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E X H I B I T S

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P R O C E E D I N G

1
2 CHAIRWOMAN MARTIN: Okay. Thank you,
3 everybody, for coming out this morning. I know
4 there's a lot going on. And, so, I appreciate
5 that you're here, and we can get this one done.

6 We are here this morning in Docket DE
7 19-139 for a hearing regarding the Eversource
8 Energy 2019 Least Cost Integrated Resource Plan,
9 or LCIRP. I understood that there is a
10 Settlement Agreement for consideration.

11 And, before we get to that, let's take
12 appearances.

13 MR. FOSSUM: Good morning,
14 Commissioners. Matthew Fossum, here for Public
15 Service Company of New Hampshire, doing business
16 as Eversource Energy. And with me this morning
17 also is Jessica Chiavara, counsel for the
18 Company.

19 CHAIRWOMAN MARTIN: Please do not feel
20 like you need to stand.

21 MR. FOSSUM: Oh, it's okay. I've got
22 one good one.

23 MS. SHUTE: Good morning,
24 Commissioners. Christa Shute, with the Office of

1 the Consumer Advocate, on behalf of New Hampshire
2 residential ratepayers.

3 MR. BUCKLEY: Good morning, Madam Chair
4 and Commissioners. My name is Brian D. Buckley.
5 I'm a Staff attorney of the New Hampshire Public
6 Utilities Commission Staff. And to my left is
7 Mr. Richard Chagnon, Assistant Director of the
8 Electric Division; also to my left is Mr. Kurt
9 Demmer, analyst with the Electric Division.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 I understand we have a few preliminary matters in
12 this case. There is a request to accept the
13 late-filed Settlement Agreement pursuant to Puc
14 203.20(f). And I understand that there is no
15 objection to that?

16 MR. BUCKLEY: Correct.

17 CHAIRWOMAN MARTIN: Okay. And, so,
18 we'll grant that request and accept the late
19 filing.

20 We also have a pending Motion for
21 Confidential Treatment, and that I believe has
22 been objected to.

23 MR. BUCKLEY: Right. So, as far as the
24 pending Request for Confidential Treatment and

1 Protective Order and the Staff objection, Staff's
2 recommendation would be that, since the
3 confidentiality matter will turn on legal issues,
4 the Commission has before it within the request
5 and the Staff objection, Staff suggests that
6 there is no need to rule on or address this issue
7 at hearing.

8 And I think the Company agrees with
9 that?

10 MR. FOSSUM: We do. Given that, and
11 the fact that there's no outside parties here, I
12 don't believe there's a need to address that at
13 the hearing. And the Commission can address that
14 when it issues an order.

15 CHAIRWOMAN MARTIN: Okay. Thank you.
16 Then, that's what we'll do. We will not rule on
17 it at this time and issue an order related to
18 that at the same time we issue the other order.

19 Okay. Exhibits.

20 MR. BUCKLEY: So, we have charted out
21 an exhibit list. We have four exhibits. That
22 will be the first being the Company Petition and
23 attachments, and that would be the confidential
24 version. Since there are no other parties here,

1 we feel confident we can speak exclusively
2 about that version. The second would be the
3 October update the Company filed. The third
4 would be the --

5 CHAIRWOMAN MARTIN: I'm sorry. Do you
6 have a date on the October update?

7 MR. FOSSUM: October 2nd.

8 CHAIRWOMAN MARTIN: Second. Okay.
9 Thank you.

10 MR. BUCKLEY: The third would be
11 Mr. Kurt Demmer's testimony, and that was filed
12 on January 22nd. And the fourth would be the
13 Settlement Agreement of March 11th.

14 CHAIRWOMAN MARTIN: Okay.

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

19 MR. BUCKLEY: And I think, if it
20 pleases the Commission, the plan today is to
21 proceed by presenting a panel, consisting of
22 Mr. Kurt Demmer, on behalf of the Commission
23 Staff, and Mr. Russell Johnson, on behalf of the
24 Company.

1 The Company will introduce its witness,
2 provide a brief overview of relevant Settlement
3 provisions. And then, Staff will follow by
4 introducing its witness and provide a brief
5 overview of certain other relevant Settlement
6 provisions. Then, we'll turn the panel over to
7 the Commission for questioning.

8 CHAIRWOMAN MARTIN: Hold on for just a
9 minute.

10 *[Chairwoman Martin and Commissioner*
11 *Bailey conferring.]*

12 CHAIRWOMAN MARTIN: Commissioner Bailey
13 had a good question.

14 As for Exhibit 1, since there is --
15 we're using the confidential version, is there
16 going to be a redacted version that we can use,
17 if there are requests for that from the public?

18 MR. FOSSUM: I mean, the Company has
19 provided confidential and redacted versions of
20 what was just discussed as both Exhibit 1 and
21 Exhibit 2. So, there are, in the Commission
22 files already, confidential and redacted versions
23 of both. We have paper copies of both
24 confidential and redacted versions of both that

1 we can provide, if necessary. But those are
2 already in Commission files.

3 CHAIRWOMAN MARTIN: Well, let's marked
4 the redacted version for the record, as -- we can
5 either do it as "1B" or we can mark it as "2".
6 But let's mark it, so that if someone makes the
7 request. Or, we can make it "5".

8 MR. FOSSUM: In that case, I think then
9 the renumbering would probably be something like
10 "Exhibit 1" would be the Company's initial filing of
11 August 23rd, the confidential version; "Exhibit
12 2" would be the redacted; then "Exhibit 3" would
13 be the October 2nd Update, confidential version;
14 "Exhibit 4" the redacted version; "5" would be
15 Mr. Demmer's testimony; and "6" would be the
16 Settlement.

17 CHAIRWOMAN MARTIN: Is everybody
18 comfortable with that approach?

19 MR. BUCKLEY: Staff is comfortable with
20 that.

21 CHAIRWOMAN MARTIN: Okay. Great.
22 Thank you.

23 (The documents, as described, were
24 herewith renumbered and marked as

[WITNESS PANEL: Johnson|Demmer]

1 **Exhibit 1 through Exhibit 6,**
2 respectively, for identification.)

3 CHAIRWOMAN MARTIN: All right. Well,
4 if you're ready to move and have the witnesses
5 come up to the panel, that would be great.

6 (Whereupon **Russell Johnson** and
7 **Kurt Demmer** were duly sworn by the
8 Court Reporter.)

9 CHAIRWOMAN MARTIN: Okay. Mr. Fossum.

10 MR. FOSSUM: Thank you.

11 **RUSSELL JOHNSON, SWORN**

12 **KURT DEMMER, SWORN**

13 **DIRECT EXAMINATION**

14 BY MR. FOSSUM:

15 Q Mr. Johnson, could you please state your name,
16 your position, and your responsibilities for the
17 record?

18 A (Johnson) My name is Russell Johnson. I am the
19 Manager of System Planning. I am also the Acting
20 Director for Distribution Engineering. In my
21 planning role, I'm responsible for the long-term
22 planning of the distribution system. And, in the
23 distribution engineering, acting distribution
24 engineering role, I am responsible for all of the

[WITNESS PANEL: Johnson|Demmer]

1 field engineering and design responsibilities,
2 basically, line design.

3 Q And, Mr. Johnson, have you previously testified
4 before this Commission?

5 A (Johnson) Yes, I have.

6 Q Thank you. Back on August 23rd, 2019, in what
7 has been premarked as, well, both "Exhibits 1"
8 and "2", but, in particular Exhibit 1, the
9 Company had filed some extensive information.
10 Was that information compiled by you or at your
11 direction?

12 A (Johnson) Yes, it was.

13 Q And are you familiar with its contents?

14 A (Johnson) Yes.

15 Q And, on October 2nd, 2019, the Company submitted
16 revised attachments to the information that was
17 in Exhibits 1 and 2. Is that correct?

18 A (Johnson) Yes.

19 Q And that is the information that's contained in
20 what we have marked as "Exhibits 3" and "4", is
21 that correct?

22 A (Johnson) Yes.

23 Q Do you know the reason for those revisions on
24 October 2nd?

[WITNESS PANEL: Johnson|Demmer]

1 A (Johnson) Yes. Initially, we had made a decision
2 that, because some of the information was
3 critical energy infrastructure information, that
4 it should not be disclosed even to the Staff and
5 the OCA.

6 Following the prehearing conference,
7 and some additional internal discussions at
8 Eversource, we revised the attachments to include
9 that information. We have still sought
10 confidential treatment, and believe that it is
11 proper to keep it confidential. But there --
12 that was the reason for the revision.

13 Other than those changes, the
14 attachments are the same as the ones submitted on
15 August 23rd.

16 Q Thank you. Mr. Johnson, what was the purpose of
17 that August 23rd filing, as it was updated on
18 October 2nd?

19 A (Johnson) To comply with the Commission's
20 requirement in Order 26,262, to provide a limited
21 filing in place of the LCIRP filing.

22 Q And is it the Company's position that the filing
23 you've just identified was compliant with the
24 Commission's order?

[WITNESS PANEL: Johnson|Demmer]

1 A (Johnson) Yes. And that was covered in part of
2 the Settlement Agreement that is before the
3 Commission today.

4 Q Okay. Using that as a segue, so, turning to the
5 Settlement Agreement, which we have premarked as
6 "Exhibit 6", did you participate in the
7 discussions and negotiations related to that
8 Agreement?

9 A (Johnson) Yes.

10 Q And you're familiar with the terms of that
11 Agreement?

12 A (Johnson) Yes.

13 Q Could you very briefly, understanding that the
14 document is already before the Commissioners,
15 could you briefly discuss the terms of that
16 Agreement and the Company's understanding of
17 those terms?

18 A (Johnson) Yes. Looking at the terms, beginning
19 on Page 4, the first term states that the filing
20 we made was compliant with the Commission order.

21 The remaining terms all relate to the
22 future filing. Section B.1 covers the level of
23 detail expected on a number of items that would
24 be required for a full LCIRP. This is a shift in

[WITNESS PANEL: Johnson|Demmer]

1 the Staff expectations for the last few filings,
2 and we are prepared to make a filing that meets
3 that shift.

4 One item that is additional in this
5 section is a discussion of non-wires solutions.
6 The Company has agreed to identify potential
7 candidates, and to work with the Staff and OCA,
8 to do a detailed analysis of one of them for
9 inclusion in the next filing. The evaluation of
10 non-wires alternatives or solutions is part of
11 our planning process, and we will work with the
12 Staff and OCA on this in the coming months.

13 Section B.2 and Section C are related
14 and refer to the Company's new planning criteria.
15 Since the 2015 filing, Eversource has adopted new
16 criteria for planning the distribution system,
17 and had put in place new policies on those
18 criteria. For the future filing, we have agreed
19 to explain those criteria and the use of them in
20 any upcoming projects. I note that thus far we
21 do not have any projects under construction using
22 these criteria. We have only performed limited
23 preliminary engineering.

24 We have also acknowledged that the

[WITNESS PANEL: Johnson|Demmer]

1 Staff and OCA do not support the transition to
2 this new criteria yet, and they are not
3 supporting any incremental costs that would come
4 from those criteria. As I understand it, any
5 cost recovery items would not matter until some
6 future rate filing, so that isn't an issue yet,
7 but we acknowledge it.

8 Last, there is the waiver request. We
9 thought it made sense to seek a waiver of the
10 next filing for a few reasons. First, coming out
11 of each IRP, there are often changes in what the
12 Commission expects. Since it is already March,
13 and since we would not know the Commission's
14 expectations until an order is issued perhaps in
15 April, and since the next filing would be due in
16 June, we would need time to account for changes.
17 In the same way, the level of detail that the
18 Staff and OCA are looking for has shifted from
19 prior filings, so more time is appropriate.

20 Lastly, Eversource is in the process of
21 revising its distribution planning guideline, and
22 is looking to finish that revision this summer.
23 It would not be the best use of resources to file
24 something with old information, and immediately

[WITNESS PANEL: Johnson|Demmer]

1 need to amend it to account for the updated
2 planning guideline.

3 Q Thank you. Mr. Johnson, is it your position and
4 the Company's position that this Settlement
5 represents a just and reasonable resolution for
6 this proceeding?

7 A (Johnson) Yes.

8 MR. FOSSUM: Thank you. That's what I
9 have for direct.

10 CHAIRWOMAN MARTIN: Okay. Mr. Buckley.

11 MR. BUCKLEY: Thank you.

12 BY MR. BUCKLEY:

13 Q Mr. Demmer, can you please state your name and
14 position with the Commission for the record?

15 A (Demmer) My name is Kurt Demmer. And I'm
16 employed as an analyst with the Electric Division
17 of the New Hampshire Public Utilities Commission.

18 Q And have you ever testified before the
19 Commission?

20 A (Demmer) Yes. I have.

21 Q And did you prepare testimony in this proceeding,
22 which has been premarked as "Exhibit 5"?

23 A (Demmer) Yes, I did.

24 Q And do you have any corrections or updates that

[WITNESS PANEL: Johnson|Demmer]

1 you would like to make to that testimony at this
2 time?

3 A (Demmer) No, I do not.

4 Q And, if I were to ask you the questions contained
5 in that testimony, would your answers be the same
6 as those contained within it?

7 A (Demmer) Yes, they would.

8 Q And do you adopt those answers as your sworn
9 testimony in this proceeding?

10 A (Demmer) Yes, I do.

11 Q And were you involved in this proceeding from the
12 outset, right through the filing of the
13 Settlement itself, now premarked as "Exhibit 6"?

14 A (Demmer) Yes, I was.

15 Q Now, what was the purpose of your testimony in
16 this docket?

17 A (Demmer) I reviewed the Company's filing for
18 consistency with the Commission's direction in
19 Order Number 26,262, which granted a waiver of
20 the Company's requirement to file a full LCIRP in
21 2019, and instead required a more limited filing.
22 That order directed Eversource to satisfy the
23 deliverables it committed to in a previous
24 settlement.

[WITNESS PANEL: Johnson|Demmer]

1 Q Now, moving to the Settlement itself, and keeping
2 in mind the discussion we just heard from Mr.
3 Johnson, are there any provisions that might
4 warrant further background or explanation for the
5 record?

6 A (Demmer) Yes. The provisions in the Settlement,
7 4 through 6, Pages 4 through 6, continue to
8 further the aim that the Company agrees to
9 provide a ten-year substation breaker-level
10 loading criteria and forecasts; a five-year
11 forward-looking evaluation of planned investments
12 and alternatives that have been considered; and
13 an assessment of the planned capital investments
14 which might be cost-effectively deferred or
15 avoided through the deployment of NWSs, non-wires
16 solutions.

17 Q And Mr. Johnson spoke about the non-wires
18 solution portion of the Settlement. But would it
19 be fair to say that the five-year forward-looking
20 evaluation of plant investments and possible
21 alternatives that have been considered is a --
22 would be a new requirement from Staff?

23 A (Demmer) That is correct.

24 Q In that it had not previously been required under

[WITNESS PANEL: Johnson|Demmer]

1 previous LCIRP filings?

2 A (Demmer) That is correct.

3 Q And is it your understanding that this new
4 requirement is one of the factors motivating
5 Staff's support for the extension request
6 discussed by Attorney Fossum and Mr. Johnson?

7 A (Demmer) That is correct.

8 Q And the Settlement contains some discussion of
9 planning criteria changes, is that correct?

10 A (Demmer) Yes. During my review of whether the
11 Company's system planning processes, it became
12 clear that the Company had revised its SYSPLAN
13 008 and SYSPLAN 010 planning criteria. Staff
14 still has questions about this criteria, and is
15 concerned that it may not result in the provision
16 of safe and reliable service at lowest reasonable
17 cost to customers. But, given the limited scope
18 of this docket, we believe the more appropriate
19 venue for resolution of that issue would be the
20 Company's full LCIRP filing.

21 Q Now, do you view the provisions of the Settlement
22 that you just described, as well as those
23 described earlier by the Company witness, as in
24 the public interest and expect that they would

[WITNESS PANEL: Johnson|Demmer]

1 result in just and reasonable rates if approved?

2 A (Demmer) Yes.

3 MR. BUCKLEY: Thank you, Mr. Demmer.

4 The panel is yours, Commission.

5 CHAIRWOMAN MARTIN: Thank you. I
6 understand from the Settlement Agreement that
7 everyone agrees that there would be no
8 cross-examination other than from the Commission,
9 is that right?

10 MR. BUCKLEY: That is correct.

11 CHAIRWOMAN MARTIN: Okay. Thank you.
12 Commissioner Bailey.

13 CMSR. BAILEY: Thank you. Good
14 morning.

15 WITNESS DEMMER: Good morning.

16 WITNESS JOHNSON: Good morning.

17 BY CMSR. BAILEY:

18 Q Mr. Johnson, can you tell me what your job is as
19 Distribution System Planning Manager?

20 A (Johnson) Sure. The primary role is long-term,
21 when I say "long-term", ten years, but, in that
22 role, we forecast out demands for ten years, and
23 we perform studies on the system to determine
24 where there may need to be enhancements or

[WITNESS PANEL: Johnson|Demmer]

1 projects to address, you know, it could be both
2 load growth, but more so, going forward, you
3 know, we're going to be doing more scenario-based
4 planning, looking at penetration levels,
5 distributed generation, battery storage, electric
6 vehicles, electrification, all of those kinds of
7 things. But it really is, it's to -- it's a
8 forward-looking study whereby we determine the
9 needs of the system.

10 Q And how does the approved LCIRP fit into your
11 work?

12 A (Johnson) I think it defines our process on how
13 we go about doing that. It establishes not only
14 the criteria by which we do planning, but also
15 how we coordinate those activities with energy
16 efficiency and conservation, and the overall need
17 to provide safe electric service at lowest
18 reasonable costs.

19 Q And when did the Company adopt this the SYSPLAN
20 008 and 010 for New Hampshire?

21 A (Johnson) SYSPLAN 010 was adopted in 2017, and
22 used in our -- the first time in our 2018
23 planning studies. And, again, SYSPLAN 010 is a
24 bulk substation assessment procedure.

[WITNESS PANEL: Johnson|Demmer]

1 SYSPLAN 008 is a procedure that defines
2 how we rate bulk transformers. So, in I believe
3 it was 2018, we started to rerate all of our bulk
4 transformers using that criteria. So, it was
5 fully in place for the 2019 studies.

6 Q Is that consistent with what you told me the
7 point of the LCIRP is? In other words, we
8 approved an LCIRP process and planning criteria
9 in 2017. And, in 2017, you adopted new planning
10 criteria. Isn't that opposite of the way it
11 should happen?

12 A (Johnson) Well, I don't -- I do not believe that
13 this process necessarily, the LCIRP process,
14 requires us to obtain approval for changes in
15 planning criteria.

16 What initiated the effort was to try
17 and, you know, across Eversource, to develop more
18 consistent planning criteria across the three
19 states, and to move to a more, you know, a
20 stricter planning criteria. Frankly, the
21 previous criteria was nearly forty years old.
22 And we do not believe that dropping thirty
23 megawatts for up to twenty-four hours is really
24 an appropriate planning criteria to be used

[WITNESS PANEL: Johnson|Demmer]

1 today. And we do regularly review our planning
2 criteria and make adjustments as we feel are
3 appropriate.

4 Q So, then, the LCIRP doesn't establish the
5 criteria, the Company does?

6 A (Johnson) That's true.

7 Q So, what's the point of the LCIRP, in your mind?

8 A (Johnson) Well, again, we update -- potentially
9 update policies on a regular basis. The LCIRP is
10 just simply an ability to pull all of those
11 processes together, to make them, I guess,
12 transparent to the Commission, to the Commission
13 Staff, to the OCA of our process, our planning
14 process.

15 Q Okay. Are the new criteria, in SYSPLAN 008 and
16 SYSPLAN 010, would the Company need to replace
17 infrastructure sooner under the new criteria than
18 under the old criteria?

19 A (Johnson) Yes. Recognizing that it is planning
20 criteria, that the decision on the investments
21 that we make is based on a number of other
22 factors.

23 But, looking strictly at the planning
24 criteria, yes, it is a stricter criteria. It

[WITNESS PANEL: Johnson|Demmer]

1 is -- it does not allow for as much, you know,
2 dropping of customer load under contingency. It
3 does not allow equipment to be loaded above its
4 nameplate rating under normal conditions. So,
5 yes. It is a stricter planning criteria that
6 would require or indicate an investment sooner
7 than compared to the old criteria.

8 Q And I imagine that we'll get into whether that's
9 reasonable in the next filing of the LCIRP, is
10 that your understanding?

11 A (Johnson) Yes.

12 Q Okay. Do you -- so, the answer to the first
13 question that was asked in Order 26,262, to
14 confirm that you're following the planning
15 process that was approved in 2015 is actually
16 "no", you're following new criteria?

17 A (Johnson) That's true.

18 Q Okay. Thank you. And, Mr. Demmer, can you go
19 over with me why you think that they have
20 complied with the order?

21 A (Demmer) In general, they have complied with the
22 order. There are -- in my testimony, I do show
23 some areas where there may have been some -- an
24 absence of some of the issues.

[WITNESS PANEL: Johnson|Demmer]

1 But, overall, I would say, generally,
2 they have complied with the limited LCIRP filing,
3 with the exception of probably what you brought
4 up here, and another issue with the NHEC joint
5 system planning.

6 Q Okay. And, despite that, you believe that the
7 Settlement Agreement is just and reasonable and
8 in the public interest?

9 A (Demmer) Yes.

10 CMSR. BAILEY: Okay. Thank you.
11 That's all I have.

12 CHAIRWOMAN MARTIN: Commissioner
13 Giaimo.

14 CMSR. GIAIMO: Good morning.

15 WITNESS JOHNSON: Good morning.

16 WITNESS DEMMER: Good morning.

17 BY CMSR. GIAIMO:

18 Q So, I'm looking at Attachment A to the Settlement
19 Agreement. And I'm going to read a line, which
20 I'm hoping, Mr. Johnson, you can explain in
21 layman's terms. You touched upon "loss of load".
22 So, I think this is what it gets to. "ED3002
23 allowed for the loss of up to 30 megawatts for up
24 to twenty-four hours as a design criteria.

[WITNESS PANEL: Johnson|Demmer]

1 SYSPLAN 010 does not allow for the permanent loss
2 of load for the loss of a bulk transformer."

3 What does that mean in the most
4 simplistic language possible?

5 A (Johnson) Sure. Under the situation where we
6 have a failure or indications of imminent failure
7 of a bulk transformer, what it means is that you
8 don't have either the transformer capacity or the
9 line capacity to be able to restore power to
10 those customers in a timely manner. And the
11 "twenty-four hours" relates to the duration of
12 time that we would expect it to take to be able
13 to take a mobile substation and transport it to
14 that location, and connect it and energize it.

15 So, that planning criteria of "30
16 megawatts" means, basically, that under that loss
17 of a bulk transformer, it would take twenty-four
18 hours to get a mobile substation there in order
19 to be able to restore that load fully.

20 Q And what I thought I heard you say was that that
21 criteria has basically been in effect for some
22 forty years now?

23 A (Johnson) Yes.

24 Q All right. Can you help me understand the

[WITNESS PANEL: Johnson|Demmer]

1 difference between -- I hear a lot of terms
2 you're using that sound to me like it's PTF,
3 that's "Pool Transmission Facilities", but
4 they're not I'm seeing. And, so, can you clarify
5 that for me, so I understand why?

6 A (Johnson) Yes. We need to come up with a
7 different term other than "bulk", because that
8 tends to -- it's a term that's also used in the
9 transmission system.

10 For us, "bulk transformer" implies that
11 it is transmission voltage on the high side and
12 distribution voltage on the low side. As opposed
13 to we have many, many substations on our system
14 that have 34.5 kV on the high side, which is
15 actually a distribution voltage and distribution,
16 and a lower voltage on the low side.

17 So, yes. Our bulk transformers are 345
18 kV to 34 and a half kV, 115 to 34 and a half kV,
19 and we also have 115 to 12.47 and 115 to 4 kV.
20 Those are all considered "bulk".

21 Q So, what I'm hearing from you is any investment
22 spending from this, none of those investments
23 would flow through the regional tariff and be
24 allocated regionally. It's all going to be borne

[WITNESS PANEL: Johnson|Demmer]

1 by your customers?

2 A (Johnson) Right. Yes.

3 Q In the Settlement on Page 4 [Page 5?], there's a
4 criteria for the NWS candidates. I'm wondering
5 why there is the three-year, Criteria 4, that it
6 has to be something that's outside of a
7 three-year planning window?

8 A (Johnson) The reason that's there is, when you
9 consider from the time that you establish a
10 criteria violation, in order to be able to
11 consider the non-wires solutions, including
12 energy efficiency, demand response, battery
13 storage, and also look at the options of
14 combining those non-wires solutions with perhaps
15 a lesser wires solution, you know, to evaluate
16 all of those, and then to go through the exercise
17 of, with the energy efficiency group, of
18 establishing what the capability is, based on the
19 load that's served by that equipment, and then
20 the act of going through the regulatory process
21 here to be able to get approval to target energy
22 efficiency in that way. And, then, physically
23 going out and developing with the customer base
24 the level of, you know, enhanced subsidy or

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[WITNESS PANEL: Johnson|Demmer]

1 support to get that level of energy efficiency
2 and what that is. And then, after all that, to
3 determine, in fact, "did you get what you need to
4 be able to defer the project?"

5 Because, at the end of the day, you
6 know, for example, if it is strictly a load --
7 base case load-driven project, if you are not
8 able to meet the level of megawatt reduction that
9 you're seeking, you're still going to need to do
10 a wires solution and address that issue.

11 So, we look at three years as being the
12 minimum to be able to responsibly undertake that.

13 Q Would you plan to bid load reductions into the
14 capacity market?

15 A (Johnson) I'll be honest, that is not my area of
16 expertise.

17 Q Thank you for the candor. This is my last
18 question for you, Mr. Johnson. You mentioned
19 October 1st, 2020 being the date. Is it possible
20 to do it earlier? If we turned an order around
21 quicker, would that help? Or, is it just October
22 first is the right date?

23 A (Johnson) Honestly, the effort to develop this
24 planning guide, which really is one of the main,

[WITNESS PANEL: Johnson|Demmer]

1 not obstacles, but things that we need to
2 accomplish, one of the milestones we need to
3 accomplish, being that it's a three-state effort
4 that we're undergoing to develop this consistent
5 methodology, we have a target internal to
6 complete that by June of this year. So, to get
7 that in place, and then be able to complete all
8 of the other activities, I think would be a
9 challenge to do it before October 1st.

10 Q Okay. That's helpful. I guess I lied, I have
11 one more question for you. Is it safe to say
12 that SYSPLAN 010, it's more stringent, so it will
13 be more expensive?

14 A (Johnson) Yes. In the end, if you look at, if,
15 in fact, we address all of the criteria
16 violations, then, yes, it is. It's got a higher
17 investment cost than the previous criteria.

18 Q But the reliability associated with it, in your
19 mind, justifies it?

20 A (Johnson) Yes.

21 Q Okay. And, Mr. Demmer, you said that your -- you
22 had concerns with SYSPLAN 010 with respect to
23 "safety and cost". Did I hear that correctly?
24 Is one more -- is one concern greater than the

[WITNESS PANEL: Johnson|Demmer]

1 other? Is it safety or is it cost?

2 A (Demmer) Well, it's safe, reliable service at a
3 higher cost. So, we don't feel as though it's
4 least cost at this time.

5 Q So, it's more cost, *per se*, than the reliability
6 concern -- than reliability?

7 A (Demmer) Correct.

8 CMSR. GIAIMO: Thank you for the time,
9 gentlemen.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 I don't have any questions that weren't already
12 asked and answered.

13 Mr. Buckley or Mr. Fossum, do you have
14 any follow-up for your own witnesses?

15 MR. FOSSUM: I do not.

16 MR. BUCKLEY: No follow-up from Staff.

17 CHAIRWOMAN MARTIN: I think at this
18 time I'd like to take a two-minute recess to, and
19 if you all don't mind just staying put, just to
20 have a brief conversation with the Commission.
21 And we will be right back. We'll go off the
22 record.

23 *(Recess taken at 10:42 a.m. and the*
24 *hearing resumed at 10:46 a.m.)*

[WITNESS PANEL: Johnson|Demmer]

1 CHAIRWOMAN MARTIN: Thank you for
2 indulging that. We'll go back on the record.

3 Before we move forward, I want to, I
4 apologize, excuse the witnesses, because I don't
5 think that we have any other questions, or you
6 could sit there, whatever.

7 WITNESS DEMMER: It's a good view.

8 CHAIRWOMAN MARTIN: Okay. And, so, I
9 don't forget. If there are no objections, then I
10 will strike the ID on exhibits and admit Exhibits
11 1 through 5 as full exhibits.

12 The one remaining question is a legal
13 question. And what we were discussing -- go
14 ahead.

15 MS. SHUTE: I believe we have six
16 exhibits.

17 CHAIRWOMAN MARTIN: Oh. Okay, 1
18 through 6 are admitted as full exhibits. Thank
19 you.

20 The question of whether or not the
21 filing deadline can be extended, we would like to
22 ask the parties to brief that question for us,
23 under RSA 378:38.

24 And I wonder how long you think you

1 would need to do that?

2 MR. FOSSUM: I'll speak for the
3 Company. I don't think we would need very long.
4 In fact, I mean, in asking for the waiver that
5 led to this particular filing, we effectively did
6 exactly that. So, I think, largely, we would
7 copy, with updates, what we had filed before.

8 I think the logic that was offered
9 then, and with which the Commission agreed at
10 that time, would apply then as it does today. I
11 mean, I'm prepared to even make that argument as
12 I sit here.

13 And, so, you know, to the extent the
14 Commission is desiring actual briefing, we can do
15 that. But I would rely very much on what was
16 filed before, and the Commission's authority to
17 waive any provision of 378:38, which is the
18 language of 378:38-a. And I think that that
19 language does grant the Commission ample
20 authority to waive that filing deadline.

21 CHAIRWOMAN MARTIN: Thank you.

22 MR. BUCKLEY: I think Staff would agree
23 with that as well. The only difference between
24 the last time the waiver was requested and

1 granted in Order 26,262, is that there is now a
2 different reason for good cause. As you heard
3 from the panel today, there is a distribution
4 planning guide that may or may not be just barely
5 finalized by what would have been the June 5th
6 deadline. And, from Staff's perspective, that
7 was one of the motivating factors in agreeing to
8 that extension of the deadline, because of that
9 good cause, as well as the somewhat more detailed
10 requirements that you heard Mr. Demmer and
11 Mr. Russell [Johnson?] go over relative to the
12 next LCIRP filing.

13 I would agree with the Company that it
14 would be a fairly light lift to actually brief
15 this issue. To the extent that the arguments,
16 you know, are largely going to be similar to
17 those that were provided in the proceeding DE
18 15-248, we could either have the -- well, I
19 suppose it wouldn't hurt to place them in
20 writing, or to make the arguments here today.

21 CHAIRWOMAN MARTIN: Ms. Shute?

22 MS. SHUTE: The OCA has supported the
23 Settlement Agreement and the limited filing,
24 because of some of the additions that will be

1 incorporated into the planning document regarding
2 non-wire alternatives, and how various portions
3 of the Company communicate inside of those policy
4 documents. So, we believe that it is -- you
5 asked a question about briefing. I'm sorry, let
6 me get back to that question.

7 We also -- we don't think it is a heavy
8 lift. And we would be willing to brief it or
9 to -- I would not be able to personally brief it
10 today at this hearing, as my other counsel are
11 certainly prepared to do, but --

12 CHAIRWOMAN MARTIN: Okay. I think, for
13 my benefit, having not been involved in the prior
14 proceeding, and the change in facts, I think it
15 would be helpful if you would put it into
16 briefing. And I would propose ten days, unless
17 you have a sooner deadline?

18 MR. FOSSUM: I mean, ten days is going
19 to be more than enough. I'm fine with ten days,
20 or when, you know, as early as can be filed. I
21 could probably have something in the next two or
22 three myself.

23 CHAIRWOMAN MARTIN: Okay. Ten days, or
24 sooner, if you're able to do it. Thank you very

1 much. I appreciate it.

2 Okay. And, then, I know we got started
3 with some summing up, but, Ms. Shute, if you have
4 other things you wanted to say, please feel free
5 to do that now.

6 MS. SHUTE: Okay. Thank you.

7 So, as I mentioned, the OCA, the Office
8 of the Consumer Advocate, supports this limited
9 filing, and recommends approval of the Settlement
10 Agreement. We feel that it provides additional
11 guidance for the next full LCIRP filing,
12 including further evaluation of non-wires
13 solutions, with a broader time horizon of up to
14 seven years, and further incorporation of
15 non-wires solutions into planning decisions and
16 internal policy documentation.

17 So, we do support the Settlement
18 Agreement. Thank you.

19 CHAIRWOMAN MARTIN: Mr. Buckley.

20 MR. BUCKLEY: Thank you, Madam Chair.

21 Staff is confident that the Settlement
22 of the parties appropriately resolves all the
23 issues in this case, that the approval of the
24 Settlement would be in the public interest, and

1 we expect that the approval would lead to just
2 and reasonable rates, and recommend its approval
3 by the Commission.

4 CHAIRWOMAN MARTIN: Okay. Thank you.
5 Mr. Fossum.

6 MR. FOSSUM: Thank you. I would, quite
7 obviously, I would support and appreciate the
8 comments of the OCA and the Staff. And I'll take
9 just a moment for a couple of other items in
10 response to some specific issues.

11 One is with respect to the questions
12 from Commissioner Bailey on compliance with the
13 prior order. And it would be our position that
14 we were and that the Company's filing was indeed
15 compliant. The changing in planning criteria was
16 something that was confirmed in the initial
17 filing, and was not something that was -- and
18 changing that criteria was not something that we
19 were required to seek approval of so far as I'm
20 aware. So, to the extent that there was a need
21 to inform the Commission of the planning
22 criteria, we did so.

23 The other thing I would note is that
24 the single issue relating to the planning

1 criteria was an addition from the Commission, and
2 was not actually part of the prior settlement
3 agreement. So, in understanding the Commission's
4 desire, I believe that we were fully compliant
5 with that order.

6 With that said, I would ask that the
7 Commission -- oh, and one final note, as Mr.
8 Johnson made, is that the Company hasn't actually
9 incurred any construction costs on that yet, and
10 anticipates working with the Staff and the OCA
11 for a more thorough review of that criteria going
12 forward.

13 With that, I would request the
14 Commission approve the Settlement Agreement
15 that's before it, including the request for the
16 waiver, which we will brief, as requested.

17 One final thing that I would note is
18 that much of what is in this Settlement
19 Agreement, and which the Company will be looking
20 at over the next few months, may or may not be
21 impacted by whatever actions the Commission would
22 take relative to the Grid Mod. docket. We know
23 that there is still something pending before the
24 Commission from I believe it was back in October,

1 and so that is something that we are keeping an
2 eye on and an eye out for. And it could be that
3 something that is done in that docket will have
4 an impact on what we have agreed to here. And,
5 if that's the case, we would address that at that
6 time. In the meantime, we anticipate being -- to
7 being in compliance with what we have agreed to
8 do in this Settlement for the upcoming filing
9 later this year.

10 So, with that, I'll just reiterate by
11 request for approval of the Settlement Agreement.
12 And thank you.

13 CHAIRWOMAN MARTIN: Thank you. And I
14 believe Commissioner Bailey has a question.

15 CMSR. BAILEY: Thank you. Mr. Fossum.

16 I think one could read the LCIRP
17 statutes as requiring the utility to show the
18 Commission how it planned to make the least cost
19 investment. So, one way to do that would be to
20 say "Here are all the projects that we
21 considered, and here's why the one that we chose
22 was least cost." Another way to do it is to
23 approve the planning criteria, which is I thought
24 what the Commission settled on a few years ago.

1 So, if we're going to -- can you
2 explain what you believe the statute requires?

3 MR. FOSSUM: I think that, first of
4 all, I mean, the statute is, and the series of
5 statutes that make up the planning section, I
6 think are, at times, a bit difficult to read
7 collectively.

8 That said, my understanding is that the
9 Commission has a variety of options when it comes
10 to evaluation of plans. And I pulled up the
11 statute for myself just to be sure. That the
12 Commission is required to, for example, review
13 these plans, to evaluate consistency with the
14 subdivision, and in deciding whether to approve
15 the plan is to make various -- is to consider
16 various items. But it is explicit that approval
17 of a plan is not pre-approval of any actions
18 taken or proposed by any utility.

19 So, I don't see -- I understand the
20 Commission's need, and, quite rightly, to
21 understand what it is that the state's utilities
22 are doing, and how it is that these utilities are
23 intending to meet the needs of customers at the
24 lowest reasonable cost.

1 I don't, however, read these statutes
2 as restricting the utility in its ability to
3 change how it does what it does at various times.
4 When it does so, and when there's an opportunity,
5 that is shared with the Commission and with the
6 Staff, and it is evaluated. And, at that time,
7 we'll have the opportunity to understand, as we
8 have in this docket, and we will in the next,
9 potential disagreements about that.

10 We understand that there would be a
11 measure of risk in moving forward with a change
12 that is not supported. And we will address that.

13 But I don't read these statutes has
14 having the Commission deciding that certain
15 criteria are to be in place and to remain in
16 place unless and until there is some future
17 approval process.

18 Rather, I understand that the approval
19 is the approval of what has been put in front of
20 it, and that with an understanding that changes
21 may be made in the future.

22 CMSR. BAILEY: Thank you.

23 CHAIRWOMAN MARTIN: Okay. Anything
24 else?

1 *[No verbal response.]*

2 CHAIRWOMAN MARTIN: All right. Then,
3 we will close the record, take the matter under
4 advisement, and we will issue an order as soon as
5 we can.

6 And, if there's nothing else, we're
7 adjourned.

8 ***(Whereupon the hearing was adjourned at***
9 ***10:58 a.m.)***

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