going to be  
10 another proceeding like this one?

11 A Yes, it would be. Another proceeding like this  
12 one.

13 Q So, that would be an annual adjustment?

14 A It has the potential to be an annual  
15 adjustment. I will say, when we did the NHPUC  
16 assessment change back in DE 14-237, we didn't  
17 do one in '15 or '16. This was the first one.  
18 Because the change was so small, it was like  
19 \$40,000 one year, and then \$50 the other way  
20 the next year. So, we didn't -- it wasn't  
21 necessary to come in for such a small change,  
22 because it wouldn't really move the rates.

23 Q What amount -- how much does it take to move  
24 the rates?

1 A I think it's usually around 100,000 or so, it  
2 tends to start moving the decimal a little bit.

3 CMSR. BAILEY: Okay. Thank you. I  
4 think that's all I have. Thanks.

5 WITNESS GOULDING: Okay.

6 CHAIRMAN HONIGBERG: Commissioner  
7 Giaimo.

8 CMSR. GIAIMO: Okay. Good morning.

9 WITNESS GOULDING: Good morning.

10 BY CMSR. GIAIMO:

11 Q So, as a point of clarification, so I make sure  
12 I understand this right, and correct me if I'm  
13 wrong, so, it seems like the consulting work  
14 done in 2006 [2016?], as well as work --  
15 consultant work done in 2007 [2017?], is  
16 basically hitting the books now, and the  
17 customers, through this assessment, will be  
18 charged for the work done in 2016 and 2017, is  
19 that right?

20 A Right. We were invoiced in 2016 and 2017 for  
21 these charges.

22 CHAIRMAN HONIGBERG: And,  
23 Commissioner Giaimo. Just to be clear, it's  
24 the work done in 2016 and 2017, right?

1 CMSR. GIAIMO: Correct.

2 CHAIRMAN HONIGBERG: The years were a  
3 little garbled when you first said it.

4 BY CMSR. GIAIMO:

5 Q So, if we can look at Bates 014.

6 A Okay.

7 Q So, just again for clarification, if I see this  
8 correctly, this is all, the -- a line item of  
9 each and every invoice associated with the  
10 consulting work done in the Grid Mod and the  
11 Net Metering dockets?

12 A Yes.

13 Q So, the first '18, that happens in 2016,  
14 they're hitting the books in the 2018  
15 assessment, correct?

16 A Those were invoices dated in 2016. I'm not  
17 sure when we received those and when we paid  
18 them. Some of the ones, the later ones, might  
19 have been paid in 2017. I'm not sure if that  
20 was what you were asking.

21 Q Yes. You used 100 -- when answering  
22 Commissioner Bailey's question as to "what  
23 moves the needle?", you said "\$100,000 moves  
24 the needle." And in 2016, there was \$108,000

1       worth of expenses.

2   A     Right. I think at the time it was kind of,  
3       because that docket was still ongoing, and we  
4       are waiting to finalize and get all the  
5       invoices in to submit them all at one time, and  
6       do a piece and then another piece of it.

7   Q     All right. If I can maybe move to the bingo  
8       sheet, Exhibit 2, just hoping you might clarify  
9       briefly. What I'm looking at on Pages 2 and 3  
10      of Exhibit 2 are bill impacts. And Page 2 is  
11      for customers not -- going through the  
12      competitive market, getting their energy  
13      service through a competitive market, and  
14      Page 3 is for customers taking Default Service?

15   A     That's correct.

16   Q     Okay. And this is -- so, this is total bill  
17      impact. So, the actual distribution rate that  
18      each class -- that Page 2 and Page 3 are the  
19      same, it's just the impact that's different,  
20      correct?

21   A     The average rates are the same, but there's  
22      different kind of adjustments to each class's  
23      rates.

24   Q     Okay. So, Residential Rate R, if I am

1       taking -- if I am taking energy service through  
2       a competitive supplier, the actual distribution  
3       rate is the same as a Rate R taking it through  
4       default service?

5   A     Yes.

6   Q     But the bill impact is different because the  
7       total -- the denominator -- or, the numerator  
8       changes, I'm confusing myself, but it's just a  
9       different -- you're just multiplying slightly  
10      differently, so the impact is different?

11  A     Right. So, the one without the competitive  
12      supplier has a lower retail rate, because it  
13      excludes the Energy Service portion of the  
14      rate.

15               CMSR. GIAIMO: Okay. Thanks. That  
16      helps. I'm good. Thank you.

17               CHAIRMAN HONIGBERG: I think my  
18      questions just got answered. So, I'm not going  
19      to have anything for you, Mr. Goulding.

20               Mr. Fossum, do you have any  
21      follow-up, redirect for Mr. Goulding?

22               MR. FOSSUM: I do not.

23               CHAIRMAN HONIGBERG: All right.

24      Mr. Goulding, why don't you stay where you are,

1           because I think you're probably going to be  
2           there for each of the next couple of dockets.

3                     Is there anything we need to do  
4           before closing this one down?

5                     *[No verbal response.]*

6                     CHAIRMAN HONIGBERG: All right.  
7           Then, without objection, we'll strike ID on  
8           Exhibits 1 and 2.

9                     And I'll ask the parties to sum up.  
10          Mr. Kreis, why don't you start us off.

11                    MR. KREIS: The Office of the  
12          Consumer Advocate has no objection to the  
13          Company's proposal. We can certainly state  
14          forthrightly that the expenses incurred with  
15          respect to the Office of the Consumer Advocate  
16          were just and reasonable. And I guess I have  
17          to assume that that would be the same for the  
18          expenses incurred by the Staff.

19                    I'm a little leery about things that  
20          look like single-issue ratemaking. But I do  
21          think the Company makes a good point, that  
22          these particular expenses are covered by a  
23          separate statute, and they have been, as the  
24          Company has pointed out in its filing, allowed

1       for recovery by at least one other utility.  
2       And, so, I think it's reasonable for this  
3       Company to request this form of recovery at  
4       this time.

5               We certainly reserve the right to  
6       urge the Commission to reduce its  
7       distribution -- urge the Company, that is, to  
8       reduce its distribution rates in future years  
9       when these assessments go down. And we  
10      certainly reserve the rights to take a  
11      different position in a different case in  
12      different factual circumstances.

13             CHAIRMAN HONIGBERG: Thank you, Mr.  
14      Kreis.

15             Ms. Amidon, in summing up, I'd like  
16      you to address what you have in mind for an  
17      audit. Because, while you asked the question  
18      of Mr. Goulding, Eversource didn't incur these  
19      costs, the Staff and the OCA did. So, I'm  
20      interested in understanding what an audit --  
21      what the audit would mean in this context.

22             MS. AMIDON: Well, I think -- I think  
23      it is true, that I believe Mr. Chagnon reviewed  
24      the bills and determined that they were all



1 accurately accounted for, and just to double  
2 check on that by Staff. I don't think there  
3 will be any discrepancies found. But, you  
4 know, a confirmation is always appropriate, and  
5 it probably wouldn't take much time.

6 CHAIRMAN HONIGBERG: Okay.

7 MS. AMIDON: It would be very simple  
8 for them, because I believe they have copies of  
9 all the invoices at this point.

10 CHAIRMAN HONIGBERG: All right. And  
11 then, summing up, you would say?

12 MS. AMIDON: I would say that I agree  
13 with the Consumer Advocate, that the Company  
14 has the authority under RSA 365 and 363 to  
15 recover the costs of consultants and other work  
16 for the Commission and the OCA in connection  
17 with utility investigations or utility  
18 proceedings, and that they have appropriately  
19 adjusted the rate to reflect those costs.

20 I also think it's appropriate at this  
21 time to take into account changes to the  
22 assessment, given the disparity between what  
23 was approved in 2014 and the current assessment  
24 for 2018, and as the result is just and

1 reasonable rates. And we believe the  
2 Commission should approve the Petition in the  
3 time frames requested by the Company.

4 CHAIRMAN HONIGBERG: Thank you,  
5 Ms. Amidon. Mr. Fossum.

6 MR. FOSSUM: Thank you. I have very  
7 little to add. I join the comments of the  
8 Staff and OCA. I think that the filing  
9 essentially speaks for itself. And it's the  
10 Company's belief that the resulting rate impact  
11 is a just and reasonable one. And we would  
12 request that the Commission approve the filing  
13 for recovery as submitted.

14 Thank you.

15 CHAIRMAN HONIGBERG: Thank you,  
16 Mr. Fossum.

17 We'll close this hearing and close  
18 the docket, close the record in 17-160. Take  
19 the matter under advisement and issue an order  
20 as quickly as we can. This hearing is  
21 adjourned.

22 ***(Whereupon the hearing was***  
23 ***adjourned at 10:35 a.m.)***  
24