

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

3  
4   **December 11, 2020 - 9:05 a.m.**

5  
6                   *[Remote Hearing conducted via Webex]*

7  
8           **RE: DE 20-053**  
9           **LIBERTY UTILITIES (GRANITE STATE**  
10          **ELECTRIC) CORP. d/b/a LIBERTY**  
11          **UTILITIES: 2020 Default Service**  
12          **Solicitations.**  
13          ***(Hearing regarding the period***  
14          ***Feb. 1, 2021 through July 31, 2021)***

15           **PRESENT:**      Chairwoman Dianne H. Martin, Presiding  
16                              Cmsr. Kathryn M. Bailey

17                              Doreen Borden, Clerk  
18                              Eric Wind, PUC Remote Hearing Host

19           **APPEARANCES:**   **Reptg. Liberty Utilities (Granite**  
20                              **State Electric) Corp. d/b/a**  
21                              **Liberty Utilities:**  
22                              Michael J. Sheehan, Esq.

23                              **Reptg. PUC Staff:**  
24                              Christopher Tuomala, Esq.  
                              Richard Chagnon, Asst. Dir./Electric  
                              Stephen Eckberg, Electric Division

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

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I N D E X

PAGE NO.

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DAVID B. SIMEK  
ADAM M. HALL  
*(added at Page 39)* HEATHER M. TEBBETTS

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

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
4	<b>Confidential</b> version of the revised Testimony of John D. Warshaw, with attachments, and the revised Technical Statement of Adam M. Hall and David B. Simek, with attachments <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
5	<i>Public</i> version of the revised Testimony of John D. Warshaw, with attachments, and the revised Technical Statement of Adam M. Hall and David B. Simek, with attachments <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>

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

1  
2 CHAIRWOMAN MARTIN: Okay. Let's go on  
3 the record.

4 We're here this morning in Docket DE  
5 20-053, which is the Liberty Utilities' Energy  
6 Service solicitation proceeding for the period  
7 beginning February 1, 2021.

8 We need to make the findings for a  
9 remote hearing.

10 As Chairwoman of the Public Utilities  
11 Commission, I find that due to the State of  
12 Emergency declared by the Governor as a result of  
13 the COVID-19 pandemic, and in accordance with the  
14 Governor's Emergency Order Number 12, pursuant to  
15 Executive Order 2020-04, this body is authorized  
16 to meet electronically. Please note that there  
17 is no physical location to observe and listen  
18 contemporaneously to this hearing, which was  
19 authorized pursuant to the Governor's Emergency  
20 Order.

21 However, in accordance with the  
22 Emergency Order, I am confirming that we are  
23 utilizing Webex for this electronic hearing. All  
24 members of the Commission have the ability to

1           communicate contemporaneously during this  
2           hearing, and the public has access to  
3           contemporaneously listen and, if necessary,  
4           participate.

5                         We previously gave notice to the public  
6           of the necessary information for accessing the  
7           hearing in the Order of Notice. If anyone has a  
8           problem during the hearing, please call (603)  
9           271-2431. In the event the public is unable to  
10          access the hearing, the hearing will be adjourned  
11          and rescheduled.

12                        Okay. We have to take a roll call  
13          attendance. My name is Dianne Martin. I am the  
14          Chairwoman of the Public Utilities Commission.  
15          And I am alone.

16                        Commissioner Bailey.

17                        CMSR. BAILEY: Good morning, everyone.  
18          Kathryn Bailey, commissioner at the PUC. And I  
19          am alone.

20                        CHAIRWOMAN MARTIN: Okay. Now, we need  
21          to take appearances. Good morning. Nice to see  
22          you again, Mr. Sheehan.

23                        MR. SHEEHAN: Thank you. Good to be  
24          seen.

1                   Mike Sheehan, for Liberty Utilities  
2                   (Granite State Electric) Corp.

3                   And I may note that we had a  
4                   conversation with Mr. Kreis either yesterday or  
5                   the day before, and explained to him that, in our  
6                   view, this is a fairly routine matter, and he has  
7                   elected not to appear this morning due to other  
8                   commitments.

9                   CHAIRWOMAN MARTIN: Okay. Thank you  
10                  for letting us know.

11                  Mr. Tuomala.

12                  MR. TUOMALA: Good morning, Madam  
13                  Chairwoman, Commissioner Bailey. Christopher  
14                  Tuomala, appearing for Staff of the New Hampshire  
15                  Public Utilities Commission. I am alone today.  
16                  But, in the audience, I have Rich Chagnon, the  
17                  Assistant Director of the Electric Division, and  
18                  Stephen Eckberg, an Analyst also with the  
19                  Electric Division, just in case there are any  
20                  questions that need to be answered from Staff.

21                  Thank you.

22                  CHAIRWOMAN MARTIN: Okay. Thank you.  
23                  I have Exhibits 4 and 5 prefiled and premarked.

24                  Do we have any other preliminary

[WITNESS PANEL: Warshaw|Simek|Hall]

1 issues?

2 MR. SHEEHAN: The only other issue  
3 would simply to be the assertion of  
4 confidentiality that we make at these hearings.  
5 It's contained in the cover letter. But the  
6 confidential version has material that is  
7 protected under Puc 201.06(a)(15), for those  
8 categories of information that are in default  
9 service proceedings.

10 Thank you.

11 CHAIRWOMAN MARTIN: Okay. Thank you.  
12 And we will treat all of that information as  
13 confidential during this hearing.

14 All right. Let's proceed with the  
15 witnesses. Mr. Patnaude, could you swear them in  
16 please.

17 (Whereupon **John D. Warshaw,**  
18 **David B. Simek,** and **Adam M. Hall** were  
19 duly sworn by the Court Reporter.)

20 CHAIRWOMAN MARTIN: Okay. Mr. Sheehan.

21 MR. SHEEHAN: Thank you.

22 **JOHN D. WARSHAW, SWORN**

23 **DAVID B. SIMEK, SWORN**

24 **ADAM M. HALL, SWORN**

[WITNESS PANEL: Warshaw|Simek|Hall]

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**DIRECT EXAMINATION**

BY MR. SHEEHAN:

Q I'll start with you, Mr. Warshaw. Could you please identify yourself?

CHAIRWOMAN MARTIN: Mr. Warshaw, you're muted again.

WITNESS WARSHAW: This is -- can you hear me?

CHAIRWOMAN MARTIN: Looks like we're having some trouble with your audio. You're on mute it looks like. Try it again.

WITNESS WARSHAW: Am I unmuted? Can you hear me now?

CHAIRWOMAN MARTIN: I can hear you now. Go ahead.

WITNESS WARSHAW: All right. Because it said -- gave me the "mute" option before, but I was on mute. All right. Starting over.

**BY THE WITNESS:**

A (Warshaw) My name is John D. Warshaw. And I am Manager of Electric Supply for Liberty Utilities Service Corp., which provides service to Liberty Utilities (Granite State Electric) Corp., doing business as "Granite State" or "Liberty".



[WITNESS PANEL: Warshaw|Simek|Hall]

1 I oversee the procurement of power for  
2 energy service for Granite State, as well as for  
3 the procurement of renewable certificates. And I  
4 also work for other companies, you know, within  
5 Liberty Utilities.

6 BY MR. SHEEHAN:

7 Q Thank you. We have marked in this hearing  
8 Exhibits 4 and 5, which are the same documents,  
9 but one is the confidential version and one is  
10 the redacted version.

11 CHAIRWOMAN MARTIN: I apologize,  
12 Mr. Sheehan. Mr. Warshaw, can you mute in  
13 between? I know you're having trouble, but we  
14 can hear you.

15 MR. SHEEHAN: Thank you.

16 BY MR. SHEEHAN:

17 Q So, we have before you Exhibits 4 and 5; 4 is the  
18 confidential version of our December 9 filing,  
19 and in Exhibit 5 is a redacted version of that  
20 same document. That document appears to contain  
21 testimony from you, at Bates Page 001 through  
22 116.

23 Do you have any changes to that  
24 testimony that you'd like to bring to the

[WITNESS PANEL: Warshaw|Simek|Hall]

1 Commission's attention now?

2 A (Warshaw) Yes. I have -- Mike, do I address the  
3 replacement pages or is the document considered  
4 complete at this time?

5 Q Why don't you first acknowledge that what was  
6 filed on the 11th is good, and then we'll talk a  
7 minute about what changed from the original  
8 filing to what's in front of us now.

9 So, the question is, the revised  
10 filing, are there any additional changes you need  
11 to make to that document?

12 A (Warshaw) No. There are no additional changes  
13 required on the revised filing.

14 Q And the original filing, which we did not mark,  
15 there are changes from that filing to what's in  
16 front of us today, is that correct?

17 A (Warshaw) That is correct.

18 Q And can you just point to, in your testimony, I  
19 believe there's a section that describes what the  
20 change was that prompted the filing of the 9th?  
21 Can you point us to that?

22 A (Warshaw) Yes. The changes are on Bates Page 011  
23 and 012.

24 Q And I'll give you a minute -- in a minute a

[WITNESS PANEL: Warsaw|Simek|Hall]

1 chance to briefly explain what was changed. But  
2 it did result in a change in numbers, which we  
3 filtered through many documents within the  
4 filing, which is why the Company elected to do a  
5 complete refiling. Is that correct?

6 A (Warshaw) That's correct.

7 Q Okay. And, if you could explain what changed  
8 from the filing on Monday to the filing on  
9 Wednesday?

10 A (Warshaw) In discussions that we had at a tech  
11 session with the Commission Staff, it was pointed  
12 out that there may have been an error in my  
13 calculation of the RPS Adder. In fact, when I  
14 went back and reviewed my calculation, there was  
15 some formula errors that created a incorrect RPS  
16 Adder that we filed on Monday. I corrected that  
17 adder.

18 And, in further discussions within  
19 Liberty, we decided that per what discussions we  
20 had in the previous hearing in June, we  
21 elected -- we were electing to continue to not  
22 change the RPS Adder that was approved in June,  
23 but instead to utilize that RPS Adder going  
24 forward for this next six-month period.

[WITNESS PANEL: Warshaw|Simek|Hall]

1 Q So, the adder that was in the filing on Monday  
2 was not correct. You corrected it. But that is  
3 not the adder we're proposing to include in  
4 rates. In fact, we're proposing simply to  
5 continue the adder that has been in effect for  
6 the last six months. Is that right?

7 A (Warshaw) That is correct.

8 Q And the adder that we are proposing to keep in  
9 place is, in fact, lower than your corrected RPS  
10 Adder, is that correct?

11 A (Warshaw) Yes. That is correct.

12 Q Okay. With that discussion, do you adopt the  
13 revised testimony, Exhibits 4 and 5, as your  
14 sworn testimony here this morning?

15 A (Warshaw) Yes, I do.

16 Q And can you, at a very high level, explain  
17 whether the solicitation that has resulted in the  
18 bids and contracts in front of the Commission now  
19 was in any way unusual or different or  
20 out-of-the-ordinary from the process that you  
21 followed in past Energy Service hearings?

22 A (Warshaw) No. This solicitation was very similar  
23 to the processes that we have used in the past.  
24 We had a reasonable participation by suppliers.

[WITNESS PANEL: Warshaw|Simek|Hall]

1 A few, you know, there was the usual, some  
2 questions and answers that they had. And the  
3 final participation was good. The pricing that  
4 we received was within the range of my estimate  
5 of what the market price would be.

6 So, I felt that this was a good  
7 representation of the market, and a good  
8 solicitation that resulted in a supply that would  
9 be the lowest cost to our customers.

10 Q Thank you. I'll turn to the other witnesses, Mr.  
11 Hall and Mr. Simek.

12 Mr. Simek, could you please identify  
13 yourself? Can't hear you.

14 CHAIRWOMAN MARTIN: Mr. Simek, you're  
15 on mute.

16 WITNESS SIMEK: Sorry about that.

17 **BY THE WITNESS:**

18 A (Simek) My name is David Simek. And I am the  
19 Manager of Rates and Regulatory Affairs.

20 BY MR. SHEEHAN:

21 Q Mr. Simek, did you participate in the drafting of  
22 the technical statement that is at Bates Pages  
23 117 of the two exhibits, 4 and 5?

24 A (Simek) Yes, I did.

[WITNESS PANEL: Warshaw|Simek|Hall]

1 Q And do you have any changes to any of the figures  
2 or text of those pages of the exhibits?

3 A (Simek) I do not.

4 Q And do you have anything further to add to Mr.  
5 Warshaw's description of the reasons for the  
6 change from Monday's filing to what's in front of  
7 us today, to clarify or add to what Mr. Warshaw  
8 said?

9 A (Simek) The only piece I could add is that the  
10 new approach that we used to keep the RPS Adder  
11 the same as what is currently approved, it  
12 actually lowered the factor from the previous  
13 approach by 0.00052 per kilowatt-hour.

14 Q And can you describe what the Company's intent is  
15 going forward with how we will treat this RPS  
16 Adder?

17 A (Simek) Sure. For the period that we actually  
18 perform the reconciliations, the period that goes  
19 into effect for August through January, when we  
20 typically calculate the RPS factor, the plan is  
21 to keep that factor consistent to the next twelve  
22 months.

23 Once we do this next filing that we're  
24 in at this point, we will revisit that, just to

[WITNESS PANEL: Warshaw|Simek|Hall]

1 see if there were any legislative changes or  
2 maybe Commission rules that would potentially  
3 allow us to make that change if it would be  
4 significant. We would also look at the current  
5 running over- or under-balance in accounting, and  
6 kind of take all that information that's  
7 currently available to assess whether a change  
8 needs to be made.

9 Q So, the plan is to set an adder in the summer  
10 filing, and keep it for twelve months, unless  
11 there's a change at this stage of the year, where  
12 a change may be warranted?

13 A (Simek) Correct.

14 Q Okay. Thank you. Mr. Hall, could you please  
15 identify yourself?

16 A (Hall) My name is Adam Hall.

17 Q And your position at the Company please?

18 A (Hall) Yes. I'm an analyst of Rates and  
19 Regulatory Affairs.

20 Q We have, again, in front of us Exhibits 4 and 5,  
21 and part of which is the technical statement you  
22 authored with Mr. Simek, which appears at Bates  
23 117. Do you have any changes to your portions of  
24 that document?

[WITNESS PANEL: Warshaw|Simek|Hall]

1 A (Hall) I do not.

2 Q Can you show me where the rates that we are  
3 seeking approval of here can be found in the  
4 filing?

5 A (Hall) Yes. So, the monthly proposed Energy  
6 Service rates for Large Customer Group, Small  
7 Customer Group, and D-11 and EV rates can be  
8 found on Bates 117R and 118R.

9 Q I'm sorry. And can you tell us the proposed rate  
10 for the Small Customer Group, which is our  
11 residential customers?

12 A (Hall) Yes. The Small Customer Group proposed  
13 rate is 6.426 cents. This is also a lower rate  
14 of 0.399 cents per kilowatt-hour from our current  
15 rate in effect. It's also a 5.85 percent less of  
16 a rate than what we currently have in effect.

17 Q So, the rate we're seeking approval of here is  
18 that amount less than what's currently in place,  
19 is that correct?

20 A (Hall) Correct. And, currently, the Energy  
21 Service rate for Small Customers is 6.825 cents.

22 Q How does the proposed Small Customer Group rate  
23 in this filing compare to the similar Small  
24 Customer Group rate that was in effect on



[WITNESS PANEL: Warshaw|Simek|Hall]

1 February 1, 2020, which would be the year prior  
2 to these rates going into effect?

3 A (Hall) So, on February 1st in 2020, the Energy  
4 Service rate was 7.193 cents, which is -- or,  
5 rather, the rate we're proposing of 6.426 cents  
6 is 10.66 percent less than the February 1st, 2020  
7 rate, or 0.767 cents less.

8 MR. SHEEHAN: Thank you, Mr. Hall. I  
9 have no further questions for these witnesses,  
10 and they can be -- they're available for  
11 cross-examination.

12 CHAIRWOMAN MARTIN: Okay. Great.  
13 Thank you. Mr. Tuomala.

14 MR. TUOMALA: Thank you, Madam  
15 Chairwoman.

16 Good morning, everyone. I would like  
17 to start off with Mr. Warshaw. I have a few  
18 questions. And some of them might be repeat  
19 questions from what Mr. Sheehan asked, but I just  
20 want to take you through first asking you some  
21 questions about the bidding process itself.

22 **CROSS-EXAMINATION**

23 BY MR. TUOMALA:

24 Q Mr. Warshaw, could you give a general description

[WITNESS PANEL: Warsaw|Simek|Hall]

1 of the solicitation process that occurred, and  
2 specifically speak to the dates that bids went  
3 out, and indicative bids, that sort of thing?

4 A (Warshaw) I will. The RFP was issued on November  
5 2nd, and that went to a distribution list that I  
6 maintain of companies and individuals that have  
7 expressed interest in these RFPs. It also was  
8 distributed to both the NEPOOL Markets Committee  
9 and Participants Committee. So, the RFP  
10 solicitation itself had a significantly wide  
11 distribution.

12 I received indicative bids on Tuesday,  
13 November 24th, and then final binding bids on  
14 Tuesday, December 1st. Participation was similar  
15 to what I have seen in the past.

16 Q Okay. Thank you for that. And were the bids  
17 also posted on Liberty's website?

18 A (Warshaw) Yes. We also posted the notice of the  
19 solicitation on our website. And, with that, the  
20 bidders had access to data of hourly loads and  
21 other information that they would utilize in  
22 their development of pricing.

23 Q And would you say that this, that the process  
24 overall, is consistent with the terms of the

[WITNESS PANEL: Warsaw|Simek|Hall]

1 Settlement Agreement approved in Order 24,577?

2 A (Warshaw) Yes, it is.

3 Q Thank you for that. And you said that the  
4 participation, as far as indicative bids and  
5 final bids, is relatively similar to the  
6 participation that has occurred over the last few  
7 years?

8 A (Warshaw) That is correct.

9 Q Did you note any differences and possible impacts  
10 from COVID on anybody's, either the bids or the  
11 number of bidders that stood out to you?

12 A (Warshaw) There was one bidder that elected to  
13 not bid on the Large Customer Group block that is  
14 for the Block B, which is the latter three  
15 months. And they just explained that, with what  
16 is happening in COVID and in the general economic  
17 condition in the country, they were concerned  
18 there was a little too much risk and uncertainty  
19 for them to bid on that block.

20 Another bidder only was interested in  
21 bidding on the residential block. They were,  
22 again, uncomfortable with bidding on the Large  
23 Customer Group block.

24 Q Thank you for that. And did you have the same

[WITNESS PANEL: Warshaw|Simek|Hall]

1 amount of bids for the indicative bids as  
2 compared to the final bids?

3 A (Warshaw) Yes.

4 Q And I believe you spoke to this in your direct  
5 examination with Attorney Sheehan. But, compared  
6 to your forecast, how did the bids compare?

7 A (Warshaw) The bids were very similar to the  
8 forecast that I put together for the market  
9 price -- the expected bids that I would receive  
10 in this RFP. We have a bandwidth that we use,  
11 because, you know, just so that there would be a  
12 level of bandwidth, a level of expectation of a  
13 variance from my estimate and what would actually  
14 come in. And all of these bids were similar  
15 to -- either close to my estimate or within that  
16 bandwidth.

17 Q And are you the one who calculates that forecast,  
18 Mr. Warshaw, or is that done by someone else?

19 A (Warshaw) No. I calculate that forecast, based  
20 on electric forwards, history of the ancillary  
21 costs that are posted on ISO webpage, and  
22 experience of past bids against the published  
23 values.

24 Q And, in your opinion, or as far as what you've

[WITNESS PANEL: Warshaw|Simek|Hall]

1           seen, are the bid prices decreasing year over  
2           year?

3   A       (Warshaw) Yes, they have.

4   Q       And do you have a -- do you know of a reason why  
5           these bid prices are decreasing year over year?

6   A       (Warshaw) I think the major piece is that the gas  
7           market drives the price of electricity in New  
8           England, and the natural gas market is down year  
9           to -- year over year. Plus, there's been a  
10          significant drop in the forward -- cost of the  
11          Forward Capacity Market, and that also has  
12          resulted in reducing the costs to serve load in  
13          New England.

14   Q       And, Mr. Warshaw, could you give a general  
15          description of how you choose the winning bidder?

16   A       (Warshaw) Basically, the winning bidder is the  
17          one that comes in with the lowest average cost to  
18          our customers. In that, and we don't use just a  
19          straight average, we use a weighted average to  
20          determine the potential costs to our customers.  
21          This way, we would factor in volumes and pricing  
22          in months that have higher load and other months  
23          that would have lower load. Like January,  
24          because of the weighting, would have a higher

[WITNESS PANEL: Warshaw|Simek|Hall]

1 weight than April. And then, I'm sorry, from  
2 that, we would pick the lowest supplier in each  
3 block.

4 Q So, essentially, as you said, to summarize, it's  
5 the lowest weighted average cost is selected?

6 A (Warshaw) Yes.

7 Q Okay. Thank you. And could you state for the  
8 record who the winning bidders were for the Large  
9 Customer Group?

10 A (Warshaw) That would have been Calpine. And, for  
11 the Small Customer Group, that is NextEra.

12 Q Thank you. I want to turn now to the RPS portion  
13 of your testimony. And I believe that's on --  
14 and I'm working off of Exhibit 4, the  
15 confidential exhibit. And I will try my best not  
16 to reveal any confidential information. But, if  
17 anybody thinks that I'm going to, please feel  
18 free to stop me.

19 And I'm looking at Bates Page 009 and  
20 010. And can you just briefly describe what the  
21 chart is that starts on the bottom of Page 9 and  
22 continues to Page 10 please?

23 A (Warshaw) Yes. That is the RPS obligation that  
24 all the load-serving entities in New Hampshire

[WITNESS PANEL: Warsaw|Simek|Hall]

1 are required to meet in 2021.

2 Q And is that an increase over the 2020 year?

3 A (Warshaw) Yes, it is.

4 Q Do you recall by how much of a percentage that's  
5 an increase?

6 A (Warshaw) I don't know the percentage size of the  
7 increase. But, if I remember correctly, it goes  
8 from a 20.7 percent obligation to a 21.6 percent  
9 obligation.

10 Q Thank you for correcting me, I misspoke on that  
11 question. That's exactly what I wanted to get  
12 at. And would you say that that, the increase  
13 year over year, is pretty consistent?

14 A (Warshaw) Yes. That it is pretty consistent.  
15 Though, there have been some changes, as the New  
16 Hampshire Legislature continues to work on making  
17 the RPS as responsive to New Hampshire's needs as  
18 possible.

19 Q Thank you. And, if we could turn to Bates Page  
20 011R of Exhibit 4, and I'm specifically directing  
21 your attention to Lines 13 through 15. And you  
22 spoke to this -- about this with Attorney  
23 Sheehan. But, in a typical filing, Liberty would  
24 request an increase in the RPS Adder, correct?

[WITNESS PANEL: Warsaw|Simek|Hall]

1 A (Warshaw) We would either request an increase or  
2 a decrease, depending upon how the market was at  
3 that time. But, yes, we would request a change.

4 Q A change, okay. That's better stated. Thank  
5 you, Mr. Warshaw.

6 And, in this filing, Liberty is  
7 requesting that the RPS Adder, which was approved  
8 in the Summer Default Service hearing, remain  
9 consistent throughout this time period, from  
10 February to the end of July, correct?

11 A (Warshaw) That is correct.

12 Q And that would remain at the current charge of I  
13 believe it's 0.743 cents per kilowatt-hour?

14 A (Warshaw) Yes. That is correct.

15 Q And, so, if I could just point out, on Bates Page  
16 101 of Exhibit 4, you have "Exhibit 11", the "RPS  
17 Cost Adder Calculation". That is merely inserted  
18 in the filing as an illustrative document,  
19 correct?

20 A (Warshaw) That is correct.

21 Q Okay. And, if I could, to turn back, and I  
22 apologize for the flipping, to 11R, in Line 15,  
23 you stated the reason for maintaining the  
24 consistent RPS Adder is "to better align the



[WITNESS PANEL: Warshaw|Simek|Hall]

1 revenue and costs incurred to meet the RPS  
2 obligation." Do you have anything to expand on  
3 that specifically?

4 A (Warshaw) Yes, I do. The way that the REC market  
5 in New England works, you're able to transact or  
6 purchase RECs for a calendar year, beginning in  
7 July of that calendar year, and you're then able  
8 to buy RECs for the next twelve months. So, you  
9 would be buying RECs into -- up to June 15th of  
10 the following calendar year.

11 As a result, during the next -- the  
12 first six months of the next calendar year, most  
13 of the costs that are incurred to meet the RPS  
14 would be for costs incurred to meet the RPS  
15 obligation under the previous year. And  
16 that's -- and that is one of the reasons why we  
17 propose to not change the RPS Adder at this time  
18 in the year.

19 Q Okay. Thank you for that. So, it's, basically,  
20 you have differing timelines with the default  
21 service process at the PUC and the REC RPS  
22 process, and you're trying to better align those  
23 two timelines. Is that a correct statement?

24 A (Warshaw) Yes. We're trying -- we're better

[WITNESS PANEL: Warshaw|Simek|Hall]

1           trying to align the revenue that we receive from  
2           our customers, versus the costs that were  
3           incurred during that same time period.

4    Q       Okay. I appreciate that. Thank you, Mr.  
5           Warshaw. And the 0.743 cents RPS Adder, that  
6           applies to both the Small Customer Group and the  
7           Large Customer Group?

8    A       (Warshaw) That is correct.

9    Q       And the Company's decision to maintain or request  
10           the same RPS Adder from the one that was approved  
11           in the June Default Service hearings, is that  
12           going to affect the RPS bidding process or  
13           anything about the REC process that Liberty  
14           engages in?

15   A       (Warshaw) No, it will not.

16   Q       And just to sum this up, Mr. Warshaw, is it your  
17           opinion that the results of the solicitation  
18           process reflect a competitive market price for  
19           energy?

20   A       (Warshaw) It does. For serving the load in New  
21           Hampshire, it does, yes.

22   Q       Thank you for that, Mr. Warshaw. I would like to  
23           turn to either Messrs. Simek or Hall. I have a  
24           few questions regarding -- starting at Bates Page

[WITNESS PANEL: Warshaw|Simek|Hall]

1 117, and either/or can field the questions.

2 I guess, specifically, I would like to  
3 go to Page -- and that again is Exhibit 4, I  
4 would like to go to Page 117R. And the proposed  
5 Default Energy Service rate for the Small  
6 Customer Group there, I believe it's in Section  
7 2. It's 6.426 cents per kilowatt-hour, correct?

8 A (Simek) That is correct.

9 Q And that resulting rate, though, is based on a  
10 few components, is that correct?

11 A (Simek) Yes, it is.

12 Q And, if we go to Bates Page 120R, and that's for  
13 the Small -- this is a chart, and it says, in the  
14 top left corner, for the "Small Customer Group".  
15 Is it accurate to say you start with the  
16 "Weighted Average Base Charge" shown on Line 16?

17 A (Simek) Yes.

18 Q And how is Line 16 determined?

19 A (Simek) The footnote at the bottom states that  
20 it's "Line 15 plus Line 7". So, it's taking into  
21 account the projected residential and small C&I  
22 Energy Service base cost. And then, it is --  
23 well, just give me a moment here, I'm trying to  
24 figure that out.

[WITNESS PANEL: Warshaw|Simek|Hall]

1                   I believe that it is just looking at  
2                   Line 7 times Line 9. And then, it gets summed,  
3                   and then it is divided by the total to come up  
4                   with the dollar per kilowatt-hour rate, the  
5                   "0.06024".

6    Q            Okay. And, in Line 4 of that same chart, the  
7                   Projected Total Company kilowatt-hour for the  
8                   Small Customer Group, is that forecast generated  
9                   internally or is that provided by an outside  
10                  consultant?

11   A            (Simek) Previously, it was provided by an outside  
12                  consultant. But this time around, we began doing  
13                  that process internally.

14   Q            And that forecast does affect the resulting rate  
15                  for the Small Customer Group class, correct?

16   A            (Simek) Correct.

17   Q            So, if I have this right, once you have the  
18                  weighted average base charge, which is "6.024  
19                  cents", shown on Line 16, a number of other  
20                  factors are added, or subtracted in some cases,  
21                  is that correct?

22   A            (Simek) Correct.

23   Q            And the factors that I'm describing, are those  
24                  contained in Lines 11 through 13?

[WITNESS PANEL: Warshaw|Simek|Hall]

1 A (Simek) Yes.

2 Q And that's the "Energy Service Reconciliation  
3 Adjustment Factor", or "ESAF", on Line 11?

4 A (Simek) Yes.

5 Q And the "Energy Service Cost Reclassification  
6 Adjustment Factor" on Line 12, and the "RPS  
7 Adder", which Mr. Warshaw spoke about, as shown  
8 on Line 13, correct?

9 A (Simek) Correct.

10 Q So, adding those four, you get the resultant  
11 rate, which is, again, Line 16 -- or, excuse me,  
12 Line 18, of "6.426 cents" per kilowatt-hour for  
13 the Small Customer Group?

14 A (Simek) Yes. If you -- the formula for 18 is  
15 taking Line 14, multiplying it by Line 7, and  
16 then they do that for each month over the  
17 six-month period. Then, it's summed and totaled,  
18 and then divided by the total forecasted  
19 kilowatt-hours to come up with that "0.06426" per  
20 kilowatt-hour.

21 Q And, for the record, the Lines 11, 12, and 13,  
22 those, I guess for lack of a better term, adders  
23 to the weighted average price for the Small  
24 Customer Group, those were determined in

[WITNESS PANEL: Warshaw|Simek|Hall]

1 Liberty's last default service hearing, correct?

2 There has been no change since the last default

3 service process, correct?

4 A (Simek) Correct. These reconciliation factors

5 get reconciled once a year, and it's in the

6 summer filing.

7 Q Okay. And if you could turn to Bates Page --

8 excuse me, I have the wrong one -- 121R please?

9 And could you state for the record how this

10 proposed rate would impact a average residential

11 customer's electric bill, using 650 kilowatt-hour

12 total?

13 A (Simek) Sure. On a monthly basis, if a typical

14 residential customer is using 650 kilowatt-hours,

15 they would see a monthly decrease of \$2.59 to

16 their total bill, or a decrease of 2.21 percent.

17 Q And flipping to the next page, to 122R, how does

18 that compare to the same customer, for the same

19 time period that these new rates are going to be

20 in effect as of last year? So, it's a bit

21 confusing. But how does it compare to the

22 February 1st, 2020 to July 31st, 2020 time

23 period?

24 A (Simek) Yes. So, when we look at the actual

[WITNESS PANEL: Warshaw|Simek|Hall]

1 rates that were in effect February 1 of 2020,  
2 compared to the rates that we're proposing in  
3 this filing, it would be a 20-cent decrease on a  
4 monthly bill, using 650 kilowatt-hours for a  
5 typical customer.

6 Now, these changes include more than  
7 just Energy Service, of course, because it's all  
8 rate changes that occurred over the past twelve  
9 months.

10 Q But, for the record, it is a -- it's still a  
11 decreasing trend? It's a downward trend in  
12 rates?

13 A (Simek) Correct.

14 Q And now, if we could turn to the Large Customer  
15 Group, that's -- the Large Customer Group will be  
16 facing a different rate than the Small Customer  
17 Group, correct?

18 A (Simek) Correct.

19 Q And it's also not a consistent rate over the  
20 six-month period, like the Small Customer Group,  
21 correct?

22 A (Simek) Correct. The rates change monthly.

23 Q And that that is shown on Bates Page 118R, under  
24 the "Large Customer Group", the "Total" line?

[WITNESS PANEL: Warsaw|Simek|Hall]

1 A (Simek) Correct.

2 Q Could you explain briefly why Small Customer  
3 Group customers have a average rate, versus the  
4 Large Customer Group, which has an individual  
5 rate for each month during the six-month period?

6 A (Simek) I believe that it's -- well, I'm aware  
7 that it is part of a settlement agreement that  
8 was set to how we follow the process. The  
9 rationale behind why that's the case, I believe  
10 that more so on the Large Customer Group side,  
11 that there's more fluctuations than you would  
12 necessarily experience for a small customer. The  
13 goal is to try to keep it a little more  
14 straightforward, easier to understand, and then  
15 just make it consistent for the six months.

16 Whereas, the Large Customer Group, with  
17 their budgeting, and they really are going to be  
18 basing maybe some of their -- their planned work  
19 could potentially be based on high usage periods  
20 or lower usage times on a monthly basis, so they  
21 could potentially budget differently.

22 Q But it's consistent, this is the process that's  
23 been in effect for years per the Settlement  
24 Agreement, is the Small Customer Group gets an



[WITNESS PANEL: Warsaw|Simek|Hall]

1 average; the Large Customer Group has a rate that  
2 varies month to month?

3 A (Simek) Correct.

4 Q Okay. And, if we could turn to Bates Page 119R,  
5 and that shows the breakdown of how the Large  
6 Customer Group rate is determined?

7 A (Simek) Correct.

8 Q And, on Line 10, I guess similar to the Small  
9 Customer Group with the starting point, that --  
10 and then you add the additional factors, which I  
11 can get into in a minute. But, on Line 10, could  
12 you describe how that is calculated?

13 A (Simek) Sure. For Line 10, we take the monthly  
14 weighted average price, the lowest one that Mr.  
15 Warsaw discussed, and we multiply it by the loss  
16 factor, the distribution loss factor, to come up  
17 with what Line 10 shows.

18 Q And, if I may ask, the loss factor is different  
19 for the Small Customer Group than it is for the  
20 Large Customer Group, is that correct?

21 A (Simek) Correct.

22 Q And then, again, like the Small Customer Group  
23 rate, you start with the "Base Energy Service  
24 Rate", on Line 10, and this is month to month,

[WITNESS PANEL: Warshaw|Simek|Hall]

1 and then you add the factors 11, 12, and 13, to  
2 get the resulting rate on Line 14, correct?

3 A (Simek) Correct.

4 Q And those factors on Lines 11, 12, and 13 are, as  
5 we have said, the ESAF, or E-S-A-F, the ESCRAF,  
6 and then, on Line 13, is the RPS?

7 A (Simek) Correct.

8 MR. TUOMALA: Sorry. If you could just  
9 bear with me for a moment, I'm checking my notes.

10 *[Short pause.]*

11 MR. TUOMALA: I think that's all that I  
12 had for questions for Mr. Simek and Hall. But I  
13 did have two additional questions for Mr.  
14 Warshaw, if I could please?

15 BY MR. TUOMALA:

16 Q Mr. Warshaw, if you could go to your testimony.  
17 This one's going to be Bates Page 013. And it's  
18 on Line 8. You provide the load-weighted average  
19 power supply for the Large Customer Group,  
20 correct?

21 A (Warshaw) That is correct.

22 Q And that is, per your testimony, "6.052 cents per  
23 kilowatt-hour", correct?

24 A (Warshaw) That is correct.

[WITNESS PANEL: Warsaw|Simek|Hall]

1 Q But, as we've said in testimony, they don't pay  
2 that average rate, correct?

3 A (Warshaw) That is correct.

4 Q Okay. And is there -- is there anywhere in this  
5 filing where that calculation could result, the  
6 6.052 percent [cents?], is that included in the  
7 filing?

8 A (Warshaw) My mouse is sensitive. So, I hit it  
9 and it sometimes does it twice.

10 So, no, there is no place specifically  
11 in the testimony that it is calculated.

12 Q Okay. And, turning to the same page, Line 11,  
13 you provide the loaded -- the load-weighted  
14 average power supply costs for the Small Customer  
15 Group, which is "6.024 cents per kilowatt-hour",  
16 is that correct? I'm sorry, I couldn't hear you.

17 A (Warshaw) That is correct.

18 Q Okay. And is there anywhere in the filing that  
19 shows the computation to result in that figure?

20 A (Warshaw) Yes, there is. If you turn to Bates  
21 Page 120R, Line 16 has the calculation of that  
22 value.

23 MR. TUOMALA: Okay. Thank you for  
24 indulging me. That's all the questions that I

[WITNESS PANEL: Warshaw|Simek|Hall]

1 have.

2 Thank you.

3 CHAIRWOMAN MARTIN: Thank you.

4 Commissioner Bailey, do you have questions?

5 CMSR. BAILEY: I have just a few.

6 Thank you.

7 First of all, I'd like to thank you for  
8 filing the revised filing complete, so that the  
9 revised pages are included in the complete  
10 filing. It makes it so much easier and cleaner.  
11 I really, really appreciate it. Thank you.

12 BY CMSR. BAILEY:

13 Q So, while we're on Page 120, Mr. Simek, you went  
14 through some questions with Mr. Tuomala about how  
15 Line 16 is calculated. And I think that the  
16 footnote for Line 16 says that you "divide Line  
17 15 by Line 7", and I think you may have read that  
18 division sign as a plus sign.

19 So, can you confirm that the way that  
20 you calculate that average weighted cost is you  
21 take the sum of the average weighted cost, which  
22 is on Line 15, and you divide it by the sales on  
23 Line 7?

24 A (Simek) I do confirm that. Thank you for

[WITNESS PANEL: Warshaw|Simek|Hall]

1 pointing out my misreading.

2 Q Okay. Thank you. Mr. Warshaw, about the RPS, I  
3 think I understood you, well, to say you're not  
4 changing the RPS, and it's okay not to change it,  
5 because, between now and June, you're going to be  
6 buying RECs for calendar year 2020. Is that  
7 right?

8 A (Warshaw) That is correct.

9 Q Okay. So, is there any concern that you're going  
10 to under recover or do you think that the RPS  
11 Adder that was approved six months ago will cover  
12 your RPS obligations for calendar year 2020?

13 A (Warshaw) At this time, I believe that it will  
14 cover the value.

15 Q Okay. And, so, it kind of makes sense to set  
16 that rate right before you start buying RECs for  
17 the calendar year that you're in, is that right?

18 A (Warshaw) Yes. It's not -- could you repeat the  
19 question?

20 Q Sure. It was not --

21 A (Warshaw) I'm not sure I understood it.

22 Q Yes. It wasn't a very well-worded question.

23 So, going forward, you're going to set  
24 the RPS Adder for a twelve-month period beginning

[WITNESS PANEL: Warshaw|Simek|Hall]

1 with around the time that you start buying RECs  
2 in June for that calendar year that you're  
3 setting the rate in. So, next June -- next June  
4 you're going to reset the RPS Adder?

5 A (Warshaw) Yes. That is correct. That is  
6 correct. And the idea is that, while during the  
7 first six months of 2021 is the time where I  
8 would actually be transacting the purchase and  
9 delivery of RECs to meet the 2020 obligation, at  
10 the same time, during that first six months, I  
11 will then also be able to contract for delivery  
12 of 2021 RECs beginning in July of 2021 going  
13 forward.

14 Therefore, by the time we get to the  
15 June solicitation, we should have -- I should  
16 have a reasonably better idea of what the market  
17 price would be to meet that 2021 obligation.

18 Q Okay. Thank you. Mr. Simek, on Bates Page  
19 117 -- sorry, I got to get there. Under the  
20 "Small Customer Group Total Rate", you state what  
21 the rates for customers taking service under the  
22 Battery Pilot will be. And I notice that all  
23 three of those rates are higher than the Default  
24 Service rate. Why is that?

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 WITNESS SIMEK: I feel, Mr. Sheehan, it  
2 may be an appropriate time to ask if we can add  
3 Heather to this?

4 MR. SHEEHAN: Sure. A couple of  
5 these -- Commissioner, a couple of these  
6 questions came up during our informal tech  
7 session. And Heather Tebbetts, of course, is the  
8 most involved in the TOU rates. And, so, we do  
9 have her in the waiting room. And it is probably  
10 best that she answer that, if that's okay with  
11 everyone. We can promote her and swear her in.

12 CMSR. BAILEY: That's okay with me,  
13 Madam Chair.

14 CHAIRWOMAN MARTIN: And that's fine  
15 with me. I'm just -- I don't see her video. Ms.  
16 Tebbetts, do you have video?

17 There you are. Mr. Patnaude, could you  
18 swear her in as well please.

19 (Whereupon **Heather M. Tebbetts** was duly  
20 sworn by the Court Reporter and added  
21 to the witness panel.)

22 CMSR. BAILEY: Good morning, Ms.  
23 Tebbetts. How are you?

24 WITNESS TEBBETTS: Good morning. Fine.

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 Thanks. How are you?

2 CMSR. BAILEY: Good.

3 **HEATHER M. TEBBETTS, SWORN**

4 BY CMSR. BAILEY:

5 Q So, why are the Battery Pilot rates higher than  
6 the Default Service rates?

7 A (Tebbetts) Sure. So, it has to do with the split  
8 of costs for each time period. And it's  
9 different from summer to winter. So, these rates  
10 are seasonal. And, when we went through the  
11 Battery Pilot modeling of Time-of-Use rates, our  
12 Small Customer Group, which the rates are modeled  
13 after our Rate D customers, so only residential,  
14 the split of hours in each period and the  
15 associated kilowatt-hours used in each period are  
16 different.

17 And, so, when the model -- when the  
18 information goes into the model, what I put in  
19 there is the kilowatt-hours, total kilowatt-hours  
20 usage for the period for each month, that is in  
21 Mr. Simek and Mr. Hall's schedules, and then the  
22 revenues associated with that.

23 So, a couple of things. The periods --  
24 to be really specific, the critical peak period



[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 rate of "9.208 cents" is actually a lot less than  
2 the summer period rate, which is I believe over  
3 11 cents. And then, you -- the same issue is all  
4 three periods. So, it's an allocation of  
5 revenues and an allocation of kilowatt-hours for  
6 the hours which customers are using, and that  
7 goes 24 hours/365 days. And that's actual cost  
8 information from when we did the Pilot, which is  
9 updated for each rate change.

10 So, while you look at this and say "why  
11 is the rate higher?" It's just an allocation of  
12 the periods.

13 Now, I will tell you that, overall, the  
14 rates for winter are higher than summer rates for  
15 certain periods, and the Energy Service is one of  
16 those rates that is higher in the winter, rather  
17 than in the summer. And it's just the makeup of  
18 the model.

19 Q I don't understand that at all.

20 A (Tebbetts) Okay.

21 Q I mean, first of all, the Default Service rate is  
22 lower from February through July, the proposed  
23 rate is lower from February through July than it  
24 was from the last period, which covered December

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 and January. So, is this a winter rate or a  
2 summer rate? I don't even know.

3 A (Tebbetts) Sure.

4 Q But your cost is based on the cost of energy  
5 supply, and the rates are all in each period  
6 higher than that cost. So, that's what I want to  
7 understand.

8 A (Tebbetts) Sure. So, specifically, and I'm just  
9 looking at the model while we're talking -- all  
10 right. So, specifically, for example, some of  
11 the ancillary costs in the winter period are  
12 higher. So, when Mr. Below, myself, and Mr.  
13 Huber designed this model, ancillary costs are an  
14 example of something that is higher during  
15 certain periods. So, for example, it's higher in  
16 the critical peak hours.

17 And I think -- I think -- I understand  
18 your question. You're saying to me, "how is it  
19 possible that the overall Energy Service rate for  
20 six months is higher, on average, than it would  
21 be under a customer taking Energy Service in  
22 general?" Correct? I believe that's your  
23 question?

24 And, again, it's the inner workings of

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1           this complicated Time-of-Use model for the winter  
2           period.  So, the winter period starts November  
3           1st and goes through April 30th.  And, so, to  
4           compare that, if this was summer rates, which May  
5           1st all of this exact information will be applied  
6           to May 1st rates.  Nothing is going to change,  
7           except the fact that we've gone from seasonal  
8           winter rates to seasonal summer rates.

9                         And, to give you an example, you see  
10           the 9.2 -- the 9.2, the 8.8, and the 7.4?  Those  
11           exact same calculations, but moved to summer  
12           rates, will turn to critical peak hours will be  
13           11.3 cents, the mid-peak rate will be 6.4 cents,  
14           and the off-peak rate will be 2.5 cents.

15                        So, the reason that these rates are --  
16           they're more -- they're more equally allocated in  
17           the winter time between the three periods.  And  
18           then, for summer, those same exact costs are less  
19           equally allocated during the three periods, due  
20           to the fact that the actual usage during those  
21           other months are higher cost periods.

22   Q       So, are you saying that these rates are set from  
23           November to May and May to November, rather than  
24           the rates that we're setting today, which are

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 February to July?

2 A (Tebbetts) No. What I'm saying is that the rate  
3 for February 1st are the rates that we propose  
4 today. The rates in effect today, we've already  
5 filed for that rate change due to seasonality.  
6 And those rates were set on -- I can tell you  
7 what those rates are in a moment, those rates are  
8 set on the August 1st rates. Let me just pull  
9 that up for you, so you -- here it is.

10 So, the rates in effect today, based on  
11 the same calculation, but we're in the winter  
12 period -- all right, let me start over here to  
13 make it a little easier.

14 So, for August 1st, our rates for the  
15 battery storage customers and the electric  
16 vehicle customers, okay, for Energy Service,  
17 during critical peak was 9 cents, and I'm just  
18 rounding, 9 cents, mid-peak was 6 cents, and  
19 off-peak was 4 cents, as comparable to the 7 --  
20 approximate 7 cents that was effective August  
21 1st.

22 For November 1st, we moved to winter  
23 rates. And what that means is, as I just gave  
24 you the example for summer rates in the model,

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 the model automatically calculates the winter and  
2 summer rates for us when I put in the information  
3 from the filing.

4 Q But the rates don't change on November 1st.

5 A (Tebbetts) They didn't change for all other  
6 customers. But the purpose of the Battery  
7 Storage Pilot is to assume seasonality. And the  
8 model was approved to say that the inputs to the  
9 model don't change, but the seasonality of the  
10 rates do. And, so, again, all of the information  
11 that Mr. Simek had represented for the August 1  
12 rate change, none of that information changed in  
13 the model. The application of costs within the  
14 model changed.

15 Q Did the rate change on November 1st?

16 A (Tebbetts) Yes. And, so, the rate --

17 Q I thought I asked you that before, and you said  
18 it didn't?

19 A (Tebbetts) So, the rates change for the battery  
20 customers due to seasonality, but they didn't  
21 change for all other, the "Small Customer Group"  
22 is what I'm saying. I'm sorry.

23 Q Okay. Yes. I'm only talking to you about the  
24 battery customers.

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 A (Tebbetts) Okay.

2 Q So, the mismatch is that the rates for the  
3 customers in the Battery Pilot change on  
4 November 1st and May 1st, and they're based on  
5 the costs that are set in different time periods?

6 A (Tebbetts) Yes. So, the rates in effect today  
7 for those customers, today, for December 11th,  
8 for critical peak is 10.3 cents, for mid-peak is  
9 10 cents, and for off-peak is 8.3 cents. So,  
10 even though the rate that was approved for August  
11 1st for the Small Customer Group is about 7  
12 cents, the seasonality and the allocation of  
13 those costs for the winter period has that Energy  
14 Service cost higher in the winter for our  
15 residential customers.

16 Q Do the rates change every month? Because I  
17 thought you told me a little while ago that the  
18 rates in effect today are approximately 9 cents,  
19 6 cents, and 4 cents, and then a minute ago you  
20 just said they were 10 cents?

21 A (Tebbetts) So, the rates I just gave you were the  
22 rates that were effective -- so, there is a  
23 couple -- there was a couple rate changes. We  
24 had a rate change effective for all Energy

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 Service customers on August 1st, that included  
2 the battery customers. So, the rates I just gave  
3 you were the rates in effect from August 1 to  
4 October 31.

5 For November 1st, we now have a rate  
6 change for winter seasonality, and that's the  
7 10-cent/8-cent rates I just gave you. Those  
8 rates will be in effect from November 1 until  
9 January 31st. And then, the new rates for  
10 customers, with regards to the new bids we  
11 received, which is the hearing before us today,  
12 will be in effect February 1 through April 30th,  
13 and on May 1st start our summer period. So,  
14 those rates that I had mentioned prior --  
15 earlier, the 11 cents, 6 cents, and 2 cents, will  
16 be in effect from May 1st to July 31.

17 So, our battery and electric vehicle  
18 customers have Energy Service rate changes four  
19 times a year, because of the seasonality, we have  
20 a winter period and summer period. As our  
21 rates -- as our rates change as they do, which we  
22 used to change rates November 1 and May 1, quite  
23 a few years ago before the rates increased so  
24 much, then that actually would have matched our

[WITNESS PANEL: Warshaw|Simek|Hall|Tebbetts]

1 seasonality, and customers would only see a rate  
2 change twice a year.

3 CMSR. BAILEY: Okay. Thank you.

4 That's all I have, Madam Chair. Thank  
5 you, everyone.

6 CHAIRWOMAN MARTIN: Okay. Thank you.  
7 And I don't have any questions that haven't been  
8 answered.

9 I want to thank both Staff and the  
10 Company for the thorough presentations that you  
11 made today.

12 Mr. Sheehan, did you have any  
13 follow-up?

14 MR. SHEEHAN: No, I don't. Thank you.

15 CHAIRWOMAN MARTIN: Okay. Without  
16 objection, we will strike ID on Exhibits 4 and 5  
17 and admit them as full exhibits.

18 Is there anything else we need to cover  
19 before we hear closings?

20 *[Atty. Tuomala indicating in the*  
21 *negative.]*

22 CHAIRWOMAN MARTIN: Seeing nothing.  
23 Mr. Tuomala.

24 MR. TUOMALA: Thank you, Madam



1 Chairwoman.

2 Staff has reviewed the filing, and  
3 maintains that the Company conducted the  
4 solicitation, bid evaluation, and selection of  
5 the winning suppliers in a manner consistent with  
6 the Settlement Agreement and with past practice.

7 Staff considers this a competitive bid,  
8 consistent with the restructuring principles of  
9 RSA 374-F. Staff also states that the resulting  
10 rates, which are market-based, are just and  
11 reasonable, and consistent with RSA 378.

12 Staff's position is that Liberty's  
13 Petition should be approved according to the  
14 timeframe proposed in the October 22nd filing,  
15 which is issue an order by December 14th, 2020  
16 approving these rates.

17 Thank you, Madam Chairwoman.

18 CHAIRWOMAN MARTIN: And thank you. And  
19 Mr. Sheehan.

20 MR. SHEEHAN: Thank you. We appreciate  
21 Staff's support. We understand that this is a  
22 lightning-fast docket. And the way it was  
23 handled this time, as in the past, has been very  
24 good. We try to share as much information as we

1 can early. And Staff was great about getting on  
2 the phone and having conversations with us to  
3 walk through potential issues and resolved, as  
4 you heard today, and we do appreciate that.

5 And we agree and ask that the  
6 Commission support the proposed rates, as  
7 Mr. Tuomala just described it. And, again, we  
8 wish them well getting an order out by Monday.

9 Thank you.

10 CMSR. BAILEY: Madam Chair, can I ask  
11 Attorney Sheehan a question?

12 CHAIRWOMAN MARTIN: Go right ahead.

13 CMSR. BAILEY: Mr. Sheehan, do you file  
14 rate changes for the Pilot customers four times a  
15 year? Do you change your tariff four times a  
16 year?

17 MR. SHEEHAN: Yes. I think I can  
18 explain that.

19 My understanding is, the Battery Pilot  
20 docket allowed those seasonal changes. So,  
21 under the authority of that order, we adjust the  
22 battery time-of-use rates on those  
23 November 1/May 1. And, so, if there are no other  
24 changes, you got winter rates and summer rates

1 for the battery customers.

2 But those battery rates are based on  
3 the underlying Energy Service rates that we're  
4 talking about today. So, that's why there's the  
5 four-time change. So, we've got, let's say, a  
6 6-cent Energy Service rate in the summer that  
7 gets fed into the model that results in a TOU  
8 rate. On November 1, you still have that 6-cent  
9 underlying Energy Service rate, but you're going  
10 to the winter season for the battery, so it spits  
11 out different rates. And, so, we change in  
12 November. February 1, the winter part of it  
13 doesn't change, but the underlying Energy Service  
14 does. So, there's the change. So, I think  
15 that's the -- I'm almost sure that's the reason.

16 So, yes. We do make formal filings for  
17 the tariff changes in November and May for the  
18 seasonality part of the Time-of-Use rates.

19 And I can certainly get to Mr. Tuomala  
20 the support for that, and he can certainly  
21 forward it on to you to show where that authority  
22 comes from.

23 CMSR. BAILEY: I believe you about the  
24 authority. I just never have seen any tariff

1 changes. And that's my confusion. So, --

2 MR. SHEEHAN: And it's not yours.

3 Because, when Heather filed it this fall, we got  
4 questions from Staff and others saying "Wait a  
5 minute, what's going on here?" So, we had to go  
6 through this conversation again and explain it  
7 all, because it's, obviously, new, because we  
8 just had the customers go on line this summer.

9 CMSR. BAILEY: Oh. So, the first  
10 change would have been for November 1st? The  
11 first seasonal filing would have been  
12 November 1st of this year?

13 MR. SHEEHAN: That could have been,  
14 because I do know the first customer came on line  
15 in the summer. So, this is new for everyone.

16 CMSR. BAILEY: Okay. Thank you.

17 CHAIRWOMAN MARTIN: Okay. Thank you.  
18 With that, we'll close the record. And we will  
19 issue an order promptly, as requested. And the  
20 hearing is adjourned. Thank you.

21 **(Whereupon the hearing was adjourned**  
22 **at 10:12 a.m.)**

23

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