

1 **STATE OF NEW HAMPSHIRE**2 **PUBLIC UTILITIES COMMISSION**3 **March 3, 2022 - 1:21 p.m.**4 **AFTERNOON SESSION**
5 **ONLY**6 *[Hearing also conducted via Webex]*7 **RE: DE 21-030**
8 **UNITIL ENERGY SYSTEMS, INC.:**
9 **Request for Change in Rates.**10 **PRESENT:** Chairman Daniel Goldner, Presiding
11 Special Cmsr. F. Anne Ross12 Doreen Borden, Clerk
13 Corrine Lemay, PUC Hybrid Hearing Host14 **APPEARANCES:** **Reptg. Unitil Energy Systems, Inc.:**
15 Patrick H. Taylor, Esq.
16 Matthew J. Fossum, Esq.
17 Matthew Campbell, Esq.18 **Reptg. Clean Energy NH:**
19 Elijah D. Emerson, Esq. (*Primmer...*)
20 Christopher Skoglund
21 Kelly Buchanan22 **Reptg. ChargePoint, Inc.:**
23 Nikhil Vijaykar, Esq. (*Keyes & Fox*)
24 Matthew Deal

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

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APPEARANCES: (C o n t i n u e d)

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

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Paul B. Dexter, Esq.

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4 **SETTLEMENT PANEL:** CHRISTOPHER J. GOULDING
5 *(Resumed)* DANIEL T. NAWAZELSKI
6 ELIZABETH R. NIXON
7 DONNA H. MULLINAX
8 TODD R. DIGGINS

9 Interrogatories by Special Cmsr. Ross 4, 29, 62

10 Interrogatories by Chairman Goldner 7, 58, 69

11 Redirect examination by Mr. Taylor 76

12 **PLEASE NOTE:** *The following witnesses*
13 *also provided answers as appropriate*
14 *during the Settlement Panel questioning:*

15 *Kevin E. Sprague*
16 *Robert B. Hevert*
17 *Timothy S. Lyons*
18 *Carole A. Beaulieu*
19 *Amanda O. Noonan*
20 *John F. Closson*

21 **EV PANEL:** CAROL VALIANTI
22 CINDY L. CARROLL
23 ELIZABETH R. NIXON
24 MATTHEW DEAL

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NOTE RE: RECORD REQUESTS, ETC.:

Record Requests were delineated in a PUC
*Procedural Order issued on **March 4, 2022,***
which also included the deadlines for record
request responses & written closing statements

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

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P R O C E E D I N G

(Hearing resumed at 1:21 p.m.)

CHAIRMAN GOLDNER: Okay. We'll pick up again with Special Commissioner Ross's questions.

SPECIAL CMSR. ROSS: Okay. Good afternoon.

*(Continuation of the Settlement Panel of witnesses consisting of **Christopher Goulding, Daniel Nawazelski, Elizabeth Nixon, Donna Mullinax, and Todd Diggins**, with other sworn witnesses providing responses as necessary.)*

BY SPECIAL CMSR. ROSS:

Q I just want to follow up on a question I was trying to ask and was not communicating very clearly.

So, I'm referencing the Settlement Attachment 02, Page 1 of 5. So, this is Exhibit 12, Attachment 02. And I'm looking at Line 12, which is the "Non-Growth Percentage Change in Net Plant". And what we were hoping you could provide us with is the total net plant, which is growth, and the total plant, so that we can subtract the growth from the total to get the

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1 total non-growth, as opposed to doing this by
2 percentages. Is that a clear request?

3 A (Goulding) It is. And we have that for 2021. We
4 have the plant additions broken out by growth and
5 non-growth, so we can get the dollars and the
6 percents. But, obviously, the percents is what
7 ties out to 76 percent. And that's shown on
8 Attachment 03, Line -- all the way at the bottom
9 on Bates Page 142. So, that breaks out the
10 capital additions for the year between the growth
11 and non-growth.

12 Q Is the growth number for that year
13 5,722,228 [5,709,228?]?

14 A (Goulding) Yes.

15 Q Okay. And, so, we can then figure out the actual
16 balance of non-growth projects. And the number
17 for the next year, is that something like
18 6,268,769?

19 A (Goulding) Yes. No, that one shows up in
20 Attachment 04. And, yes, you're right. It's --
21 the growth was \$6,268,769. And that's on Bates
22 Page 143. So, it breaks out the 2022 capital
23 budget into growth and non-growth to come up with
24 those individual percentages.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 Q Can you just define "growth projects" for me?

2 A (Sprague) I could do that for you.

3 "Growth-related projects" are anything directly
4 related to adding new customers, whether that be
5 meters, transformers, or line extensions.

6 Q So, it doesn't deal with load growth?

7 A (Sprague) It does not have load growth. The load
8 growth projects are under "system improvements",
9 because those tend to be lumpy in nature, and not
10 directly related to a particular customer load
11 increase.

12 Q And, so, how much customer growth, if you know,
13 how much customer growth did you have in 2021?

14 A (Sprague) Are you talking about the projects
15 themselves or are you --

16 Q I was looking for the number of customers you
17 added?

18 A (Sprague) I am not sure I have that off the top
19 of my head.

20 Q And I assume that the number of projects, is
21 there a project-by-project listing for 2021?

22 A (Sprague) Yes. That's the project listing that
23 we were talking about earlier this morning.

24 Q In Attachment 03?

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Sprague) Correct.

2 Q Okay. Could you find the number of customer
3 additions for the calendar year 2021?

4 A (Diggins) Excuse me. This is Todd Diggings. I
5 can get that for you in one second.

6 Q Okay. Thank you.

7 A (Diggins) So, the meter growth, which is
8 approximately the customer growth, was 442
9 customers, by meters.

10 Q And your total customer base, 90,000?

11 A (Diggins) It's 77,600. So, it's about 60 basis
12 points.

13 SPECIAL CMSR. ROSS: Okay. Okay.

14 Thank you. Let me just see what else I've got,
15 before I turn this over to Commissioner Goldner.

16 Okay. I think that's all I have for
17 now. Thank you.

18 CHAIRMAN GOLDNER: Okay.

19 BY CHAIRMAN GOLDNER:

20 Q So, I'll just go through Section 4, which is the
21 decoupling segment. And I hope you'll just help
22 me understand how this works. And I'm using
23 Mr. Lyons' testimony, but whoever the appropriate
24 witness is fine to respond.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 So, just four questions first on how it
2 works.

3 So, in Section 4.3, a cap of 3 percent
4 of distribution revenues is discussed. And that
5 any amount over or under 3 percent will be
6 deferred. Is that correct?

7 A (Goulding) Yes. That's correct.

8 Q So, does this mean that, if the Company
9 over-collects by, say, 5 percent, then 3 percent
10 would be returned to ratepayers in the following
11 year, and the remaining 2 percent would go into a
12 deferred account?

13 A (Goulding) Yes.

14 Q Okay. And, then, conversely, does it mean that,
15 if the Company under-collects by 5 percent, then
16 3 percent would be charged to the ratepayer in
17 the following year, and the remaining 2 percent
18 would go into a deferred account?

19 A (Goulding) That's correct.

20 Q Okay. Thank you. Is it fair to say that this
21 mechanism, you know, eliminates risk for the
22 Company, and that, in periods of over, the
23 3 percent over-collection, the ratepayer would
24 have to wait at least one year, maybe more, to

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1 get their money back? So, does that make sense?

2 A (Goulding) Yes.

3 Q So, in other words, if you've got -- you're
4 over-collecting, and, so, you put things into a
5 deferred account. So, if there's a return to the
6 ratepayer due, it would take longer than a year
7 for them to get their money back?

8 A (Goulding) Yes. It would work both ways. If
9 it's over or under, it would take longer for the
10 Company to get their money back, and if it's an
11 over recovery, it would take longer for the
12 customer to get all the dollars back.

13 Q Okay. Very good. Because it's symmetrical, or I
14 wouldn't use the word "bilateral", but --

15 A (Goulding) Right. And that provision is kind
16 of -- is to prevent significant swings from one
17 year to the next. So, if you're over 3 percent,
18 and in the next year you're under 3 percent, you
19 kind of limit the bill impact for customers.

20 Q I understand. But, in the aggregate, it's
21 designed to -- for the Company to 100 percent get
22 their money back, because over-/under-collecting
23 all equals out over time, right? So, it's like a
24 100 percent collection mechanism?

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Goulding) It's designed to get 100 percent of
2 revenue per customer --

3 Q Right.

4 A (Goulding) -- established in the rate case.

5 Q Perfect. Okay.

6 A (Goulding) And just add that the deferral has
7 carrying charges on it, and that's symmetrical,
8 too. So, customers would, obviously, earn
9 carrying charges on that deferral, if it was
10 over-collected over the 3 percent.

11 Q Exactly. That would be the Prime Rate or
12 something like that, right?

13 A (Goulding) Yes.

14 Q So, it's symmetrical in all respects?

15 A (Goulding) Yes.

16 Q Okay. Okay. Thank you. So, I want to -- I want
17 to take something from Mr. Blank's testimony, and
18 ask Unitil, ask the Company their response to
19 this.

20 So, Mr. Blank talks about -- he warns
21 the Commission that, if they approve decoupling,
22 they're authorizing, at least potentially,
23 retroactive or single-issue ratemaking. And I
24 was just hoping that Unitil could help untangle

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 that for me, and help me understand how it's not
2 retroactive or single-issue ratemaking?

3 A (Goulding) It's not single-issue ratemaking or
4 retroactive ratemaking, because there is a
5 revenue per customer that's been established and
6 authorized by the Commission. And all this
7 mechanism is doing is reconciling to that
8 authorized level.

9 It's consistent with other
10 reconciliation mechanisms, where we either
11 forecast out the expense, and then we reconcile
12 the revenues and expenses that come in the
13 following year.

14 Q Okay. Okay. Yes.

15 A (Hevert) Commissioner, I'm sorry. It's Bob
16 Hevert again.

17 The only other thing I'd say is that
18 decoupling has been around for many years,
19 especially on the gas side. And over that time,
20 I'm sure the "single-issue ratemaking" argument
21 has been brought up, and yet decoupling has
22 prevailed over these years.

23 So, I think it's an issue that, for the
24 reasons Mr. Goulding brought up, has not caused

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1 commissions to not approve decoupling structures.

2 Q Yes. Thank you. Yes, I think it's -- I think
3 the statistics were that most of New England is
4 using ratemaking, but still some are not. So,
5 apparently, there is still some discussion of the
6 topic. It's not -- I guess the science is not
7 closed completely on that, I think. So, --

8 MR. TAYLOR: And, if I may --

9 CHAIRMAN GOLDNER: But I understand it
10 has -- there is precedent. Yes.

11 MR. TAYLOR: And if I could just note,
12 Commissioner?

13 We did file a decoupling mechanism.
14 And, you know, it is something that the Company
15 believes in, is appropriate. But I'll also note
16 that it is the Commission that directed it, the
17 Company to file it. And, of course, the
18 Commissioners at the time, who I understand are
19 not the same Commissioners up there now,
20 obviously, were, you know, well-versed in the
21 issues, and I think understood the nuances here.

22 So, I just wanted to put that out.

23 CHAIRMAN GOLDNER: Yes. No, I'm just
24 trying to understand how the clock works. That's

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1 all.

2 Yes, Mr. Kreis?

3 MR. KREIS: If I might? I respectfully
4 disagree with Mr. Taylor to a limited extent.
5 The actual history of this is that the state's
6 electric and natural gas utilities all agreed, in
7 the context of one of the energy efficiency
8 dockets, that they would each propose a
9 decoupling mechanism in their next rate case
10 after 2020, so, in the current Energy Efficiency
11 Triennium.

12 And the reason that I, meaning "the
13 OCA", pressed the utilities to do that is because
14 the utilities, prior to decoupling, all had a
15 lost revenue adjustment mechanism, which is a
16 form of decoupling that is grossly unfair to
17 ratepayers.

18 So, it really came from an agreement
19 that the utilities made with our office and, you
20 know, other parties, not so much a top-down
21 directive from the Commission. And I think it
22 would be fair to say that, you know, there was
23 some ambivalence certainly within the Commission
24 Staff about decoupling at the time we were having

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1 that conversation. I think it was in either
2 Docket 15-137 or 16 -- whatever the 2016 energy
3 efficiency docket was. Just so that you know.

4 CHAIRMAN GOLDNER: Thank you. No, I
5 appreciate the perspective on that.

6 BY CHAIRMAN GOLDNER:

7 Q And, then, I guess really what I'm trying to get
8 to is that I think that the Company would agree
9 that decoupling shifts risk from the Company to
10 the ratepayer. And I'm just trying to understand
11 what kind of the ratepayer gets in return for
12 that risk shifting?

13 A (Goulding) Give me one second.

14 MR. KREIS: I'll just say I'm feeling
15 suddenly glad that the Commission has requested
16 written closings, because I think I might want to
17 address the proposition that "decoupling is a
18 mechanism whereby risk is transferred from
19 shareholders to customers."

20 CHAIRMAN GOLDNER: Yes. Mr. Kreis,
21 just for reference, I'm taking that from
22 Mr. Blank's testimony.

23 MR. KREIS: Understood.

24 CHAIRMAN GOLDNER: Yes.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 MR. KREIS: Not my witness.

2 CHAIRMAN GOLDNER: I understand.

3 WITNESS GOULDING: I'm trying to get to
4 Mr. Blank's testimony, just to see the context of
5 what the question -- or, how it was worded.

6 CHAIRMAN GOLDNER: Oh. Yes, take your
7 time. I think I have the page and whatnot on
8 here. See if I can find it.

9 BY CHAIRMAN GOLDNER:

10 Q I'm looking at Exhibit 18, Bates 012. He talks
11 about "Shareholder wealth and return are enhanced
12 by asset growth, energy efficiency and
13 distributed energy resources offset that growth",
14 and "decoupling does not alter that fact",
15 according to Mr. Blank.

16 WITNESS LYONS: Chris, hi. This is
17 Tim. Do you want me to jump in on that?

18 WITNESS GOULDING: Yes. Sure. If you
19 don't mind? I'm struggling to find the pages
20 here.

21 WITNESS LYONS: Sure.

22 *[Court reporter interruption.]*

23 **BY THE WITNESS:**

24 A (Lyons) Yes. Hi. This is Tim Lyons. I was the

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1 witness that sponsored the decoupling mechanism.

2 How it's generally viewed is, it's
3 really kind of a sharing of the benefit and risk.
4 So, in the case where the revenues are -- the
5 actual revenues are lower than the authorized,
6 then it's an opportunity for the Company to
7 recover those, and be able to get back to what
8 the authorized amount was. And, then, so, the
9 benefit, in that case, would be on the Company's
10 side. In the other case, where the actual
11 revenues are higher than the authorized revenues,
12 then, in that case, customers would be charged
13 more than the authorized. And, so, what the
14 decoupling mechanism does is bring those revenues
15 down.

16 So, it's really kind of a balancing or
17 a sharing of those two risks. Both in terms of
18 the under-recovery or the under-collection less
19 than authorized, as well as the over.

20 BY CHAIRMAN GOLDNER:

21 Q Yes. And maybe if I can rephrase that. I think
22 it stabilizes the Company income, right? Because
23 you know you're going to be plus or minus 3
24 percent, so you can plan accordingly, you can run

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 your operating plans with confidence that you're
2 running between those boundary conditions. Is
3 that fair?

4 A (Lyons) Yes. Yes, it is. And I think it does
5 the other side of that as well. It stabilizes
6 the bills for customers as well. So, it
7 stabilizes the revenue stream for the Company, as
8 you say, but there's also a stabilizing effect
9 for the customers as well.

10 Q Okay. Very good. Any other comments on that or
11 questions?

12 A (Hevert) Commissioner, one last point on that.
13 I'm sorry.

14 I agree with Mr. Lyons, it does
15 stabilize revenue. When we look at the Company's
16 financial performance, we're typically focused on
17 cash flow, net income. So, there are all sorts
18 of things that fall between revenue and net
19 income, revenue and cash flow. So, a
20 stabilize -- excuse me -- a stabilization of
21 revenue does not necessarily mean an equivalent
22 stabilization of cash flow or income.

23 Q Fair enough.

24 *[Court reporter interruption.]*

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 WITNESS HEVERT: Oh, I'm so sorry about
2 that. This is Bob Hevert.

3 MR. PATNAUDE: Thank you.

4 BY CHAIRMAN GOLDNER:

5 Q And, Mr. Hevert, what is your return on cash
6 flow, in historic terms?

7 A (Hevert) Well, the way we typically look, and I
8 think, more importantly, the way the financial
9 community looks, is our ability to generate cash
10 flow relative to capital investments. And, like
11 most utilities, on that metric, we are cash flow
12 negative. We don't generate cash flow equal to
13 our capital investments. And, that's typically
14 the way it is for most utilities.

15 If you look at measures of cash flow,
16 approximated by, for example, earnings before
17 interest, taxes, depreciation, and amortization,
18 we tend to be fairly consistent with a lot of
19 companies relative to the ability to finance
20 those capital investments out of cash flow.

21 Q And your EBITDA is what? Kind of, can you just
22 give me an idea of where you land? I don't mean
23 to give you a quiz on your financial statement,
24 but --

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Hevert) Yes. EBITDA margin, I'd hesitate to say
2 as I sit here right now.

3 Q Okay. Okay. I'm just trying to understand, in
4 gross magnitude, what we're looking at?

5 A (Hevert) Sure. It's a fair question. And, of
6 course, you know, the reason I bring up how the
7 financial community looks at the issue is because
8 risk, and I appreciate your perspective on risk
9 for the Company relative to ratepayers, we also
10 look at risk for the Company relative to its
11 peers. And, you know, as we think of the
12 Company's financial position, its costs and
13 availability of capital, it's really risk
14 relative to its peers. That's the meaningful
15 comparison.

16 Q And is that -- is that a competitive issue, like
17 from a board perspective? I'm just trying to
18 think, you're a natural monopoly. So, I'm trying
19 to understand the competitive viewpoint that the
20 Company has?

21 A (Hevert) Sure. We compete for capital. And we
22 compete for capital with other utilities, and
23 companies beyond the utility sector. And, so,
24 when we go out there, we have to compete based on

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1 investors' views of our return prospects and our
2 risk prospects. And, if we appear more risky,
3 then, of course, capital will be more expensive.

4 We can look, for example, at credit
5 ratings. Where, when the issue of decoupling is
6 brought up, it's typically brought up in the
7 sense that it is "credit-supportive", as opposed
8 to being "credit-enhancing". In other words,
9 when you add a decoupling structure, it does not
10 improve your credit rating. It helps you support
11 your credit rating.

12 And, so, the corollary to that, of
13 course, is absent decoupling, you're more risky
14 than some others. So, decoupling is typically
15 viewed as something that, if you have it, then
16 you'll be comparable to your peers. If you
17 don't, then you may be more risky than your
18 peers.

19 Q Okay.

20 A (Hevert) And that is often the perspective that
21 we get from the investment communities. When we
22 speak to institutional investors, that is their
23 perspective on decoupling.

24 Q Okay. Excellent. Thank you for that

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1 perspective. That's very helpful.

2 And my last question on this topic,
3 this has to do with preferences at Unitil, and
4 maybe we can talk a little bit about this. So,
5 you know, this, in terms of decoupling, as you
6 just talked about being -- helping support your
7 credit, and the benefits in that regard, how does
8 the Company weigh those benefits, versus, say, a
9 higher weighted average cost of capital? I mean,
10 how do you view -- you know, can you share with
11 me sort of how you view that?

12 A (Hevert) Well, I think we -- we look at the issue
13 from the perspective of our investors in large
14 measure. And, again, when investors look at our
15 company, they're weighing us as an investment
16 relative to their alternatives. And the
17 risk/return profile then has to be attractive
18 from that perspective.

19 When we look at the question of
20 decoupling, we then have to see how the financial
21 community views the question of decoupling. And,
22 when we think about the number of companies that
23 have let's call them "revenue stabilization
24 mechanisms" in place, there are a number of them.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 And, so, absent those types of mechanisms, we may
2 be considered more risky.

3 And I think we can see that, for
4 example, in the reports by rating agencies, that
5 speak to the fact that, if we had decoupling, you
6 know -- well, let me back up.

7 From a ratings perspective, right now
8 we are rated BBB+, but on a negative outlook,
9 from Standard & Poor's. And what that means is
10 that, if, in Standard & Poor's opinion, our
11 credit metrics do not improve over the coming 24
12 months, we are at risk for a downgrade. One of
13 the things that would help us from being
14 downgraded would be decoupling having been put in
15 place. So, that's an example of it being
16 credit-supportive, as opposed to
17 credit-enhancing.

18 So, that's how we look at the
19 interaction of those issues. They're embedded in
20 how the financial community looks at our risk,
21 and, therefore, embedded in the returns investors
22 require.

23 Q And I'd like to just pursue that line of
24 questioning. So, you're BBB+, I think you said,

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 with a negative outlook, today. And, if the
2 Commission approves decoupling, I would assume,
3 you don't know, but the negative outlook would
4 probably go away, based on -- based on the data
5 that you have.

6 And I guess my question would be, if
7 you accept that premise, what would you do with
8 that? So, now, you're BBB+. Would you, like to
9 the earlier discussion, will you have additional
10 debt instruments or how would you take advantage
11 of that better debt rating?

12 A (Hevert) Well, a couple things. One is, so,
13 beginning with the premise, there are several
14 factors that would weigh in us being taken off
15 the negative outlook. One of them actually is
16 our debt leverage. Standard & Poor's is
17 concerned that, when they take into account not
18 just our actual debt, but also what they refer to
19 as effectively "off balance sheet obligations",
20 the imputed debt associated with
21 retirement/benefit obligations, they feel we are
22 more heavily leveraged than we would be for our
23 credit rating, for a BBB+ credit rating. That's
24 part of the reason we are on negative outlook.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 And that's part of the reason we're focused on
2 the capital structure as well.

3 But to your question of "assume we're
4 taken off negative outlook and we become solid
5 BBB+ again", what that does is it really helps us
6 as we go out to acquire capital. Because we're
7 relatively small, we're the smallest utility on
8 the New York Stock Exchange, we cannot access the
9 public debt markets. All our debt has to be
10 privately placed. Which puts us at somewhat of a
11 disadvantage in terms of the ability to issue
12 debt frequently, to be able to take advantage of
13 changes in market conditions on a day-to-day
14 basis. So, we have to be sure that our credit
15 profile is particularly strong, that there's a
16 good appetite for our securities when we do
17 decide to go out into the market.

18 And, as we've seen, markets can be
19 accommodating; they can be restrictive. One of
20 the constraints about being a utility is you
21 cannot defer capital acquisition. We have to
22 make investments, we have an obligation to serve,
23 we have to invest in order to meet that
24 obligation. And, therefore, we have to be able

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 to acquire capital. And, so, having that strong
2 credit rating will help us do those things. And,
3 in my view, that really is to the benefit of the
4 Company, and to ratepayers, because it, really,
5 it helps minimize the cost of capital to the
6 ratepayers.

7 Q And how would you characterize, assuming that the
8 Settlement goes through as written, how would you
9 view your competitiveness?

10 A (Hevert) If the Settlement goes through as
11 written, I think -- well, I know, if you look at,
12 for example, what institutional investors are
13 thinking, what analysts are thinking, they're all
14 aware of the Settlement. And, when analysts
15 look, and, therefore, institutional investors,
16 look at the Settlement, they look beyond it to
17 the longstanding practice in New Hampshire of the
18 resolution of rate cases by settlement. And I
19 think, if the Settlement is approved, that would
20 affirm their view of New Hampshire as being a
21 constructive -- a constructive regulatory
22 environment.

23 If the Settlement is not approved for
24 some reason, then perhaps there would be a view

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 that that tradition, that structure, is being
2 upset for some reason.

3 So, I think that, if the Settlement
4 goes through, it would affirm what investors
5 think about New Hampshire, which is that it's a
6 constructive and supportive regulatory
7 environment. And, so, that would keep us where
8 we are.

9 Q I guess maybe a follow-up, sort of technical
10 question is that, if you're BBB+ today, and the
11 Settlement goes through, I think -- I mean, maybe
12 let me ask the question differently.

13 Is that, in the environment where
14 you're trying to find capital, is that -- do you
15 view yourself as competitive? Is this what you
16 need? Is this the place you need to be at in
17 order to compete for capital in the market?

18 A (Hevert) I think if our credit profile were to
19 diminish, if we were to be downgraded, it would
20 certainly be more difficult for us to compete for
21 capital.

22 We, last August, issued \$45 million of
23 common equity. And, again, because of our size,
24 and because of the illiquidity of our stock, we

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 actually had to offer a greater what's referred
2 to as "re-offer spread". It cost us a little bit
3 more to issue those securities. So, our size
4 does present some unique challenges for us. And,
5 so, maintaining our current credit rating, it
6 would be -- would be very helpful.

7 A degradation of our credit profile
8 would be troubling.

9 Q Would you benefit from having your credit
10 upgraded? And, if so, what would that take?

11 A (Hevert) That's a good question. If the credit
12 was upgraded, yes, it is possible that we would
13 get access to somewhat less expensive long-term
14 debt. That's very, very market-dependent. Those
15 spreads change all the time.

16 And, again, because we place our debt
17 privately, we don't have the benefit of looking
18 at where the public markets are to determine what
19 those spreads might be.

20 The question of "what would it take for
21 us to be a solid A rating, as opposed to a solid
22 BBB?" We have to consider that there are
23 quantitative metrics and there are qualitative
24 assessments that go into the rating agencies'

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 thoughts. So, we would certainly want to focus
2 on the quantitative metrics, which have to do
3 principally with having more equity on our
4 balance sheet in our capital structure. I don't
5 know how much more than what we have in the
6 Settlement Agreement.

7 But there's also the other side, the
8 business risk side, which is largely qualitative
9 assessment on the part of the rating agencies.
10 And, so, I think they would have to weigh in on
11 that.

12 The overall benefit, I think, certainly
13 would be, over time, a lower cost of debt. I
14 don't know that it would always correspond to a
15 lower cost of capital. And I could not even tell
16 you, as I sit here right now, what the
17 incremental benefit on the cost of debt side
18 would be.

19 Q Okay. Thank you. Is there anything that you
20 would ask of the Commission, either in a
21 settlement down the road, this Settlement is
22 already settled, I understand that, but, in a
23 settlement down the road, is there anything that
24 you would ask the Commission to look at or

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 evaluate that could -- that could help, from a
2 financial perspective?

3 A (Hevert) From my perspective, I think one of the
4 great benefits that we've had is the consistency
5 of regulation, is the consistency of approach.
6 And that consistency and stability is very
7 important to the financial community. And, so,
8 that's what I would ask of the Commission, is to
9 maintain the consistency of approach that has
10 been applied so far, both in terms of the
11 structure of multiyear plans and the practice of
12 encouraging settlement.

13 CHAIRMAN GOLDNER: Thank you.

14 WITNESS HEVERT: Thank you.

15 CHAIRMAN GOLDNER: That's all I have on
16 Section 4. Commissioner Ross, did you want to
17 move on to the next section?

18 SPECIAL CMSR. ROSS: Just one question.

19 BY SPECIAL CMSR. ROSS:

20 Q Can you give us your test year usage per
21 customer? I don't know if it's in one of your --
22 one of the attachments to the Settlement. And I
23 assume you do that by customer class.

24 A (Goulding) Yes. So, if we look at Settlement

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 Attachment 05, Bates Page 155, --

2 Q Okay.

3 A (Goulding) I'm trying to see if there's a simpler
4 place to find it, actually. Just doing the
5 straight math on line -- for residential, you got
6 test year customers and test year kilowatt-hours.
7 So, dividing that 515,968,592 kilowatt-hours, by
8 815,280 customers, comes out with 633
9 kilowatt-hours per month on average.

10 Q Okay. So, we would just do the math, 633 is what
11 the residential math gets us?

12 A (Goulding) Yes. And the G2, they're a little bit
13 different, because you have the G2 kilowatt-hour
14 charge, then you have the G2 that's 100 percent
15 demand charge, and then the G1 that's 100 percent
16 demand charge. So, you will have kilowatt-hours
17 associated with those customers, but they don't
18 bill for distribution purposes off of the
19 kilowatt-hours. Those are more for the
20 reconciling mechanisms, like the External
21 Delivery Charge, System Benefits Charge.

22 Q Yes. Okay. So, for the two classes that do
23 have, basically, a volumetric charge, you just
24 back it out mathematically by the number in the

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 class and the total class consumption?

2 A (Goulding) Right.

3 Q Okay.

4 A (Goulding) And that G2 kilowatt-hour charge,
5 that's a small, like, grandfathered-in class. So
6 their usage is going to be super small.

7 Q Okay. Thank you. I just have a few more
8 questions on the decoupling mechanism. Why do
9 you use total revenue, instead of distribution
10 revenue, for the rate cap on decoupling?

11 A (Goulding) Are you referring to Section 4.3?

12 Q I think it's -- hang on. I think it's Section 5.
13 Just a minute.

14 MR. TAYLOR: Sorry, Commissioner Ross,
15 are you asking about the cap?

16 BY SPECIAL CMSR. ROSS:

17 Q I'm asking about the cap for decoupling, which
18 you use -- don't you use 3 percent of total?

19 A (Goulding) Well, I'm looking at Section 4.3, and
20 it says "Unitil shall implement RDA cap of
21 3 percent of distribution revenues for each
22 group."

23 Q Oh, I'm sorry. You're right.

24 A (Goulding) You might be referring to our initial

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 testimony, where we had proposed I think it was
2 two and a half percent of total revenue.

3 Q Yes. That's right. That's right. You did split
4 it, and I apologize.

5 MR. KREIS: Thank you. That alleviates
6 my heart attack.

7 [Laughter.]

8 SPECIAL CMSR. ROSS: I'm sorry.

9 BY SPECIAL CMSR. ROSS:

10 Q I would like to ask for, and this will be a
11 record request, all supporting workpapers in
12 unlocked Excel for customers the effective RPC,
13 which is "revenue person customer", the actual
14 revenue, and so that it can be audited for the --
15 going forward for the decoupling reconciliations?

16 A (Goulding) So, just to clarify on that. You're
17 referring to Attachment 05?

18 Q I'm referring to the Settlement Agreement,
19 which -- at Section 4.2.2. Hold on one second.
20 The filing that you're going to make with the
21 Commission on June 1st of each year. And I'm
22 suggesting that, as part of that filing, the
23 Commission needs to have supporting workpapers in
24 unlocked Excel, so that we can check the analysis

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 and the computation with the factors involved for
2 the decoupling.

3 A (Goulding) Understood.

4 Q Okay. And I assume you have that framework set
5 up, that model set up now? I mean, it's ready --
6 it's ready for data to be uploaded into it?

7 In other words, if we approve
8 decoupling, in a few weeks you would be filing a
9 tariff, a conforming tariff, and you would be --
10 you would have a model ready to begin receiving
11 data on a monthly basis as you went forward?

12 A (Goulding) We will.

13 Q Okay.

14 A (Goulding) And just to clarify, there is a
15 proposed tariff in this docket.

16 Q Yes. It's attached. You're right. Now, in
17 Section 5.1.3, where we get into the step
18 adjustments, you also have caps on your step
19 adjustments. And I think those caps may be based
20 on total revenue. Let me double-check.

21 So, in 5.4, you have a "Change to
22 distribution revenues calculated in any Rate Year
23 shall be limited to a rate cap of 2.5 percent of
24 total revenue."

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 So, the question again, now for the
2 step adjustment, is why would you use total
3 revenue, as opposed to distribution revenue?

4 A (Goulding) This was looking at a total change in
5 the customer's bill. So, it's saying we didn't
6 want to -- or, putting a cap on a total change to
7 the customer's bill of two and a half percent
8 associated with the step increase.

9 The first step increase, which was --
10 an illustrative example was provided in
11 Settlement Attachment 02, was for \$1.3 million.
12 And came out to roughly 2.1 percent of just
13 distribution revenues, just as giving a
14 relative -- relativity of the -- a comparison of
15 what the increase actually is.

16 Q So, there's a lot of headroom below your cap.
17 And, again, you picked that total revenue cap,
18 because you're looking at customer impact?

19 A (Goulding) Right. We're looking at a customer's
20 total bill impact. So, if their bill was, on
21 average, \$100, it would go up \$2.50.

22 Q Of course, you have no idea where the energy
23 prices will be. So, that piece of the bill --

24 A (Goulding) No.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 Q -- is going to vary.

2 A (Goulding) There is a cap, though, within this
3 step increase on the non-growth net -- or,
4 non-growth plant eligible for the step increase.
5 And that was Section -- sorry, my scroll button
6 is really slow.

7 MR. TAYLOR: I think, is it Section
8 2.2?

9 WITNESS NIXON: This is Liz Nixon. I
10 can help you.

11 **BY THE WITNESS:**

12 A (Goulding) Yes. So, this is Section 2.2. "The
13 Settling Parties agree that the second step
14 increase will be based on a 2022 non-growth
15 investment level of no more than \$26.7 million."
16 Which ties out to that Attachment 04. And, in
17 Attachment 02, there's that illustrative example
18 of kind of what that revenue requirement would
19 look like.

20 BY SPECIAL CMSR. ROSS:

21 Q Okay. One other question on the step adjustment.
22 You're using the test year billing determinant
23 for the application of the step adjustment to
24 revenue requirements. And, so, my question is,

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 if the Company is experiencing customer growth,
2 wouldn't that determinant need to be modified to
3 be more accurate?

4 A (Goulding) Well, we're doing a revenue -- for
5 decoupling purposes, there's a revenue per
6 customer based on average usage. And customer
7 growth doesn't necessarily lead to sales growth,
8 because if average usages are coming down, you
9 can have minimal sales growth, but you can have
10 customer growth. And I would say, historically,
11 we had done step increases based on historic or
12 test year billing determinants.

13 Q So, it's just been a practice?

14 A (Goulding) Correct.

15 Q Can you -- I know you gave me the customer -- the
16 meter additions in 2021, which were 442. Can you
17 give me the meter additions for the last five
18 years, so, it would be from the last rate case,
19 on an annual basis?

20 A (Goulding) That one we'll have to take as a
21 record request.

22 Q Okay. And you must have in the filing the
23 consumption data for each of those years, right?
24 That must be in one of the schedules. So, if I

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 get the meter growth -- if I get the meter
2 additions or customer numbers, I'll be able to do
3 a rough-and-dirty customer -- consumption per
4 customer.

5 A (Goulding) I'm not sure if it's in there for the
6 historic years. It's just for 2020. So, as part
7 of that response, we can provide the --

8 SPECIAL CMSR. ROSS: The consumption
9 would be nice, by class. That would be great.

10 I think that's all I have now on the
11 Settlement Agreement. I'll let Commissioner
12 Goldner take over. Thank you.

13 CHAIRMAN GOLDNER: Mr. Taylor, I was
14 going to move to Section 7, which is Electric
15 Vehicle Program. And I think you needed to swear
16 in, is it Mr. Valianti?

17 MR. TAYLOR: Ms. Valianti.

18 CHAIRMAN GOLDNER: Ms. Valianti.

19 MR. TAYLOR: Yes.

20 CHAIRMAN GOLDNER: Do we need to swear
21 her in first with Mr. Patnaude, and then attest
22 or --

23 MR. TAYLOR: I believe she needs to be
24 sworn in. She was not here this morning when we

[Valianti|Carroll|Noonan|Deal]

1 did the global swearing in. So, yes.

2 CHAIRMAN GOLDNER: Mr. Patnaude, could
3 you swear in Ms. Valianti.

4 (Whereupon **Carol Valianti** was duly
5 sworn by the Court Reporter, joining
6 the panel of **Cindy Carroll**,
7 **Amanda Noonan**, and **Matthew Deal** as a
8 Witness Panel regarding **Section 7** of
9 the Settlement Agreement.)

10 CHAIRMAN GOLDNER: Thank you. Okay.

11 **CAROL VALIANTI, SWORN**

12 **DIRECT EXAMINATION**

13 BY MR. TAYLOR:

14 Q Ms. Valianti, please state your name, employer,
15 and the position that you hold with the Company?

16 A (Valianti) My name is Carol Valianti. I work --

17 Q Oh, you froze on us, unfortunately.

18 A (Valianti) Am I back?

19 Q Yes. I'll re-ask the question, because we lost
20 most of your answer.

21 Can you please state your name,
22 employer, and the position that you hold with the
23 Company?

24 A (Valianti) Carol Valianti. I work for Unitil.

[Valianti|Carroll|Noonan|Deal]

1 And I'm the Vice President of Communications and
2 Public Affairs.

3 Q Okay. And can you briefly describe your
4 responsibilities in that position?

5 A (Valianti) I lead Unitil's internal and external
6 communications with our stakeholders.

7 Q Have you previously testified before the
8 Commission?

9 A (Valianti) Yes, I have.

10 Q Referring to Hearing Exhibit 6, at Bates Page
11 737, did you submit prefiled direct testimony in
12 this case?

13 MR. TAYLOR: Carol, unfortunately, it's
14 not coming through. You may have to call in by
15 phone, if that's an option.

16 MS. LEMAY: You may also want to try
17 logging out and logging back in. That may
18 re-establish your internet connection a little
19 bit better.

20 MR. TAYLOR: Yes. Unfortunately,
21 Carol, we can't hear you. So, you may want to
22 try logging out and logging back in.

23 So, Carol, we can't hear you. Can you
24 hear me?

[Valianti|Carroll|Noonan|Deal]

1 [No verbal response.]

2 MS. LEMAY: I'll try sending her a chat
3 as well.

4 (Short pause.)

5 WITNESS VALIANTI: Can you hear me now?

6 MR. TAYLOR: Yes.

7 WITNESS VALIANTI: Okay. Sorry.

8 Having connectivity issues. Where would you like
9 to --

10 MS. LEMAY: It looks like you're still
11 freezing. Your video is still freezing. So, I
12 do still suggest that you log out and log back
13 in.

14 WITNESS VALIANTI: Okay. I will do
15 that now.

16 MR. TAYLOR: In the meantime, I would
17 just ask Cindy Carroll a couple of questions
18 related to the Settlement?

19 CHAIRMAN GOLDNER: Okay. Very good.

20 BY MR. TAYLOR:

21 Q Ms. Carroll, referring to Hearing Exhibit 12,
22 which is the Settlement Agreement and the
23 Attachments. If you turn to Page 13, Section
24 7 -- well, actually, I'm going to avoid that.

[Valianti|Carroll|Noonan|Deal]

1 Did you participate in the negotiation
2 and drafting of the Settlement Agreement?

3 A (Carroll) Yes, I did.

4 MR. TAYLOR: I realize I already asked
5 these questions earlier when we were putting the
6 first panel on. So, I don't --

7 CHAIRMAN GOLDNER: Yes. We were just
8 missing Ms. Valianti, I think was the only one we
9 were missing.

10 Okay. Should I address -- should I
11 address my questions to Ms. Carroll? Or should
12 we wait for Ms. Valianti?

13 MR. TAYLOR: So, for this particular
14 panel, I guess two notes. So, Ms. Valianti's
15 testimony will relate -- or, relates to the
16 customer education portion -- or, the plan, and
17 that's embodied in the Settlement as well. So,
18 she can answer any questions of that. Anything
19 else can be answered by Ms. Carroll.

20 I'll also note that I believe Mr. Deal,
21 from ChargePoint, is going to be on the EV panel.

22 CHAIRMAN GOLDNER: Okay.

23 MR. TAYLOR: And I just wanted to
24 recognize that, and Liz Nixon as well.

[Valianti|Carroll|Noonan|Deal]

1 CHAIRMAN GOLDNER: Okay. Very good.
2 Very good. I'd just like to start in 7.2 with a
3 few questions, to make sure I understand what
4 we're doing here.

5 BY CHAIRMAN GOLDNER:

6 Q So, I'm noting the word "infrastructure" in 7.2.1
7 and 7.2.2, total of \$2.4 million. And I'm just
8 trying to understand, hopefully the panel can
9 explain, you know, what is the Company actually
10 providing and what are others providing? I'm
11 just trying to understand exactly what's going on
12 in this particular transaction.

13 So, what do you -- what do you get for
14 your 2.4 million?

15 A (Carroll) So, the Settlement is proposing that
16 the Company provide what we are calling
17 "make-ready" work for public charging station/EV
18 charging station sites. So, there is electric
19 infrastructure work that needs to be done in
20 order to provide service, which we typically
21 refer to as the "utility side" of the equipment.
22 And, then, there's also site work that needs to
23 be done on what we refer to as the "customer
24 side" of the meter, up to the charging station

[Valianti|Carroll|Noonan|Deal]

1 itself, the equipment itself, the actual charger,
2 the actual plug.

3 And, so, what we're proposing here for
4 this make-ready work at these sites is that the
5 Company would provide make-ready work both on the
6 utility side, what we refer to as the "utility
7 side", and also work on the customer side of the
8 infrastructure, up to the charger itself, but not
9 including the charger itself. So, the idea is to
10 provide charging site hosts with turnkey service,
11 so that it makes it easier and less complex for
12 them to be site hosts and develop EV
13 infrastructure.

14 Q Okay. Very good. And how does that break out
15 between the utility side and the customer side?
16 I know there is some breakout in the Settlement.
17 But I'm just trying to differentiate between
18 those two categories that you just did for me,
19 talking about the utility side and the customer
20 side.

21 How much of the 2.4 million is on the
22 utility side and how much is on the customer
23 side?

24 A (Carroll) I don't think we have broken -- we do

[Valianti|Carroll|Noonan|Deal]

1 have it broken out, but I'm not sure I could get
2 to that easily. It would take some doing.

3 Q I think it's okay for what I need today.

4 A (Carroll) Okay.

5 Q It's just, is it a 50/50 thing or a 90/10? Or
6 just, you know, something like is it -- can you
7 just maybe just give some, you know, rough
8 picture?

9 A (Carroll) Let me look real quickly here. One
10 second. I'm just trying to get to that
11 attachment.

12 Q Take you time.

13 A (Carroll) Thank you. So, I'm going to say, just
14 looking at the estimate, it's Exhibit CSV-12, I'm
15 going to roughly estimate that it looks to me to
16 be about that 50/50 split that you talked about.

17 Q Okay.

18 A (Carroll) That you suggested.

19 Q Thank you. Thank you. Excellent. A question
20 for Ms. Nixon.

21 In your testimony, Ms. Nixon, you
22 talked about learning from National Grid in
23 Melrose, Mass. And I just wanted to understand,
24 is that learning incorporated in this proposal?

[Valianti|Carroll|Noonan|Deal]

1 There was talk in there about "70 percent cost
2 reduction after four years of offering the EVSE
3 to the municipality or in the open market." So,
4 I was hoping you could add some color to your
5 testimony?

6 A (Nixon) Yes. So, if you refer to the Settlement,
7 let's see, 7.2.2, it talks about the "Level 2
8 chargers". And it's saying that there's up to --
9 this will "support up to 20 third party
10 owned...Level 2 public charging stations". And,
11 then, in addition, it will also provide
12 infrastructure for up to 20 pole-mounted that the
13 Company will investigate to see the feasibility
14 of that.

15 And, again, that's to incorporate that
16 cost saving that was in my -- that I mentioned in
17 my testimony.

18 Q Okay. I just want to amplify that. So, the
19 research and the learning that you did from
20 National Grid, in Melrose, Mass., it is
21 incorporated in this proposal?

22 A (Nixon) Yes, on that 7.2.2.

23 Q Okay. So, it's not a trick question, but is
24 there someplace where it's not included? Or is

[Valianti|Carroll|Noonan|Deal]

1 it -- you said "it's included in 7.2". That
2 implies it's not included somewhere else?

3 A (Nixon) Oh, no. I'm just saying that's where we
4 put it in the Settlement.

5 Q Okay. All right. Okay.

6 A (Nixon) It's been incorporated. I'm sorry, I
7 didn't mean to mislead you.

8 Q No. No problem.

9 A (Nixon) But it's incorporated as part of the
10 Settlement.

11 Q I want to make sure I asked the right question.
12 Okay. Very good.

13 Okay. Just a couple more questions on
14 that 7.2. Just curious why this wasn't docketed
15 alone or perhaps in the TOU docket? Maybe the
16 Company would like to take that question.

17 MR. TAYLOR: I can answer that
18 question, actually.

19 So, this, when the Company proposed
20 this suite of offerings, the time-of-use rates,
21 the EV infrastructure proposal, this was almost a
22 year ago now, back in April. And the Company had
23 proposed these as a comprehensive suite of
24 offerings, you know, and included within that was

[Valianti|Carroll|Noonan|Deal]

1 actually a Whole-House time-of-use rate. So, we
2 envisioned them all as a package.

3 And, then, the time-of-use rates
4 were -- those wound up being adjudicated in
5 20-170. The intent was certainly to address them
6 here. And, so, the intent of including all this
7 in the rate case is, you know, these are
8 proposals, they're not infrastructure we've
9 already done, it's looking forward. But this is
10 something that we would traditionally put into a
11 rate case, something that -- an infrastructure
12 proposal like this looking forward. And, so,
13 that's why we put it in here, combined it with
14 the other offerings.

15 And, so, we still see them as an
16 integral, and, actually, I don't want to speak
17 for Cindy here, but I think they are still -- the
18 rates, the infrastructure offering, are still
19 integrated with each other. And, so, that's why
20 we put them here in the rate case. I think we
21 thought that this would be a good, efficient way
22 to get it before the Commission and get it
23 adjudicated.

24 CHAIRMAN GOLDNER: Okay. Thank you.

[Valianti|Carroll|Noonan|Deal]

1 BY CHAIRMAN GOLDNER:

2 Q I wanted to ask sort of why now, in this
3 proposal? I see that the Company is projecting
4 3,000 EVs in their territory in five years. And,
5 obviously, a program of about two and a half
6 million dollars, \$2.4 million. So, that's
7 roughly \$800 per EV. Why now? Why not wait a
8 year or two?

9 A (Carroll) Well, I think part of it is what
10 Mr. Taylor just mentioned, the fact that we
11 wanted to put this together as an EV program, the
12 rates, as well as the infrastructure program that
13 we've proposed. And the timing was good, because
14 we had a rate case before us. So, it was a
15 little bit of timing.

16 But, also, I would say that, you know,
17 it is clear in studies that a lack of EV
18 infrastructure is inhibiting the development of
19 the EV market, the adoption of consumers adopting
20 electric vehicles. The lack of infrastructure is
21 a clear barrier as identified in consumer
22 studies. So, that's the barrier that we wanted
23 to attack, and waiting to do that would only
24 delay further adoption or further transformation

[Valianti|Carroll|Noonan|Deal]

1 of the market itself.

2 Q Okay. Mr. Taylor, you may end up with this next
3 one as well, but to the Company. Is the Company
4 concerned about any discrimination against
5 low-income ratepayers who can't pay for EVs,
6 because EVs, I think, are typically not
7 low-income zoned.

8 So, is there anything discriminatory
9 about this proposal?

10 *(Atty. Taylor conferring with Witness*
11 *Carroll.)*

12 **BY THE WITNESS:**

13 A (Carroll) So, as a simple answer, no. The
14 Company does not think that this is in any way
15 discriminatory against low-income customers.
16 Up-front costs, both of the electric vehicle
17 itself and infrastructure, charging
18 infrastructure, has been identified as a barrier
19 to this market. And, certainly, low-income
20 customers experience that, that barrier as well,
21 maybe even in an enhanced way.

22 But part -- at least part of this
23 proposal is directly designed to address that
24 up-front barrier of charging infrastructure costs

[Valianti|Carroll|Noonan|Deal]

1 in the home, the rebate program that we've
2 provided -- or, proposed.

3 But there's nothing in this proposal
4 that discriminates against low-income customers
5 participating in the program. They're certainly
6 welcome to. And, in fact, you know, more public
7 charging, more public EV charging being
8 available, would benefit those customers who
9 perhaps don't have an opportunity to charge at
10 home.

11 And, you know, anecdotally, or even,
12 you know, in studies that we've done for the
13 Energy Efficiency Programs, you know, low-income
14 customers tend to be renters more than market
15 rate customers, right? And, so, those renting
16 their domiciles are less likely to be able to
17 charge at home. So, having public charging
18 available for those customers will actually be a
19 benefit, or perhaps overcome a barrier.

20 And it is nascent, but there is slowly
21 developing a used market for electric vehicles.
22 And, so, there may be that up-front barrier of
23 costs of the electric vehicle itself, although
24 still there, may be resolving itself, as more and

[Valianti|Carroll|Noonan|Deal]

1 more used electric vehicles become available to
2 the marketplace.

3 BY CHAIRMAN GOLDNER:

4 Q In your study, where you projected about 3,000
5 EVs in five years, I think 2027 I think was the
6 number, do you have any estimate of how many of
7 those -- how many of those EVs would fall into
8 the low-income category?

9 A (Carroll) No, I do not.

10 Q Thank you. Okay. Very good. That's all I had
11 on 7.2 and 7 -- on 7.2. Let's move to 7.1.

12 So, the only question I had on 7.1 is
13 it looks like a demand-side program. So, I'm
14 kind of wondering why it isn't in the Energy
15 Efficiency Program?

16 A (Carroll) It is not a demand response program,
17 *per se*. What we are proposing to do here is to
18 encourage those customers who do want to install
19 chargers, Level 2 chargers, at home, to install
20 chargers that are considered "smart" chargers,
21 which is essentially chargers that are networked,
22 that would be able to participate in a demand
23 response program in the future.

24 So, customers are going to make a

[Valianti|Carroll|Noonan|Deal]

1 pretty significant up-front investment to install
2 this charging in their home. And, so, what we're
3 trying to encourage here is -- the purpose of
4 this is really two-fold: One is to encourage
5 customers to install chargers that can, in the
6 future, participate in demand response programs,
7 and those programs may come through the Energy
8 Efficiency Programs. But the second part of this
9 was to be able to gather data from those
10 chargers, and to do an alternative metering
11 assessment, that the Commission had said in a
12 prior docket, in an investigation of EV
13 time-of-use rates, actually, I believe, was to do
14 an assessment of embedded metering in these
15 pieces of equipment. To see, you know, what its
16 capabilities are, and, you know, with the purpose
17 of determining, hopefully, at some point, whether
18 or not those embedded metering could be used for
19 either demand response or some kind of
20 time-of-use rate offering.

21 Q Do new cars introduced this year, 2022, do they
22 come with an array of chargers? Are they always
23 Level 1? Do you know what, if you look at the
24 suite of offerings from car companies, what do

[Valianti|Carroll|Noonan|Deal]

1 you see from a charging capability that they
2 offer?

3 A (Carroll) It's my understanding is that most of
4 these cars purchased come with a Level 1 charging
5 capability and charger, which is, I think, you
6 know, for the most part, a cord and a plug.

7 But there may be models coming out or
8 out already that have a different Level 2
9 capability. I'm not aware of it.

10 Q Okay. Because I'm just -- I'm thinking forward,
11 or trying to think forward, of, you know, there's
12 not that many EVs in your territory today,
13 ramping up to it looks like 3,000 in a few years,
14 and, if those cars mostly come with Level 2
15 chargers that comes from the manufacturer, then
16 it would, you know, sort of eviscerate the
17 program. So, I'm just trying to understand what
18 the capability is.

19 Okay. Thank you. That's all I have on
20 7.1.

21 CHAIRMAN GOLDNER: I did have one
22 question on Section 7.3, Mr. Taylor. We can --
23 it's not a big question. We can defer it. I can
24 put it in a record request, if Ms. Valianti is

[Valianti|Carroll|Noonan|Deal]

1 not available?

2 MR. TAYLOR: So, I see her back. It
3 looks like she's called in by phone. So, I would
4 swear her in and have her answer questions. She
5 won't be able to appear by video, it looks like.
6 I know that that's a Commission preference. And
7 if you'd be willing to take questions from her
8 and swear her in without the video?

9 CHAIRMAN GOLDNER: I think the
10 Commission is okay. Would there be any
11 objections from counsel?

12 MR. TAYLOR: Oh. I take it back. I
13 see her on video.

14 CHAIRMAN GOLDNER: Okay.

15 WITNESS VALIANTI: Yes.

16 CHAIRMAN GOLDNER: All right. Okay.
17 Very good.

18 WITNESS VALIANTI: Okay.

19 MR. TAYLOR: And I believe that we have
20 Ms. Valianti's name and position on the record.

21 BY MR. TAYLOR:

22 Q Ms. Valianti, what was your role in this case?

23 A (Valianti) I provided testimony regarding the
24 Marketing, Communications, and Outreach Plan.

[Valianti|Carroll|Noonan|Deal]

1 Q And your direct testimony is included in Hearing
2 Exhibit 6. Was your direct testimony prepared by
3 you or under your direction?

4 A (Valianti) Yes, it was.

5 Q Do you have any corrections that you would like
6 to make on the record today relative to your
7 testimony?

8 A (Valianti) No, I do not.

9 Q Do you adopt that testimony as your sworn
10 testimony today?

11 A (Valianti) Yes, I do.

12 Q Did you participate in the negotiation and
13 drafting of the Settlement Agreement?

14 A (Valianti) Yes, I did.

15 Q And, with the areas within your expertise, do you
16 feel that the Agreement is in the public interest
17 and will result in just and reasonable rates?

18 A (Valianti) Yes, I do.

19 BY CHAIRMAN GOLDNER:

20 Q So, Ms. Valianti, just one question. So, as we
21 were just talking about a minute ago, the Company
22 is projecting about 3,000 EVs in five years. And
23 it looks like you've budgeted \$300,000 for EV and
24 TOU marketing, communications, education.

[Valianti|Carroll|Noonan|Deal]

1 So, I'm just trying to understand, the
2 level of promotion, you know, equates to about
3 \$100 per prospective customer, if my math is
4 right. So, can you maybe just walk us through
5 that level of investment and why that would be
6 justified?

7 A (Valianti) Yes, I can. The first thing to note
8 is that the costs are anticipated to be over a
9 five-year time period. And the initial costs,
10 there are some things we need to do to set things
11 up. So, the largest cost -- excuse me -- in that
12 plan involves a rate comparison tool with shadow
13 billing capability, which is really a critical
14 feature for customers to understand, you know,
15 what different rates, EV time-of-use rates,
16 etcetera, how that would impact their bill, what
17 kind of savings they would get. So, the initial
18 cost is \$169,000 for that, that particular rate
19 comparison tool. So, that's a big piece of that
20 \$300,000.

21 We also committed to do a survey, a
22 baseline survey, to understand our customers'
23 interest level, awareness, education around
24 electric vehicle charging and time-of-use rates,

[Valianti|Carroll|Noonan|Deal]

1 so that we can go back and make sure we're
2 measuring our communications plan and how
3 effective it is over time, if we're raising
4 awareness, and then, therefore, adoption of
5 electric vehicles. So, there's a \$30,000 cost
6 for the market research piece of it, which again
7 would be an initial market research survey, and
8 then subsequent ones to measure effectiveness.

9 We have allocated costs to create an
10 integrated campaign. So, develop the messaging
11 and design for an education campaign. We would
12 use an outside agency for that. Create a landing
13 page and a mini-section on our website, where we
14 would also embed that rate comparison tool. And
15 we would be doing videos and animations that
16 would be used in social media. We would be
17 utilizing different tools that we already have.
18 So, we have customer newsletters. We have, you
19 know, existing sections on our website. And we
20 have our bill, where we can communicate around
21 that.

22 So, again, our Marketing/Communications
23 Plan is geared towards utilizing tools we already
24 have, that we already pay for in other parts of

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 our budget. And all of the costs in this
2 particular category, the new costs would be
3 around creating specific messaging and
4 communications tools regarding this program.

5 CHAIRMAN GOLDNER: Okay. Thank you
6 very much.

7 So, that's all I have on EV.
8 Commissioner Ross, did you have any follow-up.

9 SPECIAL CMSR. ROSS: Not on EV.
10 Thanks.

11 CHAIRMAN GOLDNER: Okay. Let's proceed
12 to Section 9, and then I'll turn it back over to
13 Commissioner Ross.

14 BY CHAIRMAN GOLDNER:

15 Q I just have a couple of questions one arrearage
16 management. I'm using the testimony of Noonan
17 and Beaulieu, from Bates 979 of the Company's
18 filing. But anyone can answer the question,
19 that's just my reference.

20 So, you know, absent this mechanism, my
21 question for the Company is, isn't this bad debt
22 expense that would be worked in the normal course
23 of the utility's business? So, in other words,
24 what did you do before you had this mechanism?

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Goulding) I can just talk about general rate
2 treatment. So, when the accounts are written off
3 and final, they would eventually make it to bad
4 debt expense. But this program is looking at
5 customers who are just in arrears and having a
6 hard time paying their bill or in getting caught
7 up on their bill, and setting them up in a
8 program that gets them caught up, gets them
9 established on making prompt payment, monthly
10 payments. So that, when they are all caught up,
11 they can now be current going forward.

12 Q I totally understand. But this -- that prior to
13 implementation of this program, so, you don't
14 have it today, but, prior to this program, you
15 just -- it was just part of your normal process
16 of working -- it would eventually work its way
17 through bad debt expense, if the ratepayer didn't
18 pay?

19 A (Goulding) Yes. If they did not pay, and their
20 bill was final, then they were either
21 disconnected or -- disconnected.

22 Q And do you have programs today? I assume that
23 you have customers that are not paying all the
24 time, and that the Company has some process for

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 working through that. Can you maybe walk through
2 what the Company does today to sort of prevent it
3 from going to bad debt expense?

4 A (Goulding) I'm going to defer to Carole Beaulieu.

5 Q Thank you.

6 A (Beaulieu) Sure. This is Carole Beaulieu. So,
7 in today's current world, we work with customers
8 to address their delinquency. So, a customer
9 could get a disconnection notice, outbound phone
10 call, and then we partner with them to put them
11 on a payment plan to help them pay expenses over
12 time. We refer them to the local Community
13 Action Agency for any type of financial
14 assistance that they might qualify for to help
15 them reduce their bill, and for electric
16 assistance programs, so that they can get on the
17 Unitil rate.

18 And, even with this AMP program, we do
19 still take those same actions. It would just --
20 this particular payment plan would be the most
21 effective way that we could help them to clear up
22 that past due balance, and, you know, work on
23 achieving good payment behavior with paying their
24 bills monthly going forward.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 Q Thank you. That's very helpful. Is there
2 anything about this proposal that you could share
3 that's superior to the way that Unitil currently
4 handles these accounts?

5 A (Beaulieu) Well, being able to forgive a portion
6 of the customer's past due balance will help
7 them. They will have to pay less. So, say, in
8 the current world, a customer would pay their
9 average bill, plus a portion of their past due.
10 Once a customer is on this AMP plan, it would be
11 a superior plan, because now they're just paying
12 their average usage going forward. And, as long
13 as they maintain that good payment behavior, the
14 overwhelming majority of customers will be able
15 to clear up that past due balance in twelve
16 months.

17 Q Okay. Thank you. A question for Ms. Noonan.
18 Is this -- is this intended to be a
19 temporary program, dealing with COVID and this
20 kind of thing, or is this a permanent program?

21 A (Noonan) I would defer to the Company in response
22 to that. My understanding, they have proposed it
23 as a permanent program, not as a response to
24 COVID. But I defer to them.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Beaulieu) So, this is Carole Beaulieu. I would
2 say "yes", we are intending this to be an ongoing
3 program.

4 CHAIRMAN GOLDNER: Okay. Thank you.
5 That's all I had on arrearage.

6 Commissioner Ross, is there anything on
7 arrearage or move on to another section?

8 Okay. Okay, we'll move over to
9 Commissioner Ross for some additional questions.

10 SPECIAL CMSR. ROSS: I just have a
11 couple follow-up questions on dealing with the
12 cost containment issues in the step adjustments,
13 and then I would like to cover the grid
14 modernization piece, the plan that's attached to
15 your Settlement.

16 BY SPECIAL CMSR. ROSS:

17 Q So, I'm wondering, I appreciate the Company and
18 the parties, actually, the Settling Parties all
19 coming to an agreement on a cap for step
20 adjustments. And, as I'm understanding it, it's
21 based on 2.5 percent of total revenues, annual
22 revenues.

23 I want to ask the parties whether they
24 think a cap on discretionary capital investments

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 might be appropriate going forward, to try to
2 reduce the amount of growth on the CapEx
3 spending?

4 MR. TAYLOR: I'm sorry, just to --
5 sorry. Just to clarify, what is your proposal?

6 SPECIAL CMSR. ROSS: Coming up with a
7 cap on the number of discretionary projects,
8 which I think, in your categories, are Category
9 3, which are -- they're not customer-driven and
10 they're not reliability-/safety-driven. So that
11 I'm referring to them as "discretionary", and
12 they're non-growth projects.

13 MR. TAYLOR: And I guess your question
14 is "would a cap on those be appropriate?" So,
15 are you asking, and I'm sorry, I'm just trying to
16 process this. Because, obviously, we have a
17 Settlement before the Commission. And I don't
18 think that we are here today to propose to modify
19 that Settlement. Which I think, in answer to
20 your question, may be "yes" or "no", we are not
21 willing to modify that Settlement.

22 SPECIAL CMSR. ROSS: Uh-huh. Yes. I
23 understand that. But I think, let me see if I
24 can rephrase the question.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 BY SPECIAL CMSR. ROSS:

2 Q Forgetting the Settlement for a moment, if you
3 were trying to find the most effective way of
4 limiting your annual capital spending, without
5 impacting the Company's operations and safety,
6 would you -- would you, or any of your witnesses,
7 agree that a cap on the discretionary capital
8 pending projects would be a good place to start?

9 A (Sprague) So, maybe I can take a swing at this
10 for you.

11 So, we were talking this morning about
12 that other category of projects.

13 Q Correct.

14 A (Sprague) And I think I led you to believe that
15 that entire category were Priority 3s.

16 Q I thought they were.

17 A (Sprague) They are not. So, I apologize for
18 leading you down that path, if I did. Going back
19 over what I thought I said, I think I may have.
20 That was my fault.

21 So, I think what you'll find, when we
22 submit that data request that you had asked for
23 for 2021, --

24 Q Correct.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Sprague) -- I think you'll find that the
2 discretionary spending in the budget is for what
3 I'll call "Priority 3 projects", it's somewhere
4 in the 10-ish percent, give or take. So, that's
5 what we're talking.

6 But I also want to just take a second
7 that, when you say "discretionary" and I'm saying
8 "discretionary", we probably aren't saying the
9 same thing. By "discretionary", what our meaning
10 is, is it's "discretionary in time", not
11 necessary [*sic*] "discretionary, "yes" or "no", do
12 this project."

13 So, all of the projects within our
14 budget have scope justification estimates, if
15 they don't, they don't get added to the budget.
16 Just because they're a Priority 3 doesn't mean
17 they're a bad project, doesn't mean that it's a
18 project that shouldn't be done. All it means is
19 that it's a project that needs to be done at some
20 point in the near future. And "in the near
21 future", I mean, you know, "Do we do it this year
22 or next year?" It's not "Do we do it now or do
23 we do it five years from now?"

24 So, now, circling back to your question

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 of "Does it make sense to put a cap on that?" I
2 don't think it does. I think you'll find that it
3 is a rather small portion of the budget. And the
4 projects that are Priority 3 are good projects,
5 they're well-justified projects that benefit the
6 customers.

7 So, I would say, no, it probably
8 doesn't make sense to cap that.

9 Q Okay. Thank you. I'd like to move to the Least
10 Cost Integrated Resource Plan issue and the Grid
11 Mod attachment for a moment. And let me preface
12 my question with an apology. I realize that the
13 Commission has not yet issued an order on the
14 Settlement in Docket 20-002, which was Unitil's
15 Least Cost Integrated Resource Plan, that was
16 filed in January of 2020, and the hearing was
17 held in January of 2021. And we are now in March
18 of 2022.

19 So, that is the apology. The
20 transition has been rough on everyone involved,
21 and there are some cleanup items that are still
22 out there.

23 But, that said, my question to you is,
24 assume for a moment that the Company had approved

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 that Settlement Agreement. Would the part --
2 would the Company have needed to file this
3 attachment in the rate case, this LCI -- well,
4 Grid Mod attachment that essentially forecasts
5 five years of what it calls "Foundational Grid
6 Mod investments"?

7 A (Sprague) So, I think the answer to your question
8 is "Yes". When we filed this plan, we filed it
9 partially due to timing.

10 Q Which plan now?

11 A (Sprague) The Grid Mod.

12 Q Are we talking about the one attached to the
13 Settlement?

14 A (Sprague) The Grid Mod Plan, right.

15 Q Okay. Got it. Yes.

16 A (Sprague) Which you -- yes. No, the Grid Mod
17 Plan is not attached to the Settlement.

18 MR. TAYLOR: I'm wondering if you could
19 maybe point us to the attachment that you're
20 looking at?

21 SPECIAL CMSR. ROSS: It is "Exhibit
22 KES-3".

23 MR. TAYLOR: That would be --

24 SPECIAL CMSR. ROSS: "Grid

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 Modernization Plan".

2 MR. TAYLOR: Yes. So, that would be --
3 that is a hearing exhibit, and that is appended
4 to Mr. Sprague's testimony, his direct testimony
5 in the case. It's not appended as a Settlement
6 Agreement attachment. So, that's where my
7 confusion was.

8 SPECIAL CMSR. ROSS: Well, that's
9 helpful then. That's helpful. So, you are not
10 asking today for the Commission to consider this
11 Plan as part of the Settlement then?

12 MR. TAYLOR: That is not expressly part
13 of the Settlement Agreement, no.

14 SPECIAL CMSR. ROSS: Well, then, I
15 don't --

16 MR. KREIS: Another heart attack
17 averted.

18 *[Laughter.]*

19 SPECIAL CMSR. ROSS: Then, I think I
20 don't need to ask a series of questions on it at
21 this point then. Sorry, I'm just -- I'm new to
22 the job.

23 MR. TAYLOR: For the record, Mr.
24 Sprague would have given some very long,

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 detailed, and excellent answers for you.

2 SPECIAL CMSR. ROSS: I'm sure he would
3 have. And probably the OCA would have been
4 hopping up and down.

5 Okay. Then, I think I'm finished.
6 Thank you.

7 CHAIRMAN GOLDNER: Okay. I just have a
8 couple more questions, and then I think that's
9 all the Commissioner questions, unless
10 Commissioner Ross has anything.

11 So, just two, two more. This is from
12 the Closson/Conneely testimony. However, anyone
13 can answer. And, so, whoever from the Company is
14 best qualified.

15 BY CHAIRMAN GOLDNER:

16 Q So, you know, the first question is kind of a
17 global question, not the first time you've heard
18 this question. But, you know, what is the -- how
19 can the Commission get confidence that the
20 utility is motivated to hold down wages? I
21 notice that the forecasted increase in the
22 Settlement is 4.4 percent, which, realizing
23 there's been some inflation, which I'm told is
24 "short-term", but that's an historically high

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 number, at least over the last couple of decades.
2 And I was just hoping the Company could walk me
3 through that thought process. What is your
4 incentive to hold down wages? "Wage increases",
5 better said?

6 A (Closson) Well, it is the Company's philosophy,
7 compensation philosophy -- this is Mr. Closson,
8 if that's helpful -- to pay employees at the
9 median of the market. And, in order to ensure
10 that we are doing that, we are engaging
11 consultants in studies to evaluate the market,
12 not only for salary structure, but also for
13 various positions within our organization.

14 You know, we recognize that we need a
15 talented, qualified workforce to do the work, you
16 know, for the utility. And we're pulling from a
17 talent pool that is somewhat unique in the skills
18 requirements that are there. So, getting
19 information from, you know, partners that can
20 help us understand what the market is helps us
21 manage salary and salary creep.

22 Q Thank you. That's helpful. A median salary I
23 think is fairly typical.

24 So, how do you, you know, how do you

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 manage this part of the process? So, you've got
2 kind of a circular, self-fulfilling prophecy kind
3 of issue, right? I assume you have, you know,
4 union settlements every year or two years. And,
5 then, you've got a Settlement Agreement that says
6 "4.4 percent". Isn't that a self-fulfilling
7 prophecy that it ends up at 4.4 percent?

8 A (Closson) Yes. We do have various CBAs that are
9 expiring and renegotiated throughout, you know,
10 year over year. But our evaluation of what the
11 wage increases will be for non -- I'll call it,
12 you know, non-collective bargaining employees, is
13 done by establishing what we believe the market
14 median is. If there's any change to that market
15 structure, "salary grade structure" I'll refer to
16 it as, and then looking at an individual's tenure
17 in the organization and see how far they are from
18 that market median.

19 So, our philosophy is, in about five
20 years, we would expect somebody to be fully
21 qualified within our organization. We will look
22 at where they are relative to the market median.
23 Obviously, we're going to hire some employees who
24 are, you know, very experienced in their specific

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 discipline, they're going to come in at, you
2 know, at the median, or above, based on their
3 qualifications.

4 But, for those who aren't, we're
5 basically creating our salary pools based on how
6 far those individuals are from their market
7 median and the tenure with which they have been
8 in the organization.

9 And, so, over the last few years, if
10 we've had a number of retirements, you are
11 replacing that workforce with individuals who
12 are, you know, newer to their career, you know,
13 in a utility or newer in their career at Unitil.
14 And there's a little bit more movement for them
15 as they are making their way towards the median
16 salary range.

17 Q Okay. Very good. I understand.

18 Final question for you is, there's a
19 line on the Settlement Agreement, in Bates 037,
20 that talks about "Incentive Compensation of
21 938K". Is that executive compensation? Is that
22 stock options for employees? What are we looking
23 at there?

24 A (Closson) Chris and Dan, just correct me if I'm

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 stepping on the wrong thing. But our Incentive
2 Compensation Plan is a salary component -- or, a
3 compensation component derived around specific
4 corporate goals that participants are eligible
5 for. And eligible participants are usually
6 comprised of all non-union, non-CBA employees.

7 Q Okay. So, it's like a profit-sharing program,
8 cash profit-sharing, conceptually? Mr. Closson?

9 A (Closson) Yes. I would not exactly characterize
10 it as that. As it's based on metrics that aren't
11 related to Company profitability, but customer
12 satisfaction, electric reliability/gas safety, in
13 addition to earnings per share and, you know, O&M
14 management.

15 Q You might want to add cash flow to that, from
16 what I heard today. But we'll move along.

17 A (Goulding) Just to quickly add on two things to
18 it. That's the variable component of the base
19 pay.

20 But, also, you were mentioning about
21 the "self-fulfilling prophecy" of putting in and
22 settling on an increase. I just wanted to
23 highlight, on Bates Page 036, we actually did
24 not. What we have in here is the test year

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 amount adjusted for the pay increases that
2 actually occurred on January 1st, 2021 and
3 June 1st, 2021. And we had proposed to include
4 an increase for January 1st, 2022 and June 1st,
5 2022, but those were removed as part of the
6 Settlement. So, they're not included.

7 CHAIRMAN GOLDNER: Okay. Thank you for
8 the clarification.

9 Okay. Commissioner Ross, any
10 follow-up?

11 SPECIAL CMSR. ROSS: No. I'm all set
12 right now. Thank you.

13 CHAIRMAN GOLDNER: Okay. So, and if
14 there's any comments or suggestions in this
15 section, please let me know.

16 But we'll go to what I'll call here
17 "redirect" for the witnesses. Mr. Taylor, would
18 you like to lead off or go last?

19 MR. TAYLOR: I don't have a preference.
20 I mean, typically, I would expect to go first.
21 But, if I could just take a minute, because
22 there's actually some issues that I was going to
23 do on redirect have since been revisited.

24 CHAIRMAN GOLDNER: Sure.

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 MR. TAYLOR: So, if I could just take a
2 minute to go through my notes and confer with a
3 couple of my colleagues, that would be helpful?

4 CHAIRMAN GOLDNER: Of course. Yes.
5 You want to just take a few minutes or take a
6 break?

7 MR. TAYLOR: I don't think I need more
8 than five minutes.

9 CHAIRMAN GOLDNER: Okay.

10 MR. TAYLOR: If it's a good time to
11 take a break, then, it's almost three o'clock.

12 CHAIRMAN GOLDNER: Yes. Maybe we'll
13 take a five minute break for everyone, and then
14 come back. Let's take ten, and then we'll finish
15 up when we get back.

16 MR. TAYLOR: Sounds good.

17 CHAIRMAN GOLDNER: So that all the
18 legal team can all confer with their clients.
19 So, thank you, Mr. Taylor.

20 *(Recess taken at 2:57 p.m. and the*
21 *hearing resumed at 3:13 p.m.)*

22 CHAIRMAN GOLDNER: Okay. Mr. Taylor.

23 MR. TAYLOR: Thank you, Commissioners.
24 I have a very limited redirect. And I have to

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 A (Goulding) Yes, we will.

2 MR. TAYLOR: That's my only redirect
3 question.

4 CHAIRMAN GOLDNER: Thank you,
5 Mr. Taylor. Mr. Vijaykar, do you have anything
6 for your witness?

7 MR. VIJAYKAR: No, Chair Goldner. No
8 redirect for ChargePoint. Thank you.

9 CHAIRMAN GOLDNER: Thank you.
10 Ms. Amidon?

11 MS. AMIDON: Thank you, Mr. Chairman.
12 No, we have no redirect.

13 CHAIRMAN GOLDNER: Okay. And, then,
14 we'll move to the parties that didn't have
15 witnesses today. We'll start with the Consumer
16 Advocate, Mr. Kreis?

17 MR. KREIS: What would you like me to
18 do?

19 CHAIRMAN GOLDNER: If you have any
20 questions for any of the witnesses?

21 MR. KREIS: Oh. No. I have no
22 questions having -- yes. No questions for any of
23 these great witnesses.

24 CHAIRMAN GOLDNER: Excellent. Thank

[Goulding|Nawazelski|Nixon|Mullinax|Diggins]

1 you. Clean Energy New Hampshire, any questions
2 for the witnesses?

3 MR. EMERSON: I do not. If Chris or
4 Kelly are on, I'll let them speak as to whether
5 they have any. But I do not.

6 CHAIRMAN GOLDNER: Okay. If somebody
7 is speaking, we can't hear.

8 MR. EMERSON: I'm not seeing that. So,
9 I think you can just take that as Clean Energy
10 New Hampshire has no questions.

11 CHAIRMAN GOLDNER: Okay. Thank you,
12 sir. So, that's all I have in that section.

13 So, without objection, we'll strike ID
14 on the exhibits. So, I'm going to go to my list
15 here, and bear with me a second.

16 So, I have Exhibits 6 through 23, but
17 excluding 18, 22, 20, and 23, that to admit as
18 full exhibits. With the exhibits I just listed
19 discretely as documentary.

20 We'll hold the record open for the
21 record requests. What we'll do on this, to make,
22 hopefully, life easier on everyone, is we'll
23 issue a PO tomorrow, and just have everything
24 written down, so it can be more easily responded

1 to. So, we'll issue that tomorrow.

2 The only thing that we haven't
3 mentioned today that will be on the record
4 requests was just a spreadsheet with some basic
5 financial information, just so we can understand
6 the baseline. So, we'll issue that as a
7 spreadsheet with the record requests, and
8 everything else we've talked about today. So,
9 we'll get that out tomorrow.

10 We'd ask for the record requests to be
11 all returned, along with the closings, by 3/11.
12 So, I'll just stop, pause there, and see if
13 there's any questions or concerns?

14 MR. TAYLOR: That won't be a problem
15 for the Company.

16 CHAIRMAN GOLDNER: Okay. All the other
17 parties are okay?

18 MS. AMIDON: Mr. Chairman?

19 CHAIRMAN GOLDNER: Yes.

20 MS. AMIDON: I just want to understand,
21 will there be record requests for any of the
22 Department's witnesses?

23 CHAIRMAN GOLDNER: I'm looking at the
24 list. Just a moment.

1 Yes. There was one for Mr. Woolridge.
2 So, yes.

3 MS. AMIDON: Thank you.

4 CHAIRMAN GOLDNER: Uh-huh. All right.
5 The only thing I'll add, just because it is --
6 this is kind of a new process for the new PUC,
7 albeit eight months old, is that, you know, we
8 have a much smaller staff now. So, I'd just like
9 to highlight for future settlements, and this is
10 for all the parties, that, you know, please, in
11 the future, you know, include all the witnesses.
12 If there is some kind of reschedule, just alert
13 us that you have a witness that can't make it,
14 and we'll certainly accommodate any changes to
15 the schedule, and to give the settlement to us a
16 week ahead of the hearing, per the PUC rules.

17 We're looking at changing those rules
18 and asking for a little bit more time, because,
19 again, we have a pretty small staff. But that
20 the current rule of "one week" stands until
21 otherwise noted. So, I just wanted to kind of
22 get that in front of everyone for future
23 reference.

24 So, I'll just stop there and ask if

1 there's anything else before we close?

2 *[No verbal response.]*

3 CHAIRMAN GOLDNER: Okay. Well, I'll
4 thank everyone. We'll take the matter under
5 advisement and issue an order. And we are
6 adjourned. Thank you.

7 ***(Whereupon the hearing was adjourned***
8 ***at 3:19 p.m.)***

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