

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

3
4 **January 20, 2021 - 1:13 p.m.**

5 *[Remote Hearing conducted via Webex]*
6

7 **RE: DE 20-136**
8 **EVERSOURCE ENERGY:**
9 **Recovery Mechanism and Rate**
10 **Treatment for Net Metering and**
11 **Group Host Costs.**

12 **PRESENT:** Chairwoman Dianne H. Martin, Presiding
13 Cmsr. Kathryn M. Bailey

14 Doreen Borden, Clerk
15 Corrine Lemay, PUC Remote Hearing Host

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

19 **Reptg. Clean Energy New Hampshire:**
20 Kelly Buchanan, Dir./Regulatory Affairs

21 **Reptg. Residential Ratepayers:**
22 D. Maurice Kreis, Esq., Consumer Adv.
23 Office of Consumer Advocate

24 **Reptg. PUC Staff:**
 David K. Wiesner, Esq.

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

I N D E X

PAGE NO.

WITNESS PANEL:

ERICA L. MENARD

EDWARD A. DAVIS

RICHARD C. LABRECQUE

DEANDRA PERRICCIO

Direct examination by Mr. Wiesner 9, 17

Direct examination by Mr. Fossum 12

Cross-examination by Mr. Kreis 22

Interrogatories by Cmsr. Bailey 26, 36, 38

Interrogatories by Chairwoman Martin 34

Redirect examination by Mr. Wiesner 38

* * *

PUBLIC COMMENT BY:

Clifton Below 40, 49

QUESTIONS BY:

Cmsr. Bailey 48

* * *

CLOSING STATEMENTS BY:

Mr. Kreis 53

Ms. Buchanan 60

Mr. Wiesner 61

Mr. Fossum 64

QUESTIONS BY:

Cmsr. Bailey 57, 61, 70

Chairwoman Martin 71, 75

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Settlement Agreement, with attachments (12-15-20)	<i>premarked</i>

P R O C E E D I N G

CHAIRWOMAN MARTIN: We're here this afternoon for a hearing in Docket DE 20-136 regarding the Eversource recovery mechanism and rate treatment for net metering and group host costs. We have a Settlement Agreement for consideration today.

I have to make findings, because this is being held as a remote hearing.

As Chairwoman of the Public Utilities Commission, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic, and in accordance with the Governor's Emergency Order Number 12, pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this hearing, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are utilizing Webex for this electronic hearing.

All members of the Commission have the ability to communicate contemporaneously during

1 this hearing, and the public has access to
2 contemporaneously listen and, if necessary,
3 participate. We previously gave notice to the
4 public of the necessary information for accessing
5 the hearing in the Order of Notice.

6 If anybody has a problem during the
7 hearing, please call (603) 271-2431. And, in the
8 event the public is unable to access the hearing,
9 this hearing will be adjourned and rescheduled.

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

14 Commissioner Bailey.

15 CMSR. BAILEY: Good afternoon,
16 everyone. Kathryn Bailey, Commissioner at the
17 Public Utilities Commission. And I am alone.

18 CHAIRWOMAN MARTIN: Okay. And
19 appearances, let's start with Mr. Fossum.

20 MR. FOSSUM: Good afternoon,
21 Commissioners and all. Matthew Fossum, here for
22 Public Service Company of New Hampshire doing
23 business as Eversource Energy.

24 CHAIRWOMAN MARTIN: Okay. Thank you.

1 And, Ms. Buchanan, are you here for Clean Energy?

2 (Ms. Buchanan indicating in the
3 positive.)

4 CHAIRWOMAN MARTIN: Okay. Go ahead.

5 MS. BUCHANAN: I am. Thank you,
6 Chairwoman Martin. My name is Kelly Buchanan.
7 And I'm Director of Regulatory Affairs for Clean
8 Energy New Hampshire.

9 CHAIRWOMAN MARTIN: Okay. Thank you.
10 And Mr. Kreis.

11 MR. KREIS: Good afternoon, Chairwoman
12 Martin, Commissioner Bailey, colleagues. I am
13 Attorney Donald Kreis. I am the Consumer
14 Advocate here on behalf of residential customers.

15 CMSR. BAILEY: Welcome back, Donald.

16 CHAIRWOMAN MARTIN: Okay. Thank you.

17 Mr. Below, I see that you are here
18 today. I don't have you as a party. Do you plan
19 to speak?

20 MR. BELOW: I would like to make a
21 public comment at the end of the hearing, if I
22 could. If that's acceptable, I would like
23 permission to turn off my video while I'm
24 listening to the hearing.

1 CHAIRWOMAN MARTIN: Yes. That's
2 absolutely fine. We would love to hear your
3 public comment. And you can certainly turn off
4 your video. Thank you for letting me know.

5 MR. BELOW: Thank you.

6 CHAIRWOMAN MARTIN: And for Staff,
7 Mr. Wiesner.

8 MR. WIESNER: Good afternoon,
9 Commissioners. David Wiesner, representing
10 Commission Staff.

11 CHAIRWOMAN MARTIN: Okay. Thank you.
12 And I have one exhibit, Exhibit 1, prefiled and
13 premarked for identification. Anything else
14 related to exhibits?

15 *[No verbal response.]*

16 CHAIRWOMAN MARTIN: Okay. I also have
17 a pending Motion for Intervention filed by Clean
18 Energy New Hampshire. We have not received any
19 objections to that, and parties noted no
20 objection when we were here for the prehearing
21 conference. And, so, based on that, I am
22 granting that motion, having determined that such
23 intervention is in the interest of justice, and
24 would not impair the orderly and prompt conduct

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 of the proceeding.

2 Any other preliminary matters we need
3 to cover before we get started?

4 [No verbal response.]

5 CHAIRWOMAN MARTIN: Okay. Thank you.

6 All right. Then, let's proceed with
7 the witnesses. Mr. Patnaude, would you swear in
8 the witnesses please.

9 (Whereupon **Erica L. Menard,**
10 **Edward A. Davis, Richard C. Labrecque,**
11 and **Deandra Perriccio** were duly sworn
12 by the Court Reporter.)

13 CHAIRWOMAN MARTIN: Okay. Thank you,
14 everyone. Counsel who will be starting with
15 introductions?

16 MR. WIESNER: Madam Chair, we had
17 agreed that we would begin with introductory
18 questions for the witnesses, and then the
19 Company's witnesses will provide a brief overview
20 of the Settlement terms. And then, I will ask
21 our witness to provide a summary of the primary
22 reasons why the Commission Staff is supporting
23 the Settlement as well.

24 So, I'll begin with Ms. Perriccio, if

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 it please the Commissioners?

2 CHAIRWOMAN MARTIN: Yes. Thank you.

3 Go ahead.

4 **DEANDRA PERRICCIO, SWORN**

5 **ERICA L. MENARD, SWORN**

6 **EDWARD A. DAVIS, SWORN**

7 **RICHARD C. LABRECQUE, SWORN**

8 **DIRECT EXAMINATION**

9 BY MR. WIESNER:

10 Q For the record, Ms. Perriccio, would you please
11 state your full name and your position with the
12 Commission?

13 A (Perriccio) My name is Deandra Perriccio. And I
14 am an Analyst with the Sustainable Energy
15 Division.

16 Q And how long --

17 CHAIRWOMAN MARTIN: Hold on,
18 Mr. Wiesner. I apologize. But it looks like
19 we've lost Mr. Davis, who is on the panel.
20 Mr. Fossum, do you have a way to connect with
21 him?

22 WITNESS DAVIS: Chairwoman, this is Ed
23 Davis. Can you hear me at least?

24 CHAIRWOMAN MARTIN: I can hear you,

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 yes.

2 MR. FOSSUM: Looks like he hasn't
3 dropped, he's just got a bad connection.

4 CHAIRWOMAN MARTIN: Okay. Well, I'm
5 hoping that you can reconnect by video by the
6 time you need to testify. Is everyone
7 comfortable proceeding at this point?

8 *[No verbal response.]*

9 CHAIRWOMAN MARTIN: Any objection to
10 proceeding with Mr. Davis not on video?

11 *[No verbal response.]*

12 CHAIRWOMAN MARTIN: Commissioner
13 Bailey, are you okay for now?

14 CMSR. BAILEY: Yes. Thank you. I'm
15 okay for now. Hopefully, he'll get his video
16 back when it's his turn to speak.

17 CHAIRWOMAN MARTIN: Okay. Then, let's
18 proceed.

19 BY MR. WIESNER:

20 Q And, Ms. Perriccio, how long have you been with
21 the Commission?

22 A (Perriccio) I have been with the Commission for
23 four years.

24 Q And have you testified before the Commission

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 before?

2 A (Perriccio) I have not.

3 Q And you will never have to give that answer
4 again.

5 Were you involved in the Staff review
6 and evaluation of the relevant issues in this
7 proceeding?

8 A (Perriccio) Yes, I was.

9 Q And were you also involved in the negotiation of
10 the Settlement Agreement which is before the
11 Commission today?

12 A (Perriccio) Yes.

13 MR. WIESNER: Those are my introductory
14 questions. And I'll come back to Ms. Perriccio
15 later for a summary of Staff's position on the
16 Settlement.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 Mr. Fossum, are you going next?

19 MR. FOSSUM: Yes. And, hopefully, Mr.
20 Davis's video decides to correct itself in the
21 next couple of moments. In the meantime, I'll
22 work with who is here.

23 BY MR. FOSSUM:

24 Q Ms. Menard, could you please state your name and

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 position and responsibilities for the record?

2 A (Menard) My name is Erica Menard. I'm the
3 Manager of Revenue Requirements for Eversource
4 Energy. And, in that capacity, I am responsible
5 for rate and revenue requirement calculations in
6 regulatory matters before this Commission.

7 Q And, Ms. Menard, have you previously testified
8 before this Commission?

9 A (Menard) Yes, I have.

10 Q And did you participate in this proceeding, and
11 the discussions and evaluations leading to the
12 Settlement Agreement that's now pending?

13 A (Menard) Yes.

14 Q And are you familiar with the terms of that
15 Agreement?

16 A (Menard) Yes, I am.

17 Q Turning to Mr. Labrecque, could you please state
18 your name, your position, and responsibilities?

19 A (Labrecque) My name is Richard Labrecque. I'm
20 the Manager of the DER Planning Team for
21 Eversource Energy in New Hampshire. And my
22 responsibilities primarily include working with
23 customers and other DER developers seeking to
24 interconnect with our distribution system.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 Q And, Mr. Labrecque, have you previously testified
2 before this Commission?

3 A (Labrecque) Yes, I have.

4 Q And did you also participate in this proceeding,
5 and the various discussions leading ultimately to
6 the Settlement that's now pending?

7 A (Labrecque) Yes, I did.

8 Q And are you familiar with the terms of that
9 Agreement?

10 A (Labrecque) Yes, I am.

11 MR. FOSSUM: Now, I'll stop for a
12 moment to turn to the moderator. It looks to me
13 like Mr. Davis has attempted to reconnect through
14 the attendee link again.

15 MS. LEMAY: Doreen.

16 WITNESS DAVIS: Hello.

17 MR. FOSSUM: All right. Well, let's
18 move quickly while you're back.

19 BY MR. FOSSUM:

20 Q Mr. Davis, could you please state your name, your
21 position, and responsibilities for the record?

22 A (Davis) Edward A. Davis, Director of Rates for
23 Eversource Energy. And I am responsible for
24 rates and tariffs for the Eversource operating

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 companies.

2 Q And have you previously testified before this
3 Commission?

4 A (Davis) Yes, I have.

5 Q And did you participate in this proceeding, and
6 the various analyses and discussions leading to
7 the Settlement that is now pending?

8 A (Davis) Yes, I did.

9 Q And are you familiar with the terms of that
10 Settlement?

11 A (Davis) I am.

12 Q With that introduction, I guess I'll turn back to
13 Ms. Menard to begin, and others, I suppose, may
14 fill in as may be necessary.

15 Ms. Menard, could you please explain
16 the Settlement that is now pending and the issues
17 that it covers?

18 A (Menard) Certainly. As noted in the Settlement
19 Agreement that is identified as "Exhibit 1", in
20 Docket Number DE 20-095, concerning Eversource's
21 Stranded Cost Recovery Charge, which was to take
22 effect on August 1st, 2020, the Company had
23 proposed including certain costs related to net
24 metering and net metered group hosts in the SCRC

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 rate calculation.

2 However, in the order that came out on
3 July 31st, 2020, Order Number 26,387, the
4 Commission rejected Eversource's proposal,
5 finding that the issue had not been sufficiently
6 developed, either factually or legally. And the
7 Commission said that there would be another
8 docket opened to look at the issue, and that is
9 what was done in this docket.

10 Throughout this proceeding we had some
11 meetings and exchanged discovery and information,
12 and ultimately reached a settlement on how these
13 relevant net metering and net metered group host
14 costs would be handled. The Settlement
15 Agreement, in Attachment 1, describes the method
16 that Eversource has used, and that it will
17 continue to use, to calculate the net metering
18 costs.

19 And, for clarification, the costs at
20 issue here are those associated with the power
21 that Eversource purchases from net metered
22 facilities, and not lost distribution revenue
23 attributed to net metering. Also, as part of the
24 calculation, we count certain revenues that are

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 received by having registered larger facilities
2 in the ISO New England markets, and those
3 revenues offset these net metering costs.

4 So, beyond just defining how the costs
5 are calculated, the Settlement also specifies how
6 the costs are addressed in rates. Specifically,
7 the costs will be included in the SCRC and will
8 be distributed on an equal cents per
9 kilowatt-hour basis across all customer classes.

10 On January 8th, 2021, Eversource made
11 its most recent filing on the SCRC rate, which
12 did include net metering costs as described in
13 this Settlement Agreement. And the hearing on
14 that is tomorrow. So, in that SCRC rate filing
15 that was filed on January 8th, the actual net
16 metering adder rate is proposed in that filing,
17 and it will look slightly different than the rate
18 that is calculated for illustrative purposes as
19 part of Attachment -- or Exhibit -- Exhibit 1,
20 Attachment 2, in the Settlement Agreement.

21 Q Thank you. And then, I guess just one other
22 question for now then, and I'll put it to you,
23 Ms. Menard. Is it your opinion and the Company's
24 position that this Settlement is just and

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 reasonable, and that the rates that would come
2 from implementing the Settlement are likewise
3 just and reasonable?

4 A (Menard) Yes.

5 MR. FOSSUM: Thank you. That's what I
6 have for direct on this.

7 CHAIRWOMAN MARTIN: Okay. Mr. Wiesner.

8 BY MR. WIESNER:

9 Q And I'll ask Ms. Perriccio if she could please
10 provide a brief summary of Staff's primary
11 reasons for supporting the proposed Settlement
12 terms?

13 A (Perriccio) Thank you. Staff supports this
14 Settlement Agreement and the proposed recovery of
15 net metering and group host costs through the
16 SCRC. During multiple technical sessions, we
17 worked with the Company and the other parties to
18 develop a more comprehensive understanding of the
19 methodology and the calculations that are used in
20 accounting for those costs, as well as the
21 rationale for the proposed change and the
22 applicable cost recovery mechanism.

23 Staff agrees that the Company's current
24 accounting and calculation methods for

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 determining these costs, as represented in the
2 Settlement Agreement and the attachments, are
3 reasonable and appropriate for both the standard
4 net metering tariff and the current alternative
5 net metering tariff.

6 Recovery of those costs through the
7 SCRC, as is outlined in Attachments 1 and 2,
8 rather than through the Energy Service rate or
9 another mechanism, makes sense, because the costs
10 will be recovered on an equal cents per
11 kilowatt-hour basis from all customers, including
12 those who net meter under the current alternative
13 net metering tariff. That is because the SCRC is
14 a nonbypassable charge, unlike the Energy Service
15 rate, which is bypassable.

16 I would just like to note a couple more
17 points of the proposed Settlement.

18 First, the Agreement provides, as Erica
19 mentioned, that if any wholesale market revenue
20 is received from the registration of net metered
21 facilities with ISO New England as Settlement
22 Only Generators, or through any other mechanisms
23 or arrangements, that revenue will also be
24 included in the SCRC on an equal cents per

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 kilowatt-hour basis to offset the costs that will
2 be recovered from all customers.

3 Second, the net metering and group host
4 costs included as recoverable expenses in the
5 SCRC will be subject to a carrying charge
6 interest rate based on the prime rate of
7 interest, and not the higher interest rate used
8 for other costs under the 2015 Restructuring
9 Agreement. The prime rate is applied in the
10 Energy Service rate calculation. So, using that
11 rate ensures that no customers will be
12 disadvantaged by the shift in the collection of
13 those costs from one component of Eversource's
14 rate to another.

15 Those are both the details we feel are
16 important from Staff's perspective.

17 Q And, Ms. Perriccio, in your opinion, are the
18 proposed Settlement terms just and reasonable and
19 in the public interest?

20 A (Perriccio) Yes. I will note that I am an
21 analyst, and not an attorney. And, from that
22 perspective, I believe that to be the case here.

23 MR. WIESNER: Thank you. I have no
24 further questions for Ms. Perriccio on direct.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 CHAIRWOMAN MARTIN: Okay. Thank you.
2 Do we have any cross?

3 MR. KREIS: Madam Chairwoman, I might
4 have a couple of questions, with everybody's
5 permission, that would be properly characterized
6 as "friendly cross". If I had known that this is
7 Ms. Perriccio's first opportunity to testify, I
8 would have prepared a much more aggressive and
9 exacting hostile set of cross-examination
10 questions. But I do have a few "friendly" cross
11 questions I'd just like to ask for clarity.

12 CHAIRWOMAN MARTIN: Mr. Kreis, I
13 apologize for interrupting. I see that we have
14 lost video on Mr. Davis again. And, to the
15 extent you had anticipated asking questions he
16 would need to respond to, we would probably need
17 to get him back.

18 MR. KREIS: I would be happy to have
19 Ms. Menard answer any questions on behalf of
20 Eversource, if that is your pleasure. I know Ms.
21 Menard loves to answer my questions. And I don't
22 mind if we get Mr. Davis back either. It's
23 totally up to the Chair.

24 CHAIRWOMAN MARTIN: Well, if that's the

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 way you can direct your questions, why don't we
2 ask the moderator to try to work to get him back
3 while you're asking questions of the other
4 witnesses.

5 MR. KREIS: Perfect.

6 CHAIRWOMAN MARTIN: Go ahead.

7 MR. KREIS: My questions all center on
8 the last complete sentence on Page 2 of the
9 Settlement Agreement, after the letter "C". And
10 that sentence reads: "The Settling Parties agree
11 that the net metering and group host costs shall
12 be included in the SCRC on an equal cents per
13 kilowatt-hour basis, and Eversource shall not use
14 the differing allocation levels specified in the
15 2015 PSNH Restructuring and Rate Stabilization
16 Agreement for those costs."

17 That sentence happens to be the reason
18 the OCA signed the Settlement Agreement. And,
19 so, I just want to make sure that our reasons are
20 clear on the record.

21 And I don't mind if Ms. Perriccio
22 answers my questions, or Ms. Menard does, or Mr.
23 Davis does, if he's available. I'm hoping they
24 would all give basically the same answers.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

CROSS-EXAMINATION

BY MR. KREIS:

Q My first question has to do with including these costs in the SCRC, as opposed to the energy service costs, given that, obviously, net metering produces energy. And I want to focus on the effect of moving from energy to SCRC on residential customers. Would any of the witnesses care to explain to the Commission why that is both good and fair to the residential customers of Eversource? Might be a good question for Ms. Menard to try.

A (Menard) Be happy to. When we first started discussing this issue, back in April of 2018 there was a proceeding to, after generation was divested, to kind of separate out energy service and stranded costs, and costs were shifted around between the appropriate rate recovery mechanism. The purpose or the intent of that was to move toward a more market-based energy service rate. And, in doing so, many of the IPP costs were moved to the stranded cost rate, and the energy service rate was left to be purely the energy that was purchased from the winning bidders of

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 the RFP as part of energy service.

2 As we were looking into, you know, some
3 of the leftover costs, it was noticed that these
4 net metering costs or net metering expenses,
5 which are purchased from net metering facilities,
6 had not been moved over to stranded costs. And
7 we had proposed to move those to stranded costs,
8 because we do not use that energy that's
9 purchased from net metering facilities to meet
10 customer load. While it does act to reduce
11 customer, you know, overall customer load
12 requirements, we don't use it to actually meet
13 individual customer loads.

14 So, the Company felt it was more
15 appropriate to recover these net metering
16 expenses from all customers, not just those who
17 take energy service. And, largely, the customers
18 that still take energy service are mostly
19 residential-type customers.

20 So, it was, in our opinion, more
21 burdensome to the residential customer than
22 others. And, so, we proposed moving it over to
23 the stranded cost rate so that it's recovered
24 from all customers equally, rather than

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 disproportionately for residential customers.

2 Q Thank you. I just wanted to give Ms. Perriccio a
3 chance to speak to that question, if she has
4 anything to say beyond what Ms. Menard just said?

5 A (Perriccio) Thank you. I think she covered that
6 well. I have nothing further to add.

7 Q Indeed. And, so, would you both agree that the
8 result of moving these costs out of energy
9 service and into SCRC means that, in the
10 aggregate, residential customers will end up
11 paying less than they would have if we weren't
12 making this change?

13 A (Menard) Yes. I would agree with that.

14 Q And I assume you would, too, Ms. Perriccio?

15 A (Perriccio) Yes.

16 Q Okay. Now, focusing on the allocation levels
17 being used here, as opposed to the allocation
18 levels in the 2015 PSNH Restructuring and Rate
19 Stabilization Agreement, and again, I think this
20 is probably a question for Ms. Menard, the
21 allocation levels in the 2015 Restructuring and
22 Rate Stabilization Agreement, would you agree,
23 allocate to residential customers a percentage of
24 costs that is in excess of their percentage of

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 the load, generally speaking?

2 A (Menard) Yes. I would agree with that,
3 generally.

4 Q And would you also agree that, whatever the
5 reasons were for that allocation in the 2015
6 Agreement, those reasons are simply not
7 applicable to the question of what is the
8 reasonable share of these costs to allocate to
9 residential customers?

10 A (Menard) Yes.

11 Q And would you also agree that the result of using
12 a equal cents per kilowatt-hour allocation, as
13 opposed to the allocation percentages in the 2015
14 Agreement, has the effect of causing residential
15 customers to pay less than they otherwise would?

16 A (Menard) Yes. I will just caveat that a little
17 bit. Because it's on an equal cents per
18 kilowatt-hour basis, it would follow the sales
19 that result from residential customer usage. So,
20 in the event residential customers use more or
21 less than what is prescribed in that Settlement
22 Agreement rate, the rates will follow the sales
23 versus that prescribed rate.

24 Q Fair enough. So that, if there were some -- you

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 know, if the pandemic were to drive another
2 lockdown, and residential usage were to soar, and
3 commercial and industrial usage were to plummet,
4 then, obviously, that would have an effect on the
5 recovery of costs here?

6 A (Menard) Yes.

7 Q Unless Ms. Perriccio has anything to add to that,
8 those are all of the questions I have by way of
9 super friendly cross?

10 A (Perriccio) Nothing to add.

11 MR. KREIS: Okay. Thank you, Madam
12 Chairwoman. That concludes my cross-examination
13 questions.

14 CHAIRWOMAN MARTIN: All right. Thank
15 you.

16 Commissioner Bailey, do you have
17 questions?

18 CMSR. BAILEY: Yes. Thank you.

19 I don't have questions for specific
20 panelists. So, anybody who feels they can answer
21 the question, I would appreciate it.

22 BY CMSR. BAILEY:

23 Q Do you consider whether this kind of revenue is
24 consistent with the statutory definition of

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 "stranded costs" in 374-F:2? Which, to
2 paraphrase, I think says that "stranded costs are
3 as a result of restructuring".

4 A (Menard) We did have those discussions as part of
5 our technical sessions. And there was, I don't
6 want to speak to from a legal perspective, but my
7 understanding was that we had -- the legal teams
8 had investigated the appropriateness of recovery
9 through the stranded costs, and felt that it was
10 in line with the restructuring -- with the
11 statute you referenced.

12 Q So, does anybody have -- does anybody believe
13 these costs are related to restructuring?

14 A (Menard) I don't believe they are -- are they
15 related to restructuring? These costs are
16 resulting from purchasing net metering energy
17 from those customers that have net metered
18 facilities. So, in terms of is it legally
19 appropriate to recover those costs through the
20 stranded cost rate? Again, I think I would
21 probably try to defer to one of the lawyers to
22 answer that. I don't know if I can do that.

23 Q They can tell me in their closing.

24 A (Menard) Okay.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 Q Thank you. So, is the RRA a nonbypassable
2 charge?

3 A (Menard) Ed, are you --

4 A (Davis) Yes. The RRA, for purposes of net
5 metering, is considered bypassable.

6 Q So, net metering customers don't pay the RRA, is
7 that what you're saying, Mr. Davis?

8 A (Davis) Under the net metering tariff, they would
9 receive an offset for net metering for that
10 component of rates, yes. It's treated comparable
11 with distribution rates.

12 Q So, the only rate that you have that net metering
13 customers would pay is the Stranded Cost Recovery
14 Charge?

15 A (Davis) And the SBC.

16 Q Sorry. And the SBC.

17 A (Davis) Correct.

18 Q We're not going to put it in the SBC, right?

19 A (Davis) Correct.

20 Q Okay. So, that's why it ended up in the Stranded
21 Cost Recovery Charge?

22 A (Davis) In order to be nonbypassable, yes. Our
23 understanding is, and I'm going to paraphrase
24 what Ms. Menard said, is that the interpretation

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 of the basis of the SCRC, there was sufficient
2 room, again, I'll defer to attorneys for the full
3 discussion of that, but that there was room to
4 allow this cost to be recovered through the SCRC
5 mechanism, which is nonbypassable and serves to
6 allow the recovery of these costs through that
7 nonbypassable mechanism.

8 And, as you indicated, the SBC would
9 not be an appropriate mechanism as a
10 nonbypassable rate for the recovery of these
11 costs that are the subject of this proceeding.

12 Q Okay. And the actual costs that are going to be
13 recovered, are they -- Ms. Menard, did you say
14 that that's under consideration tomorrow?

15 A (Menard) there's a new adder being proposed in
16 the SCRC rate for these costs. Attachment 2
17 gives an illustrative calculation of it. But, in
18 the SCRC, we have the actual calculation, using
19 actual costs through November.

20 Q And, Ms. Perriccio, did the Staff review the
21 actual costs and are they satisfied that they're
22 actual?

23 A (Perriccio) Yes. The Staff did review, to the
24 extent that actual costs were provided for this,

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 with the understanding that the primary focus was
2 the methodology. But we did confirm that the
3 method of calculation and the actual costs that
4 were being included were accurate.

5 Q Ms. Menard, can we go to Exhibit 1, probably
6 Bates Page 012 -- Bates Page 011?

7 A (Menard) Yes.

8 Q Line 5, "Monthly Over or Under Recovery", and it
9 looks like there's an over-recovery in every
10 month estimated. Why would you collect rates
11 that intentionally result in an over-recovery?

12 A (Menard) Because this calculation is actually
13 recovering two years' worth of net metering
14 costs. One year is shown on Page -- Bates Page
15 013. Those are the actuals going back to
16 February of 2020. So, there were no revenues
17 during that time period, but there were costs.
18 And so, then, to recover -- to recover all of
19 those costs, it's about \$16 million, it's just a
20 function of this first year of setting that rate.
21 So, if you look at just this twelve-month period,
22 from February 2021 to January of 2022, it looks
23 like there's an over-recovery, because we're
24 actually trying to recover the whole two years

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 within that one-year time period.

2 Q Okay. I think I understand that. Thank you.

3 Can you look on the bill impact page, which is

4 Bates Page 015?

5 A (Menard) Yes.

6 Q And the Stranded Cost Recovery Charge used in

7 that table, seems like it's a little bit low?

8 A (Menard) It is.

9 Q Isn't the current rate 1.2 something?

10 A (Menard) Yes. This is just -- this is just

11 reflecting just this calculation, just the net

12 metering portion, I believe.

13 Q So, the net metering portion of the Stranded Cost

14 Recovery Charge is 1.2 cents?

15 A (Menard) No. Sorry.

16 A (Davis) Commissioner, this is Ed Davis. I

17 lost --

18 Q Mr. Davis, are you there? Did we lose you again?

19 A (Menard) So, the -- I can hopefully try to say

20 what Ed was going to say. If you were to look

21 at, on Line 17, in Column E, the "0.00982"? So,

22 that's the current SCRC rate. And then, what

23 we're doing here is we're just adding the net

24 metering addition to that stranded cost rate.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 So, that's --

2 Q But isn't the current -- isn't the current
3 stranded cost rate like 1.221 or something like
4 that? That's why I don't understand this table.

5 A (Menard) Let me just check. I don't think so.

6 No. I have the -- I have the current
7 rate as, for Residential Rate R, and maybe that's
8 the difference, Residential Rate R is the 0.982.

9 Q Okay. Mr. Davis, do you want to stop my
10 confusion?

11 WITNESS DAVIS: I'm so sorry. I don't
12 know. Webex is acting up for me today.

13 **BY THE WITNESS:**

14 A (Davis) The "1.202 is the result of taking the
15 current SCRC rate, of 0.00982, and adding the
16 illustrative 0.0022, to get the total rate of
17 0.01202. So, within the rate allocation that Mr.
18 Kreis had referred to earlier, we have a --
19 within the 1.2 cents, we have a combination of
20 the cents per kilowatt-hour equally distributed,
21 and then the rates distributed on a class basis.
22 But the sum total for residential rates is
23 illustratively using a 0.0022 SC adder equal to 1
24 -- 0.01202. That's what that bill comparison

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 illustrates.

2 BY CMSR. BAILEY:

3 Q So, you're saying that a 0.0022 increase in the
4 rate results in a 1.2 percent increase in the
5 total bill? It seems like a lot.

6 A (Davis) At those usage levels, 550
7 kilowatt-hours, for example, that rate equates to
8 \$1.21, I think we have in our exhibit. And so
9 that, on a bill basis, is equal to the 1.2
10 percent overall bill increase.

11 Q And tell me what the incremental difference
12 towards this net metering -- these net metering
13 costs is, 0.0022 cents?

14 A (Davis) That's correct.

15 Q So, it would be 0.000022 dollars, times 550?

16 A (Davis) That's correct.

17 CMSR. BAILEY: Okay. All right. I see
18 it. Thank you.

19 All right. That's all I have. Thank
20 you.

21 WITNESS DAVIS: Yes.

22 CHAIRWOMAN MARTIN: Okay. I just have
23 a couple questions left.

24 BY CHAIRWOMAN MARTIN:

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 Q As noted in the Settlement Agreement, the
2 Commission rejected including this in the SCRC
3 last year. And, going back to the order, noted
4 the mechanism and process approved by Unitil.

5 I'm interested in hearing why we landed
6 on this, after having rejected it? And what
7 would -- from Staff, I'd love to hear what would
8 justify the Commission moving away from that
9 prior rejection, and why this approach is more
10 appropriate than the Unitil approach that we
11 mentioned?

12 A (Perriccio) So, I can also let the other folks on
13 the panel speak to this. But my understanding is
14 that Unitil, they actually have -- they treat the
15 standard net metering cost recovery different
16 than the alternative net metering cost recovery.
17 So, for the standard, that is -- so, these are
18 the folks prior to 2017, that is recovered
19 through the default service rate, which, again,
20 is a bypassable charge. And, for the alternative
21 net metering customers, that is, as far as I
22 understand, is currently recovered through the
23 EDC, which has both a transmission and a
24 nontransmission component. And these costs are

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 being recovered through the nontransmission
2 component, which is a nonbypassable charge.

3 So, Staff felt, again, for this
4 proceeding, that the -- there is not an EDC,
5 there is not a similar component for Eversource.
6 And, so, the SCRC, as a nonbypassable charge,
7 seemed to be an appropriate place to recover
8 those costs.

9 But I'll let the folks on the panel
10 speak as well.

11 Q Anybody else?

12 A (Menard) I can't speak to -- I'm not familiar
13 enough with the Unitil method of calculation.
14 But, when we examined what rate we had available
15 that we could use to recover, number one, the
16 costs from all customers, rather than just the
17 energy service customers, and, number two, one
18 that was nonbypassable, really, the only choice
19 that we had was the stranded cost rate for
20 Eversource.

21 So, that's, again, that's why we had
22 looked at whether we could legally recover the
23 costs through there. And I think, at the end of
24 the day, we landed that this was an appropriate

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 mechanism to recover costs. And we chose to do
2 it, recover from all customers equally.

3 CHAIRWOMAN MARTIN: Okay. Thank you.
4 That helps.

5 I don't have any other questions.

6 So -- oh, Commissioner Bailey, go ahead.

7 BY CMSR. BAILEY:

8 Q Mr. Davis or Ms. Menard, can you help me with
9 this math? I really apologize. But it looks to
10 me like it's a penny, not a dollar. If you
11 multiply the bill impact, if you multiply
12 0.000022, times 550, what do you get?

13 A (Davis) At 0.0022, I get the \$1.21. But, if it's
14 00022, of course, it would be 12 cents.

15 Q And, if it's 0.000022, it's one cent. So, I
16 think there's something wrong with this bill
17 impact. Can you check on that and answer for
18 tomorrow?

19 A (Davis) Yes. Absolutely. Absolutely.

20 A (Menard) And, if it's okay, I can address your
21 question, Commissioner Bailey, about the 1.221
22 cents?

23 Q *(Cmsr. Bailey nodding in the affirmative).*

24 A (Menard) If you were to look back in the August

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 rate, we had proposed a 1.221 cents for the
2 average rate for the Residential class. That
3 rate included the net metering costs. So, then
4 we had to back those out after the order came
5 out. So, that's why the rate looks different.

6 Q Thank you. That's very helpful.

7 A (Menard) Sorry. It took me a few minutes to
8 figure that out.

9 CMSR. BAILEY: That's okay.

10 CHAIRWOMAN MARTIN: Anything else,
11 Commissioner Bailey?

12 CMSR. BAILEY: No. Thank you.

13 CHAIRWOMAN MARTIN: Unfortunately, it
14 looks like we lost Mr. Davis again. Does anybody
15 have redirect? And, if it involves Mr. Davis, we
16 will need to get him back.

17 WITNESS DAVIS: I can hear, but I
18 won't -- I'm going to probably just reboot again,
19 apologize.

20 MR. WIESNER: I would just like to ask
21 one clarifying question of Ms. Perriccio on
22 redirect.

23 CHAIRWOMAN MARTIN: Okay. Go ahead.

24 **REDIRECT EXAMINATION**

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 BY MR. WIESNER:

2 Q So, Ms. Perriccio, Commissioner Bailey asked you
3 if Staff had reviewed the actual net metering and
4 group host costs proposed to be recovered through
5 the SCRC. And would you agree that, in the
6 context of this docket, the Staff has not
7 reviewed those actual costs? But I believe it is
8 correct to say, and you can confirm that if you
9 believe that's the case, that Staff, in the SCRC
10 docket itself, would have reviewed those actual
11 costs, and will no doubt speak to that during the
12 hearing scheduled for tomorrow?

13 A (Perriccio) I agree.

14 MR. WIESNER: Thank you. That's all I
15 have.

16 WITNESS MENARD: Just to walk through
17 the math again for the bill impact. So, I think
18 we talked about it's 0.22 cents, times 500
19 kilowatt-hours? Is that what we were doing, 500?

20 BY CMSR. BAILEY:

21 Q Well, if it's 0.22 cents, yes. So, that would be
22 \$0.0022, right?

23 A (Menard) Yes.

24 Q Okay.

[WITNESS PANEL: Menard|Davis|Labrecque|Perriccio]

1 A (Menard) Yes.

2 Q Go ahead.

3 A (Menard) So, I had 0.22 cents. I multiplied it
4 times 500, but I can do -- no, 550
5 kilowatt-hours, comes out to 121 cents, which is
6 \$1.21.

7 CMSR. BAILEY: Okay. All right. I
8 think I might have misheard that it was "0.022
9 cents". Thank you.

10 CHAIRWOMAN MARTIN: Okay. Mr. Fossum,
11 anything else?

12 MR. FOSSUM: Well, I know there was a
13 question on the propriety of including these
14 costs in the SCRC that was left for folks like
15 me. I can either do that now or hold that for a
16 closing.

17 I don't have any questions for
18 redirect. But I can either address that issue
19 now or as part of the closing?

20 CHAIRWOMAN MARTIN: Commissioner
21 Bailey, do you have a preference?

22 *(Cmsr. Bailey indicating in the*
23 *negative.)*

24 CHAIRWOMAN MARTIN: Why don't we do it

1 as part of closings then.

2 MR. FOSSUM: Understood.

3 CHAIRWOMAN MARTIN: Okay. And then we
4 had public comment. Mr. Below, can you hear me?

5 MR. BELOW: I can.

6 CHAIRWOMAN MARTIN: Okay. Would you
7 like to make your comment now?

8 MR. BELOW: Sure. Good afternoon,
9 Chairwoman Martin and Commissioner Bailey.

10 I understand that public comment
11 usually has little or no weight in Commission
12 deliberations. You have to make your decision
13 based on the evidentiary record and the law in
14 adjudicated cases. This is an unusual case, in
15 that there seems to be no evidentiary record
16 other than the live testimony today. So, in many
17 respects, your decision might rest on the law.

18 I'm not a lawyer, but I am intimately
19 familiar with some of the law that I'm going to
20 cite. I am concerned that what's proposed here
21 appears to me to be contrary to New Hampshire
22 law. And I'd just like to be able to express
23 those concerns.

24 RSA 374-F:2, IV, at the end of the

1 introductory paragraph, that does state that
2 "Stranded costs may only include costs of:", and
3 then it has a list of five things that can be
4 considered "stranded costs". The first one in
5 (a) is "Existing commitments or obligations
6 incurred prior to the effective date of this
7 chapter", which was back in 1996. I don't see
8 that the remaining four -- or, actually, those
9 remaining five subparagraphs are applicable.

10 But perhaps of greater significance
11 even than that is RSA 374-F:3, XII, concerning
12 "Recovery of Stranded Costs", that to paraphrase,
13 in the first Paragraph (a), says "It's the intent
14 of the Legislature to provide...guidance to the
15 Commission...to assist addressing claims of
16 stranded costs." And it goes on to say that
17 "Nothing in this section is intended to provide
18 any greater opportunity for stranded cost
19 recovery than is available under applicable law"
20 -- or, "applicable regulation or law on the
21 effective date of this chapter", which was 1996.

22 And it goes on to provide, in
23 Subparagraph (c), "Utilities have and continue to
24 have an obligation to take all reasonable

1 measures to mitigate stranded costs." And I want
2 to address that in particular, because I think
3 Governor Sununu signed into law a new bill or a
4 new statute that points to exactly how most of
5 these costs, approximately 90 percent of the
6 costs related to energy supply could readily be
7 mitigated. And that new portion of the law is in
8 RSA 362-A:9, II, which describes the competitive
9 electricity suppliers and municipal or county
10 aggregators under RSA 53-E, to paraphrase, can
11 determine their own terms, conditions,
12 compensation rate, for output to the grid from
13 customer-generators. What I think, in this case,
14 has been characterized as "sales".

15 And it goes on to state "Such output
16 shall be accounted for as a reduction to the
17 customer-generators' electricity supplier's
18 wholesale load obligation for energy supply as a
19 load service entity", I think that should have
20 read "load-serving entity", but it ended up in
21 the law as "service", "net of any applicable line
22 loss adjustments, as approved by the commission."

23 What -- we did hear testimony that this
24 is not being used to meet customer load, even

1 though it does reduce overall load that needs to
2 be served by customers. It's just sort of an
3 engineering reality, when one customer exports
4 power to the grid, it gets used, in effect,
5 offsets the load of other nearby customers.

6 The new law that was signed in -- the
7 new provision of law that I just cited is a
8 practice that Liberty is already using, at least
9 with regard to customer-generators. The City of
10 Lebanon, for instance, our competitive supplier
11 nets the -- only charges us for our net load at
12 the end of the month.

13 If you look at Eversource's filing in
14 Docket DE 20-054, which concerns their current or
15 upcoming default service rates, in Attachment
16 ELM-1, Page 1 of 4, which is Bates Page 041 in
17 that proceeding, as well as the next page, Bates
18 Page 012 [042?], explains -- has a table in
19 which -- excuse me, I caused something to pop up.
20 Oh, there we go. Has a table in which they break
21 down the cost components of the default service
22 rate. And, at Line 5, they have the "Base Small
23 Customer Energy Service Rate" on that Page 41,
24 and on the next page they have it for the Large

1 Customer Group. And, if you go across that line
2 and look at that amount as a percent of the total
3 customer monthly calculated Energy Service rate,
4 it ranges from, by month, from 90.6 percent to
5 92.6 percent for Small Customers, and from 84
6 percent to 88 percent for the Large Customer
7 Group.

8 If Eversource simply accounted for this
9 output as a reduction to the default service
10 supplier's wholesale load obligation,
11 approximately 90 percent of these costs could be
12 mitigated and not charged to all other customers.
13 So, there's an obvious thing that I think creates
14 a serious question of whether this is consistent
15 with the statute.

16 Back to RSA 374-F:3, it goes on to say
17 that, under Subparagraph (d), that "Stranded
18 costs should be determined on a net basis", and
19 it goes on "any recovery of stranded costs should
20 be...limited in duration" and "consistent with
21 the promotion of fully competitive markets". I
22 think that there's a problem there as well.

23 You know, I think one thing that has
24 been suggested is that they are being determined

1 on a net basis, because some of these generators
2 are being registered into the interstate
3 wholesale market as Settlement Only Generators,
4 and getting compensation in that market for their
5 output, and that is being used to offset these
6 costs.

7 However, that does not fully net out
8 those stranded costs, even if they qualify as
9 stranded costs. In part, for instance, because
10 when they're not participating in their wholesale
11 markets, interstate wholesale markets, which I
12 think is the case with most of these
13 customer-generators, the effect of their output
14 to the distribution grid is that they reduce the
15 consistent peak demand that's used for
16 determining transmission rates, when they have
17 output at times of coincident peak, which is
18 typical in summer months. And there is no
19 attempt to net that benefit of reduced allocation
20 of transmission charges against these so-called
21 "stranded costs". If those were factored into
22 this, then there would be better or there could
23 be possibly compliance with that provision of the
24 law, but that is not the case.

1 They are clearly not limited in
2 duration. This is proposed -- there is no time
3 limit on this process. And I think there's a
4 problem with this being consistent with the
5 promotion of fully competitive markets, because
6 you're creating a different treatment of these --
7 this output to the grid from customer-generators
8 than will apply to competitive suppliers and
9 municipal and county aggregations, which would
10 not have the opportunity to recover any so-called
11 "subsidy" from other ratepayers, but just the
12 fact that it offsets the supply obligation
13 substantially mitigates, you know, any of those
14 costs.

15 I think the other concern here from a
16 legal point of view is that the proposed
17 Settlement, and Attachment 1 explicitly,
18 expresses the fact that it seems, and I think
19 Commission approval would appear to sanction,
20 Eversource's practice of taking New Hampshire
21 jurisdictional customer-generators and making
22 them FERC jurisdictional wholesale market
23 participants. That invites a legal challenge at
24 the federal level to New Hampshire's net metering

1 laws and Commission decisions, because the
2 Commission decision on alternative net metering
3 tariffs allowed or provided that
4 customer-generators be paid the full default
5 service rate, which, on the face of it, is in
6 excess of what is allowable for FERC
7 jurisdictional generators under PURPA, where the
8 cost is only to be the avoided cost in that
9 wholesale energy market.

10 There's another aspect in which these
11 costs are not being mitigated by that practice,
12 which is, and maybe it's a small one, but it's
13 still there, which is ancillary services. I
14 don't believe Settlement Only Generators get
15 compensation for ancillary services if they're
16 treated as a load-reducer, which is what ISO New
17 England's tariff, if you will, or rules, it's
18 actually called "Operating Procedure Number 14",
19 expressly provides, if these are not registered
20 as generators participating in the FERC
21 jurisdictional wholesale -- interstate wholesale
22 market, then they are to be treated as load
23 reducers, and you avoid not just the LMP, but
24 also ancillary charges, you avoid the capacity

1 charges, as well as the contribution to
2 transmission cost allocation to Eversource.

3 So, for all those reasons, you know, I
4 think this is highly problematic. And I am sure
5 the Commission can do its own legal analysis of
6 some of the provisions that I've cited here. But
7 I would suggest that, you know, any approval be
8 only on a temporary basis or conditional upon
9 perhaps further investigation into whether
10 Eversource's taking -- meeting its obligation to
11 try to mitigate these creation of these so-called
12 "stranded costs" through a method that was just
13 written into New Hampshire law this past summer.

14 Thank you for your consideration of my
15 public comments.

16 CHAIRWOMAN MARTIN: Okay. Thank you.
17 Commissioner Bailey, do you have questions for
18 Mr. Below?

19 CMSR. BAILEY: Mr. Below, can you point
20 to the exhibit that you referenced in Docket
21 Number 20-054 that was ELM --

22 MR. BELOW: Yes.

23 CMSR. BAILEY: I can probably get it
24 from the transcript.

1 MR. BELOW: It is -- it is Attachment
2 ELM-1. And it is Bates Page 041 and 042, which
3 are the first pages of that attachment. And it
4 is comparing Line 5, the "Base Energy Service
5 Rate", which as near as I can surmise is what
6 they're paying to the provider of default
7 service, versus Line L [Line 11?], the "Total
8 Monthly Energy Service Rates". And it is -- just
9 the nature, if it's used as -- treated as an
10 offset to that supplier's wholesale load
11 obligation, they would not -- Eversource
12 customers would not need to pay that portion of
13 the Energy Service rate. There still may be some
14 stranded costs in -- costs in the nature of
15 stranded, perhaps, although I still don't think
16 they meet the definition, for renewable portfolio
17 costs and some A&G adjustment factor, but those
18 are relatively minor.

19 If I may, there's another point that I
20 forgot to make, which is I think another legal
21 problem that's probably -- that arises from
22 Eversource making these or allowing -- for
23 allowing or registering generators who are
24 participants in the FERC jurisdictional wholesale

1 energy markets to participate in net metering.
2 And that derives from RSA 362-A:9 -- oops, I got
3 ahead of myself -- RSA 362-A:1-a, which is
4 "Definitions", II-b, which has the definition of
5 a "customer-generator" or "eligible
6 customer-generator". And it states that it's a
7 "customer who owns, operates, or purchases power
8 from an electrical generating facility...that is
9 located behind a retail meter on the customer's
10 premises."

11 As soon as these customer-generators
12 are registered to participate in the ISO New
13 England wholesale electricity markets, that meter
14 becomes a wholesale meter. And you might say
15 "well, maybe it can be both a retail and a
16 wholesale meter". But those words were not
17 accidental, and I think this is perhaps where my
18 intimate knowledge of this issue comes into play.
19 Those words were put into the statute by the
20 exact same legislation that created net metering
21 in the first place, which I happened to be the
22 prime sponsor of it at the time that bill was
23 introduced, House Bill 485, 24 years ago this
24 month. My co-sponsor of that bill was the then

1 Chair of Science, Technology, and Energy, Jeb
2 Bradley, who is now the majority leader in the
3 Senate. And that bill went through 11 -- no
4 fewer than 11 work sessions over the course of a
5 year and a half to produce the law that both
6 relieved the utilities of their obligation to
7 purchase power from limited producers or
8 qualifying facilities or small power production
9 facilities, and none of those in their
10 definitions reference them needing to be "behind
11 retail meters".

12 We put that language in to distinguish
13 between the historic practice of requiring the
14 utilities to purchase output from qualifying
15 facilities or limited producers, and instead
16 characterizes net metering as a netting of that
17 load, and anticipated that it would be purely a
18 state jurisdictional activity, which is, in fact,
19 what NARUC argued in a brief this summer filed
20 with FERC that, really, net metering is a state
21 jurisdictional activity that should not, you
22 know, really be mixed with the federal
23 jurisdictional markets. And that was precisely
24 the point of the original legislation, was to

1 distinguish these two types of activity, so that
2 net metered generators would not be treated as
3 the way that Eversource appears to be treating
4 them, as if they're buying that power and selling
5 it back into the interstate wholesale market,
6 which doesn't align with actually what's going on
7 in an engineering basis.

8 Thank you for your indulgence. I'm
9 sorry to go on. But, obviously, this is an issue
10 of some concern to me.

11 CHAIRWOMAN MARTIN: Okay. Thank you.

12 Commissioner Bailey, do you have other
13 questions?

14 CMSR. BAILEY: No. Thank you,
15 Mr. Below. I appreciate it.

16 CHAIRWOMAN MARTIN: Okay. Thank you,
17 Mr. Below.

18 All right. Well, obviously, it would
19 be helpful if counsel can address the legal
20 issues that were just raised by Mr. Below in your
21 closing, if you're prepared to do so.

22 And, before we move to closings, I need
23 to strike ID on Exhibit 1, we have no objection
24 to that, and admit it as a full exhibit.

1 Is there anything else we need to do
2 before we hear from counsel?

3 *[No verbal response.]*

4 CHAIRWOMAN MARTIN: Okay. Well, then
5 we will start with Mr. Kreis.

6 MR. KREIS: Thank you, Chairwoman
7 Martin. I'm going to go straight to the legal
8 issue --

9 CHAIRWOMAN MARTIN: Mr. Kreis, I cannot
10 hear you very well. Very, very faintly.

11 MR. KREIS: Oops. Sorry about that.

12 CHAIRWOMAN MARTIN: Okay.

13 MR. KREIS: I had my microphone pointed
14 up to the back of my head, rather than my mouth.

15 I'm going to go straight to the legal
16 issue that Commissioner Bailey raised, about
17 whether including these net metering costs in the
18 Stranded Cost Recovery Charge is consistent with
19 the definition of "stranded costs" contained in
20 the Restructuring Act, specifically RSA 374-F,
21 Section 2, Paragraph IV? And I think the answer
22 to that question is "yes".

23 The reason is that Paragraph (c) of
24 that definition of "stranded costs" refers to

1 "new mandated commitments approved by the
2 commission." These net metering costs are in the
3 order of such a "new mandated commitment". There
4 is a specific example of such a commitment later
5 in that very sentence in the statute, but it is
6 basically an "including, but not limited to"
7 scenario. And, so, it does not preclude treating
8 or considering net metering costs incurred by
9 Eversource as a "new mandated commitment".

10 Deputy Mayor Below referred to language
11 in Section 3 of the Restructuring Act, RSA
12 374-F:3, those, of course, are the "Restructuring
13 Policy Principles". So, those are, I guess, in
14 the order of guidance or suggestions to the
15 Commission that are supposed to help it figure
16 out how to do electric restructuring. So, to the
17 extent that Section or Paragraph XII of the
18 Restructuring Policy Principles constrains or
19 guides the decision you're making here, I would
20 quote the same sentence that Commissioner -- or,
21 that Deputy Mayor Below did, which says "Nothing
22 in this section is intended to provide any
23 greater opportunity for stranded cost recovery
24 than is available under applicable regulations or

1 law on the effective date of this chapter."

2 So, what we have here are costs that
3 would have been a no-brainer for cost recovery by
4 a vertically integrated electric utility, had we
5 been like Vermont and not restructured our
6 utilities. Because we did restructure our
7 utilities, the net metering costs potentially
8 become, I guess, "stranded", in the sense that
9 nothing prevents every single default service
10 customer from migrating away from the Company,
11 which would, if these costs were included in the
12 energy service costs, be stranded, literally
13 stranded. And I think this sort of scenario is
14 exactly what the General Court had in mind when
15 it referred to "new mandated commitments" when it
16 defined "stranded costs".

17 With all respect to Deputy Mayor Below,
18 he is not a party to this proceeding. He has not
19 sought intervention in this proceeding, nor would
20 he be able to seek intervention because he lacks
21 standing. He's not a customer of Eversource, nor
22 does he represent a customer of Eversource. And,
23 as far as I am able to ascertain, all of the
24 arguments that he made, beyond his references to

1 the Restructuring Act, relate to the way in which
2 Eversource treats or should treat its purchases
3 of energy that are produced by net metering. I
4 don't think this is the right docket to resolve
5 those questions, which I concede are legitimate.

6 My metapoint, though, is that I think
7 the Commission, unfortunately, is obliged to
8 disregard the extensive legal arguments that
9 Deputy Mayor Below just made, because to take
10 them into account and to have them drive the
11 decisions would raise issues of fairness and due
12 process.

13 Beyond that, as I said during my
14 cross-examination, the reason I signed the
15 Settlement Agreement is that I believe that
16 Eversource is entitled to recover these costs,
17 and the method for recovering them specified in
18 the Agreement offers the most reasonable, fair,
19 and equitable way of recovering these costs from
20 the standpoint of residential customers and,
21 indeed, all Eversource customers.

22 And, for those reasons, I respectfully
23 request that the Commission approve the
24 Settlement Agreement, and, to the extent

1 necessary, reserve the other issues raised by
2 Deputy Mayor Below to some other proceeding, as
3 appropriate.

4 Thank you.

5 CHAIRWOMAN MARTIN: Go ahead,
6 Commissioner.

7 CMSR. BAILEY: Thank you.

8 Mr. Kreis, can you look at the
9 Settlement Agreement, Paragraph D, the last
10 sentence in the first paragraph of that section,
11 and tell me what you think that means?

12 Actually, tell me what you think that
13 means with respect to Staff?

14 MR. KREIS: Okay. You are looking at
15 Paragraph D, the paragraph that says "This
16 Agreement is expressly conditioned..."?

17 CMSR. BAILEY: Yes. And the sentence
18 that I want you to tell me about what your
19 understanding is, "The Settling Parties agree to
20 support approval of this Agreement before the
21 Commission, and shall not oppose this Agreement
22 before any regulatory agencies or courts before
23 which this matter is brought."

24 MR. KREIS: That's a pretty

1 straightforward and standard term in any
2 settlement agreement that we sign with
3 utilities and present to you for your approval.
4 And I think it is confined to the
5 *[indecipherable audio]* treatment that's specified
6 in the Settlement Agreement.

7 *[Court reporter interruption due to*
8 *indecipherable audio.]*

9 MR. KREIS: Okay. I think that, as to
10 issues that aren't within the four corners of the
11 Settlement Agreement, obviously, it would allow
12 any party, or any nonparty for that matter, to
13 advocate here or elsewhere for different
14 treatment. So, again, that goes to the universe
15 of issues that Deputy Mayor Below raised that
16 have to do with the way Eversource ought to treat
17 the energy it acquires from behind-the-meter
18 generation for purposes of load settlement, load
19 reconstitution in the wholesale energy markets.

20 I'm not sure if that was responsive to
21 your question, Commissioner, but that was my best
22 attempt.

23 CMSR. BAILEY: Thank you. I have a
24 follow-up, though.

1 Do you think that that language binds
2 Staff from advising the Commission in some
3 manner?

4 MR. KREIS: No. I do not. And I have
5 made that point. I did make that point a long
6 time ago when I actually represented the Staff.
7 The Staff isn't a party, and it is not
8 contractually bound. And I think that, when the
9 Staff signs a settlement agreement, all it is
10 agreeing with the other parties to do is to do
11 what it did here, which is come to the hearing
12 room and tell you why you should approve the
13 agreement.

14 So, for example, if you were to reject
15 this Agreement, and if you, as an agency, were to
16 take a position, say, at the FERC that's
17 inconsistent with this Settlement Agreement in
18 some way, or arguably inconsistent, I don't think
19 that you or your employees would be constrained
20 from doing that.

21 CMSR. BAILEY: Thank you. I would like
22 to hear from Mr. Fossum an answer to the same
23 question please.

24 MR. FOSSUM: I'm sorry. Do you mean

1 right now or when it's my turn to speak?

2 CMSR. BAILEY: No, when it's your turn.

3 Thank you. Sorry.

4 CHAIRWOMAN MARTIN: Any other
5 questions?

6 *(Cmsr. Bailey indicating in the*
7 *negative.)*

8 CHAIRWOMAN MARTIN: Okay. All right.
9 Then, Ms. Buchanan.

10 MS. BUCHANAN: Good afternoon,
11 Chairwoman Martin and Commissioner Bailey.

12 First, I would like to thank PSNH,
13 Staff, OCA, and all the parties in this docket
14 for working cooperatively. Clean Energy New
15 Hampshire supports the Settlement Agreement,
16 especially as it leaves the Regulatory
17 Reconciliation Adjustment mechanism, better known
18 as the "RRA", from the Eversource rate case in
19 place and directs PSNH to recover costs
20 associated with net metering through the SCRC
21 rate.

22 Thank you for this time -- excuse me --
23 thank you for your time this afternoon. And I
24 would be happy to answer any of your questions.

1 CHAIRWOMAN MARTIN: Commissioner
2 Bailey.

3 CMSR. BAILEY: Sorry. I didn't mean to
4 exclude you from my question about the
5 contractual meaning of that sentence. Do you
6 have anything to add or disagree with Mr. Kreis?

7 MS. BUCHANAN: Thank you for your
8 question.

9 I don't have anything to add. I am not
10 an attorney. So, I do not believe I would be
11 able to answer that to the highest level it
12 deserves.

13 CMSR. BAILEY: Okay. Thank you.

14 CHAIRWOMAN MARTIN: Okay. Mr. Wiesner.

15 MR. WIESNER: Well, I will take the
16 opportunity to also address Commissioner Bailey's
17 legal question. I think I would agree with the
18 Consumer Advocate, that there's an argument to be
19 made that these costs, the net metering and group
20 host costs that are the subject of this
21 proceeding, could be considered "stranded costs",
22 but I don't think you have to get there. Because
23 the Stranded Cost Recovery Charge, as a cost
24 recovery mechanism, was originally defined in the

1 2015 PSNH Restructuring Settlement Agreement to
2 include the statutory stranded costs, but also
3 other costs and expenses as otherwise authorized
4 by the Commission.

5 And there is already some precedent
6 that nonstranded costs or components can be
7 included in the SCRC. It's my understanding that
8 the RGGI credit flows through the SCRC as well,
9 and that's a credit admittedly, not a charge, but
10 it is not a stranded cost.

11 So, I think the SCRC as a vehicle for
12 cost recovery is not limited to the "stranded
13 costs" as they are defined in RSA 374-F.

14 I'll briefly address former
15 Commissioner Below's legal reference to a recent
16 amendment to the net metering statute. He
17 referenced 362-A:9, Paragraph II. By its terms,
18 that applies to competitive suppliers and
19 municipal aggregations, and not to regulated
20 utilities, like Eversource. And, of course, that
21 is new language, which has not been implemented
22 by the Commission to date.

23 So, all that said, I will say that
24 Staff continues to support the Settlement as

1 proposed. Through this proceeding, we've
2 developed a much deeper and fuller understanding
3 of how Eversource is categorizing these
4 particular costs, how they're accounted for, how
5 they're calculated, and the best, most
6 appropriate means of recovering them.

7 It's our understanding that the
8 methodology for determining those costs is not
9 really changing from how the Company has been
10 doing it. The primary difference is to recover
11 it from a different set of customers in a
12 somewhat different way. And we support the shift
13 of those costs from the Energy Service rate, with
14 its limited pool of ratepayers, to the SCRC,
15 which is paid for by all ratepayers, and
16 including net metering customers, as a
17 nonbypassable charge, if those customers are on
18 the alternative net metering tariff.

19 We also support, as the Consumer
20 Advocate noted earlier, we support recovery on an
21 equal cents per kilowatt-hour basis, subject to
22 offset for any wholesale market revenues that are
23 realized as a result of participation in one form
24 or another of net metered facilities in the ISO

1 wholesale markets.

2 And we also support the continuing use
3 of the carrying charge interest rate based on the
4 prime rate, rather than the higher rate that
5 would otherwise apply to other components of the
6 SCRC.

7 So, all that said, Staff believes that
8 the proposed Settlement terms, and the shift of
9 these costs from one rate recovery mechanism to
10 another with broader reach, are reasonable and
11 appropriate, and just and reasonable, in the
12 public interest, and we urge the Commission to
13 approve the Settlement as proposed.

14 CHAIRWOMAN MARTIN: Commissioner
15 Bailey, anything?

16 *(Cmsr. Bailey indicating in the*
17 *negative.)*

18 CHAIRWOMAN MARTIN: Okay.

19 CMSR. BAILEY: No. Thank you.

20 CHAIRWOMAN MARTIN: Mr. Fossum, you can
21 go ahead.

22 MR. FOSSUM: Thank you. Great many
23 things to respond to it seems.

24 I will start by saying that I very much

1 agree with the very thorough and complete
2 argument from the Consumer Advocate relative to
3 the inclusion in the SCRC. And, in fact, and to
4 the extent that it is an issue, and as the Staff
5 pointed out perhaps it is not, but, to the extent
6 it is an issue, I believe these costs are rightly
7 the kinds of costs that may be included in the
8 SCRC.

9 As noted by the Consumer Advocate, in
10 374-F:2, IV, Subparagraph (c), it does refer to
11 "new mandated commitments as approved by the
12 commission". And I would agree that this
13 likewise -- that this counts as one of those.

14 I think even more pointedly, in
15 374-F:3, XII, Subparagraph (b), which thus far
16 has gone unremarked so far as I recall, it
17 expressly says, and I'll quote it, "Utilities
18 should be allowed to recover the net
19 nonmitigatable stranded costs associated with
20 required environmental mandates currently
21 approved for cost recovery, and power
22 acquisitions mandated by federal statutes or RSA
23 362-A."

24 I think it's very clear that net

1 metering purchases are purchases that are made
2 pursuant to RSA 362-A. So, this statute is
3 explicit that recovery of stranded costs would
4 include those net metering costs.

5 Looking to reiterate what the Staff had
6 said relative to Mr. Below's point on RSA
7 362-A:9, Paragraph II, that does apply, as the
8 Staff had noted, to competitive electricity
9 suppliers or municipal or county aggregators.
10 Utilities, by contrast, are covered by Paragraph
11 I of that statute, that provides that utilities
12 would purchase energy pursuant to "standard
13 tariffs" as approved by the Commission. So, you
14 know, that is what applies to our purchases of
15 this energy.

16 But I also note that I believe Ms.
17 Menard testified today, and I know that she has
18 testified to it in the past, but I believe she
19 said it today, these costs -- or, sorry, that the
20 net metered energy that we purchase, while we
21 don't use it to serve load, it does offset some
22 load just by its existence, and that is factored
23 in to what is covered for default service
24 customers. So, there is a measure of mitigation

1 there.

2 So, I think it entirely appropriate,
3 I'm just going back through to make sure I'm
4 covering I think what the relevant points are, I
5 think it entirely appropriate to include that
6 these costs recovered as stranded costs, again,
7 to the extent we even need to answer that
8 question.

9 The more perhaps relevant question, as
10 noted by the Staff, is whether inclusion in the
11 SCRC rate for these costs is appropriate, and
12 that, I agree with the Staff, it is. That rate
13 has been, as Ms. Menard noted, it is essentially
14 the only nonbypassable rate that Eversource has,
15 and it has become the home to other costs. It is
16 not a -- sort of a generic catch-all recovery
17 rate element, but it is one that rightly accepts
18 the costs that should be placed within it, these
19 costs included.

20 Turning to the Agreement itself, of
21 course, Eversource fully supports the Agreement,
22 the calculation of the costs as specified in the
23 Agreement, and the recovery of costs as specified
24 in the Agreement, and would request that it be

1 approved.

2 I guess -- oh, to Commissioner Bailey's
3 question, regarding the meaning of Paragraph D of
4 the Agreement, I agree with what the Consumer
5 Advocate has said, that this is one that's fairly
6 standard language. I don't think there is any
7 specific intent to use that language to foil or
8 limit some other appropriate analysis or review.
9 In fact, I would notice -- I would note that the
10 first sentence of the second paragraph of that
11 section reads "The terms of this Agreement shall
12 not be used as precedent in any future dockets or
13 proceedings." Which, again, is fairly standard
14 languages in these kinds of agreements.

15 So, as I read it, as I understand it,
16 the intent of these provisions is to assure that
17 the Parties to this Agreement support this
18 Agreement before the Commission. What may happen
19 down the line, if circumstances change, I suppose
20 we'll deal with when and if those things happen.

21 Sort of more generally, and I'm
22 perhaps -- not "perhaps", I know for sure I am
23 not the most qualified person to speak to these
24 issues. But whether these generators should

1 rightly be handled as Settlement Only Generators,
2 what the costs ought to be, how they might be
3 handled, I agree with the Consumer Advocate that
4 that is a question for another day.

5 I believe the Commission has been
6 undertaking various studies related to the
7 locational value or the general value of
8 distributed generation. It may well be that
9 those analyses suss out relevant information
10 here. And, when and if that happens, I think
11 that there may be a reasonable opportunity to
12 address it at that time. I do not, however,
13 think that it's necessary to go down that path
14 for the Commission to approve the Agreement
15 that's before it today.

16 So, with that all said, I do, and the
17 Company does, we support this Agreement. And we
18 would ask the Commission approve it as it has
19 been filed, and allow for the recovery of these
20 costs.

21 Oh. One last point that I will make is
22 that, in its prior order rejecting inclusion of
23 these costs in the SCRC, the Commission did
24 acknowledge that these are appropriate costs, and

1 that, if not recovered through the SCRC, they
2 might more appropriately then be placed back into
3 the Energy Service rate. I think that, I believe
4 Mr. Kreis pointed out, these are costs that the
5 Company should be entitled to recover. And, to
6 the extent that the Commission does not approve
7 this Agreement, and we believe there's no reason
8 not to approve it, but to the extent it doesn't,
9 we would ask that it establish or provide for
10 some recovery method, perhaps back in the Energy
11 Service rate, where we don't think it belongs,
12 but there ought to be someplace for this to be
13 recovered.

14 The Parties to this Agreement have
15 looked at the issue, determined that this
16 location is the most appropriate location, rather
17 than some other rate location. And we would ask
18 that the Commission uphold that Agreement.

19 Thank you.

20 CHAIRWOMAN MARTIN: Commissioner
21 Bailey.

22 CMSR. BAILEY: Thank you.

23 Mr. Fossum, back to the sentence in
24 Paragraph D, which says "The Settling Parties

1 agree to support approval of the Agreement", do
2 you think that that binds Staff in its advisory
3 capacity to only support the Agreement?

4 MR. FOSSUM: I think the Staff has
5 fulfilled its obligation under the Agreement. It
6 has come before the Commission and has advocated
7 for the approval of this Agreement. I think it
8 has done what it was obligated to do.

9 I understand, you know, the functioning
10 of the Commission, that the Staff takes, you
11 know, sometimes advisory roles, in addition to
12 more adversarial roles. In this case, I believe
13 as I've said, the Staff supported the approval of
14 this Agreement before the Commission. To the
15 extent that they now, you know, end one role
16 publicly, and work as advisors to the Commission,
17 then that is something I think the Staff does
18 regularly, and is capable of doing. And I don't
19 think that it -- that this provision sort of by
20 itself has some magic language that imperils them
21 from being able to do that.

22 CMSR. BAILEY: Thank you.

23 CHAIRWOMAN MARTIN: Mr. Fossum, can you
24 respond to the suggestion that this should be --

1 that this needs to be limited in duration, and
2 also the suggestion that it should be temporary?

3 MR. FOSSUM: I'll go back and -- so, as
4 I'm understanding the provision that was being
5 referred to is RSA 374-F:3, XII, Paragraph --
6 Subparagraph (d). That subparagraph includes a
7 great many provisions. There's a number of
8 sentences in there. I will note, you know,
9 Mr. Below was very selective in the provisions
10 that he pointed to.

11 The second sentence of that subsection
12 speaks to "stranded costs being recovered through
13 a nonbypassable, nondiscriminatory, appropriately
14 structured charge". So, to the extent that we
15 uphold that, I believe that's the SCRC.

16 Going beyond that, it does note that it
17 should be -- I agree that it does read that it
18 should be "limited in duration" and "consistent
19 with the promotion of fully competitive markets".
20 I think it's fair to say that virtually every
21 utility rate is sort of limited in duration. In
22 this case, we are talking about recovery of
23 certain costs through the SCRC. I don't think
24 there's any indication, and I don't think there's

1 any provision we could put in a settlement or
2 that the Commission would approve that says that
3 "that treatment must continue now and forever."

4 I do bristle with the idea that it must
5 have a specific defined limitation period. I
6 don't think that makes sense, for a number of
7 reasons.

8 And, so, as I believe Chairman
9 Honigberg used to say from time to time, you
10 know, "All decisions are final until changed."
11 To the extent this is included in this rate, and
12 that we agree, and that the Commission would
13 approve its inclusion in this rate, that is for
14 now. And that is unless and until there is a
15 more appropriate place to put it. So, I think,
16 sort of by its very nature, it's limited in
17 duration.

18 But I also argue that it's entirely
19 consistent with the notion of fully competitive
20 markets to include this in the SCRC. As
21 Ms. Menard had said, this removes costs from the
22 Energy Service rate, which would otherwise move
23 that rate from a rate reflective of the
24 competitive marketplace.

1 So, I think, as a general matter, that
2 the treatment that we are advocating here as part
3 of this Settlement is entirely consistent with
4 that subparagraph. And the notion that we have
5 to adopt something that specifically says that
6 this rate will terminate or change within some
7 certain period of time I think is unnecessary and
8 inadvisable.

9 CHAIRWOMAN MARTIN: Thank you. That
10 was very helpful.

11 To the other point about I think we've
12 heard everybody say that there are other issues
13 here that could be addressed, but should be
14 addressed elsewhere. The suggestion was made
15 that this be temporary to allow for that process
16 to occur elsewhere. And, presumably, then this
17 would become either permanent or something else
18 would be done. What is your response to that?

19 MR. FOSSUM: I'm not sure I fully
20 understand. I mean, if you're saying that the --
21 that this Settlement would be approved upon
22 condition that some further review is taken
23 somewhere else, and that some other treatment
24 might be determined? To the extent that you're

1 looking to go that route, I don't believe you
2 need to. I believe the Settlement itself allows
3 for that. As the Settlement says, the terms here
4 are not precedent for future dockets.

5 So, to the extent that the Commission
6 might undertake some future review, where it
7 might determine that certain costs ought to be
8 handled or addressed in a different way, then we
9 would deal with them at that time. And, to the
10 extent that they -- that dealing with them at
11 that time ends up altering the treatment of these
12 costs as we're agreeing today, then we would
13 address that when it would be appropriate to do
14 so.

15 So, I think that, in brief, I think
16 approving the Settlement Agreement as it stands
17 is appropriate, and does not -- does not raise
18 any issues where a temporary or conditional
19 approval is necessary.

20 CHAIRWOMAN MARTIN: Do the other -- I'd
21 like to hear from the other counsel on that
22 question, and whether the Settlement Agreement
23 leaves that as a potential open door to address
24 the issues that it sounded like everyone concedes

1 warrant further review.

2 Mr. Wiesner.

3 MR. WIESNER: Well, I'll point out
4 that, in Paragraph II.A of the Settlement
5 Agreement, "The Settling Parties [are agreeing]
6 that Eversource will continue to use the same
7 calculation method...under the standard and
8 alternative net metering tariffs as it has used
9 previously." And I believe the reference to the
10 "standard and alternative net metering tariffs"
11 is purposeful here. As Attorney Fossum noted, we
12 have an open docket, which the purpose of which
13 is to develop new alternative net metering
14 tariffs. There are studies underway. It is our
15 expectation that, when those studies are
16 completed, we will reconvene in that other
17 docket, and that there will be further
18 proceedings, further litigation no doubt,
19 regarding the development of a new new
20 alternative net metering tariff.

21 And some of the mitigation strategies
22 that Mr. Below outlined may be best addressed in
23 that context, rather than here. And I'll note
24 that the City of Lebanon is a full and active

1 party in that docket, will have an opportunity to
2 weigh in.

3 So, I suggest that there's -- that
4 maybe that this Settlement Agreement, even
5 organically as it's written, has a limited shelf
6 life, because that new alternative net metering
7 tariff may also precipitate a discussion about
8 mitigation strategies and cost recovery that, at
9 least in my view, would not be out of place.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 That was very helpful.

12 Mr. Kreis, do you have anything to add?

13 MR. KREIS: I do not. I thank my
14 learned counsel for the other parties for their
15 excellent arguments. And I don't disagree I
16 believe with anything I heard.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 Ms. Buchanan, anything to add?

19 MS. BUCHANAN: No. Not at this time.
20 Thank you.

21 CHAIRWOMAN MARTIN: Okay. Anything
22 else before we adjourn?

23 *[No verbal response.]*

24 CHAIRWOMAN MARTIN: All right. Seeing

1 none. We will close the record. Thank you,
2 everyone, for all your answers and responsiveness
3 today. We are adjourned.

4 ***(Whereupon the hearing was adjourned***
5 ***at 2:49 p.m.)***
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24