

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

October 5, 2021 - 9:07 a.m.
21 South Fruit Street
Suite 10
Concord, NH

[Hearing also conducted via Webex]

RE: **DE 21-041**

UNITIL ENERGY SYSTEMS, INC.:

2021 Default Service.

*(Hearing regarding the six-month
period beginning December 1, 2021)*

PRESENT: Chairwoman Dianne H. Martin, Presiding
Commissioner Daniel C. Goldner

Doreen Borden, Clerk
Corrine Lemay, PUC Hybrid Hearing Host

APPEARANCES: **Reptg. Unitil Energy Systems, Inc.:**
Gary Epler, Esq.

Reptg. Residential Ratepayers:

Donald M. Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:

Suzanne G. Amidon, Esq.
Stephen Eckberg, Analyst
(Regulatory Support Division)

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

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I N D E X

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 LINDA S. McNAMARA
 MARK LAMBERT
 TODD DIGGINS

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
3	Testimony of Jeffrey M. Pentz, <i>premarked</i> with attachments, and the Testimony of Linda S. McNamara, with attachments <i>[REDACTED - For PUBLIC Use]</i>	
4	Default Service RFP Bid Evaluation Report {CONFIDENTIAL & PROPRIETARY}	<i>premarked</i>
5	Chart entitled "Itemized costs for Non-G1 Class Default Service Charge Report {CONFIDENTIAL & PROPRIETARY}	<i>premarked</i>

P R O C E E D I N G

1
2 CHAIRWOMAN MARTIN: Good morning,
3 everyone. We're here this morning in Docket DE
4 21-041, which is Unutil Energy Systems,
5 Incorporated, Default Energy Service rate
6 proceeding for the period beginning December 1,
7 2021.

8 Let's take appearances, starting with
9 Mr. Epler please. You're on mute.

10 MR. EPLER: Sorry. Good morning,
11 Chairwoman -- excuse me -- good morning,
12 Chairwoman Martin, Commissioner Goldner. My name
13 is Gary Epler. I am the Chief Regulatory Counsel
14 for Unutil Service Corp. And I'm appearing on
15 behalf of Unutil Energy Systems.

16 And with me this morning are two
17 panelists who provided prefiled testimony, Linda
18 S. McNamara, who is a Senior Regulatory Analyst
19 with Unutil Service Corp., and Jeffrey Pentz, who
20 is a Senior Energy Analyst with Unutil Service
21 Corp.

22 Also with me this morning are two
23 additional members of Unutil Service Corp., who I
24 have asked to attend in case there are additional

1 questions from the Commission or the parties.
2 And those two panelists are Mark Lambert, who is
3 the Vice President of Customer Operations, and
4 Todd Diggins, who is the Treasurer and Director
5 of Finance with Unitil Service Corp.

6 Thank you very much.

7 CHAIRWOMAN MARTIN: All right. Thank
8 you, Mr. Epler. And Mr. Kreis.

9 MR. KREIS: Good morning, Chairwoman
10 Martin, Commissioner Goldner, fellow utility
11 enthusiasts. I am Donald Kreis, the Consumer
12 Advocate, here on behalf of residential
13 ratepayers.

14 I would like to apologize for sometimes
15 having a squinty expression on my face. I just
16 came back from my annual eye exam, and so my
17 pupils are dilated. So, hopefully, I will still
18 be able to see everything.

19 CHAIRWOMAN MARTIN: All right. Thank
20 you. And Ms. Amidon.

21 MS. AMIDON: Good morning, Chairwoman
22 Martin and Commissioner Goldner. My name is
23 Suzanne Amidon. I am representing the Department
24 of Energy. And with me today is Steve Eckberg,

1 who is an analyst in the Regulatory Support
2 Division of the Department of Energy.

3 CHAIRWOMAN MARTIN: All right. Thank
4 you, everyone.

5 And, for preliminary matters, I have
6 exhibits filed that have been prefiled and
7 premarked for identification as "Exhibits 1"
8 through "3". However, I note we have previously
9 admitted Exhibits 1 and 2 in this docket for the
10 past hearing. And, so, I would suggest that we
11 re-mark the exhibits filed for today as "Exhibits
12 3", "4", and "5".

13 Mr. Epler, do you have any issue with
14 that?

15 MR. EPLER: Yes. When I marked those
16 and sent them out last night, I had forgotten
17 that this is actually a continuation in the same
18 docket, in a previous hearing we had two
19 exhibits.

20 So, you are correct. They should be
21 marked -- 1, 2, and 3 that I marked should be, as
22 you indicate, "Exhibits 3", "4", and "5". I will
23 provide revised copies to the Clerk after the
24 hearing so that the docket is correct.

1 CHAIRWOMAN MARTIN: Excellent. Thank
2 you very much.

3 Any other preliminary issues we need to
4 cover?

5 MR. EPLER: Only that, in referring to
6 the exhibits, there is one non-confidential
7 exhibit, that's the large file that has the
8 testimonies and the schedules and various
9 attachments, and then there are two confidential
10 exhibits. The confidential exhibits, the Bates
11 page markings on them correspond to the redacted
12 pages in Exhibit 3. So, they are identical,
13 except they're confidential, they reveal the
14 confidential material that is redacted in
15 Exhibit 3.

16 CHAIRWOMAN MARTIN: Okay. And just for
17 clarity, given our prior conversation, what is
18 now Exhibit 3 is not confidential.

19 MR. EPLER: Correct.

20 CHAIRWOMAN MARTIN: And Exhibits 4 and
21 5 are confidential. Do I have that right?

22 MR. EPLER: Yes. That's correct.
23 Thank you.

24 CHAIRWOMAN MARTIN: Okay. Thank you.

1 MR. EPLER: And also, for clarity, if
2 all the witnesses can refer to the Bates page
3 numbering, which is on the lower right-hand
4 corner of the pages, if you're referring to a
5 page, so that all in the hearing can follow that
6 correctly.

7 CHAIRWOMAN MARTIN: And that will help
8 us keep the record straight as well. So, yes,
9 please, if you could do that, it would be
10 helpful.

11 All right. Anything else from anyone
12 else?

13 MS. AMIDON: Nothing from me.

14 CHAIRWOMAN MARTIN: Okay. Then, why
15 don't we have the witnesses sworn in please,
16 Mr. Patnaude.

17 (Whereupon **Jeffrey M. Pentz,**
18 **Linda S. McNamara, Mark A. Lambert,**
19 and **Todd R. Diggins** were duly sworn by
20 the Court Reporter.)

21 CHAIRWOMAN MARTIN: Okay. Mr. Epler.

22 MR. EPLER: Okay. I will go through
23 each witness one at a time, but I will start with
24 the two witnesses who did not provide prefiled

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 testimony, just to move things along.

2 **JEFFREY M. PENTZ, SWORN**

3 **LINDA S. McNAMARA, SWORN**

4 **MARK A. LAMBERT, SWORN**

5 **TODD R. DIGGINS, SWORN**

6 **DIRECT EXAMINATION**

7 BY MR. EPLER:

8 Q Mr. Lambert, can you please state your full name,
9 your position with the Company?

10 A (Lambert) Yes. Good morning. Mark Lambert, Vice
11 President of Customer Operations with Unitil.

12 Q Thank you. Mr. Diggins, same question please?

13 A (Diggins) Todd Richard Diggins, Director of
14 Finance with Unitil.

15 Q Thank you. And is it correct that neither of you
16 have filed any prefiled testimony or exhibits in
17 this case? Is that correct?

18 A (Diggins) That is correct.

19 A (Lambert) That's correct.

20 Q Thank you. Mr. Pentz, please state your full
21 name and your position with the Company?

22 A (Pentz) Jeffrey Pentz, Senior Energy Analyst at
23 Unitil.

24 Q Thank you. And, Mr. Pentz, drawing your

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 attention to what has been premarked as "Exhibit
2 Number 3". And, if you can turn to that exhibit,
3 and look at the Bates Pages numbers 1 through
4 44 -- 1 through 144. And does this consist of
5 your prefiled testimony and schedules?

6 A (Pentz) Yes.

7 Q And do you have any changes or corrections to
8 this material?

9 A (Pentz) So, I do have one cosmetic change, which
10 is on Bates Page 012. On Line 2 there, --

11 Q Wait for folks to turn to that page please.

12 A (Pentz) Yes.

13 Q Okay.

14 A (Pentz) Where it says "New Hampshire Renewable
15 Portfolio Standards: 2020", the year is
16 incorrect. It should be "2021 and 2022".

17 Q Okay. That's the title of that, the heading of
18 that chart?

19 A (Pentz) That's correct.

20 Q Thank you. And do you have any other changes or
21 corrections?

22 A (Pentz) No.

23 Q And do you adopt this prefiled testimony and
24 schedules as your testimony in this proceeding?

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 A (Pentz) Yes.

2 Q Thank you very much. Ms. McNamara, can you
3 please state your full name and position with the
4 Company?

5 A (McNamara) My name is Linda McNamara. I am a
6 Senior Regulatory Analyst.

7 Q And can you please turn to what's been premarked
8 as "Exhibit Number 3", and to Pages 145 through
9 185. And were these prepared by you or under
10 your direction?

11 A (McNamara) Yes.

12 Q And do you have any changes or corrections?

13 A (McNamara) No.

14 Q And do adopt these as your testimony in this
15 proceeding?

16 A (McNamara) Yes.

17 Q And can you also turn to what's been premarked as
18 confidential "Exhibit Number 5".

19 A *(Witness McNamara nodding in the affirmative).*

20 Q Which is a single page, Bates Page 166. And was
21 this prepared by you or under your direction?

22 A (McNamara) Yes.

23 Q And do you adopt it as part of your testimony in
24 this case?

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 A (McNamara) I do.

2 Q And, Mr. Pentz, I had forgotten to direct you to
3 the confidential exhibit. Can you turn to
4 confidential Exhibit Number 4?

5 A (Pentz) Okay.

6 Q Which is Bates Page marked 019 through 081. And
7 was this prepared by you or under your direction?

8 A (Pentz) Yes.

9 Q And do you have any changes or corrections here?

10 A (Pentz) No.

11 Q And do adopt this as part of your testimony in
12 this proceeding?

13 A (Pentz) I do.

14 MR. EPLER: Okay. Thank you very much.

15 With that, Madam Chair -- excuse me,
16 Chairwoman Martin and Commissioner Goldner, the
17 witnesses are available for cross-examination.

18 CHAIRWOMAN MARTIN: All right. Thank
19 you, Mr. Epler. Mr. Kreis.

20 MR. KREIS: Thank you, Chairwoman
21 Martin. I just have a few questions.

22 I don't really care which of the Unitil
23 witnesses answer my questions, although I think
24 the appropriate witness will be really obvious.

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 Most of my questions relate to Exhibit 4, that is
2 a confidential exhibit, but I do not intend to
3 put any confidential information on the record.

4 **CROSS-EXAMINATION**

5 BY MR. KREIS:

6 Q Turning to Exhibit 4, Bates Page 021, I think
7 this might be a question for Mr. Pentz.

8 Mr. Pentz, would it be fair to say that the three
9 and a third lines there that have been marked as
10 "confidential" describe the number of bids that
11 the Company received by this solicitation?

12 A (Pentz) I'm sorry. I'm having a little trouble
13 hearing. What lines were those again?

14 Q There aren't any line numbers, but there are
15 about three and a third lines of text on Bates
16 Page 021 that have been designated as
17 "confidential". And my question about those
18 three and a third lines is, do they describe the
19 number of indicative and final bids that the
20 Company received in response to its solicitation?

21 A (Pentz) Yes. Those lines do refer to the number
22 of indicative and final bids received.

23 Q Why is that information considered "competitively
24 sensitive" so as to warrant confidential

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 treatment?

2 A (Pentz) Well, I think it's, you know, from a
3 competitive standpoint, when we have our
4 suppliers bid, I think it's important to keep
5 this confidential, because, in future
6 solicitations, you know, they could potentially
7 look at, you know, how competitive our
8 solicitations are or how uncompetitive they could
9 be, and that could affect the pricing that they
10 could submit in future solicitations. So, I
11 think it's important to keep this confidential.
12 So, yes.

13 Q Turning your attention to Bates Page 025 of that
14 same exhibit, Exhibit 4. And, on that page,
15 there are one, two, three -- four lines that are,
16 in whole or in part, marked as "confidential".
17 And I guess my question about that information,
18 without really referring to it, is the same. Why
19 is that information in those four lines
20 competitively sensitive?

21 A (Pentz) We have always treated this as
22 confidential in Tab A(2). You know, in looking
23 at it, you know, for payments due, and, you know,
24 timelines there, that's something we could look

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 into.

2 But, just for purposes of why we've
3 redacted, we've done it in previous
4 solicitations. You know, as long as -- so, when
5 we look at this, it's referring to, you know,
6 pricing exhibits where these terms are used.

7 So, I'm not necessarily sure that these
8 would have to remain redacted necessarily.

9 Q Okay. Now, moving along to Bates Page 033 of
10 Exhibit 4, and most of that page is not
11 confidential, and it's a discussion entitled
12 "Comparisons to NYMEX Futures". Mr. Pentz, could
13 you briefly summarize the significance of the
14 comparison that the Company has undertaken to
15 conduct and then describe to NYMEX futures for
16 the present proceeding?

17 A (Pentz) The comparison to NYMEX futures is fairly
18 important in this particular solicitation. So,
19 just in context, you know, as you look through
20 the filing, you know, the pricing is
21 significantly higher than it has been in previous
22 solicitations. And, as a background to that,
23 that is driven primarily by natural gas prices.
24 Most of the electricity generated in New England

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 is generated from natural gas-fired power plants.
2 So, this is a good metric to gauge natural gas
3 prices, and see how they affect the resulting
4 power prices.

5 And to do that, if you follow in the
6 next four pages there, Bates 034 to 037, there
7 are four exhibits which what they do is it
8 creates a benchmark. And you want to look at
9 natural gas futures and power futures and see
10 what the ratio is to the actual bid prices that
11 we receive from these suppliers. It kind of
12 gives us a good gauge, to make sure, you know,
13 suppliers are giving us a rational bid, something
14 that seems in line with the current market.

15 And most of the data and the pricing on
16 Bates 034 through 037 is confidential, because
17 these are the bid prices that the bidders have
18 submitted. So, it's important to keep that
19 confidential.

20 So, it's -- what, you know, what these
21 exhibits do is they create a benchmark to make
22 sure the pricing that we receive is in line with
23 the forward market pricing.

24 Q Did you have any concerns with respect to whether

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 the bids were in line with those forward market
2 prices for natural gas?

3 A (Pentz) I did not have any concerns. As you can
4 see, in particular, on Page -- let's see here.
5 If we go on Bates Page 034, we can do a winter to
6 winter comparison, which makes more sense,
7 because, in New England, there are fluctuations
8 in power prices between seasons. So, normally,
9 summer power prices are significantly lower than
10 winter power prices. So, I would just focus on
11 looking at the same period last year, which would
12 be Bates 034. And you can look at the ratio of
13 the final bid to the NYMEX ISO. And you can see
14 that they're fairly in line, without revealing
15 any confidential numbers here, I don't want to
16 get into that. I didn't have any concerns here
17 with these numbers.

18 Q Those ratios, though, vary, wouldn't you agree?
19 Is there a reason why that ratio might change
20 from month to month?

21 A (Pentz) The ratio, it could change based on --
22 let's see. So, if we look at a particular month
23 here, you know, the ratios could change, in the
24 summer, for example, the ratios might be a little

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 lower, because -- oh, I'm sorry, they could be a
2 little higher, because, in the summer, they
3 represent -- I'm sorry, let me restate this.

4 So, the NYMEX ISO quotes only quote
5 energy. They don't quote the other components of
6 the bid price. And, in the summer, you may have
7 more of those components in there, which may
8 change the ratios.

9 Q Mr. Pentz, earlier, in response to I think my
10 previous question, you mentioned that the bids
11 that the Company received in this solicitation
12 are significantly higher than most of the
13 previous bids. Would it be fair to say that the
14 bids that drove the price in this solicitation
15 were actually the highest that the Company has
16 ever received, or in the history of default
17 energy service?

18 A (Pentz) Looking back at the history of the
19 wholesale power price component, the prices
20 received were the highest in recent memory. In
21 looking back to, you know, even 2013 and 2014,
22 during the winter price spikes, it's coming in a
23 little bit higher than that year.

24 And this -- this is a global phenomenon

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 right here, what we're talking about with these
2 power prices. Like I had said, in the New
3 England energy markets, more than 50 percent of
4 the energy is generated by natural gas. Natural
5 gas prices are going higher. The future prices,
6 the forward NYMEX prices are going higher. Why
7 is this? Well, it's because there was a
8 hurricane, Hurricane Ida, you know, took out a
9 lot of the natural gas rigs in the Gulf of
10 Mexico, and they still haven't started up yet.

11 In Europe, natural gas prices are four
12 to five times what they were last year at this
13 time. So, what's happening right now is, a lot
14 of U.S. domestic production is moving over to
15 Europe, in the form of LNG. So, that's taking
16 away from even more natural gas supplies, which
17 is causing prices to go up even further.

18 Q And, by "LNG", you mean "liquified natural gas"?

19 A (Pentz) Liquified natural gas, yes. Uh-huh.
20 Storage levels are, storage levels, in terms of
21 how much underground storage there is for natural
22 gas, usually at this time of year you want to
23 build up a good amount of storage for the winter.
24 Those storage levels are not what they used to be

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 at this time. They were lower than in past
2 years, because of the liquified natural gas
3 exports. And that's causing a lot of fear in the
4 natural gas market. And natural gas is directly
5 correlated to power prices, and that's what's
6 causing these high bid numbers that were received
7 from our bidders.

8 Q You mentioned -- I'm sorry, I didn't mean to
9 interruptor cut off the rest of your answer.

10 A (Pentz) Yes. And just to say, you know, this is
11 not just happening in the energy landscape. This
12 is happening for commodities all over the world.
13 Inflation is taking a hold. And it's not just,
14 you know, relegated to natural gas.

15 Q So, you mentioned that the current price spike
16 that we're dealing with right now is higher than
17 the price spike that occurred, I think, in 2013
18 and 2014 because of the polar vortex. Do you
19 have a theory about why this spike is even worse
20 than that previous spike?

21 A (Pentz) I think, when we look at comparing the
22 prices received to the most recent prices, let's
23 say, right after, you know, the Coronavirus took
24 hold, in March 2020, you know, what you saw in

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 the economy was much lower demand, and that
2 actually caused natural gas prices to go down
3 significantly. We had some of the lowest power
4 prices we've ever procured right after the
5 Coronavirus hit, in early 2020.

6 So, when you look at a basis for
7 comparison, we're starting very low to begin
8 with. So, when I say in my testimony "rates have
9 risen", you know, I think it was "172 percent
10 since the previous period", well, we're starting
11 from a very low period of energy prices, I think
12 the lowest period that I've seen, I think, in the
13 history of default service, and that was because
14 of low demand.

15 Now that the economy is picking up,
16 there's much more demand and not enough gas
17 supply. You know, this is a principle of
18 economics, if there's not enough supply, the
19 price is going to go up, and that's what we're
20 seeing here.

21 Q Would it be fair to say or is it your opinion
22 that, as the market price of electricity goes up,
23 the bidders incorporate a larger risk premium in
24 the bids that they submit to you and other

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 utilities?

2 A (Pentz) In a time where there is, you know,
3 extreme fluctuation in the market, there could be
4 a strategy that bidders take where they would
5 incorporate a risk premium into those bids. I
6 didn't necessarily see any significant risk
7 premium in these bids. But it's -- the bids that
8 we received is -- it's a full requirements bid,
9 right? So, it includes energy, capacity, and
10 ancillary services. There is no way you can see
11 under the hood how much, if anything, you know,
12 they would incorporate into a risk premium. So,
13 it's very difficult to discern if any risk
14 premium was priced in here. What you can do is
15 look at these NYMEX exhibits and benchmark these
16 ratios to see if the bids were in line with ISO
17 futures.

18 Q Thank you. Very interesting. Turning now to
19 Page -- Bates Page 074 of Exhibit Number 4, just
20 get to that.

21 A (Pentz) I'm sorry, was that Bates Page 074?

22 Q Yes. Okay. That page is almost entirely
23 redacted. And I guess my question to you,
24 without even mentioning what that information is,

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 what is competitively sensitive about the
2 information on Bates Page 074?

3 A (Pentz) There are contact names from the
4 companies that we have reached out to, that
5 should remain confidential. There are a number
6 of suppliers on here. There is a section at the
7 top which contains the number of suppliers that
8 we've sent this RFP out to. And this kind of
9 gets back to the, you know, how many bids we have
10 received, and keeping that confidential, due to
11 competitive issues.

12 And I think that keeping, you know,
13 this information confidential would make sense,
14 because it could lead to some issues down the
15 road in future solicitations, if they see the
16 number of suppliers we've sent this to, and
17 they're wondering "Oh, they have only sent it to
18 this" or "Oh, they have sent it to this many",
19 that may, you know, that may provoke more
20 questions on their end. And, you know, there's a
21 section on here that says "Expectations" of these
22 bidders that I've reached out to. And there's
23 comments in this section that say whether I've
24 spoken to these bidders, and what their plans

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 are. That should be kept confidential.

2 Q There is an observation somewhere in your
3 testimony, I forget where, that you send the
4 RFP -- that you sent this RFP, and have sent
5 previous RFPs, to the entire Participants
6 Committee at NEPOOL. So, isn't it fair to say
7 that all of the potential suppliers in the
8 universe are receiving your RFP? And so, the
9 list of specific companies that are on your
10 contacts list, that's -- it's just not -- the
11 mere fact that a company is on your list doesn't
12 seem to be a very significant piece of
13 information for competitive or any other
14 purposes, really. What am I missing?

15 A (Pentz) The companies on this exhibit are the
16 companies that I have directly sent this RFP out
17 to. I also, as you had mentioned, I send out the
18 RFP to a contact at ISO New England, and I
19 request that this RFP be sent out to the entire
20 Markets Committee for wide distribution. There
21 are over -- there are over 100 different entities
22 in the Markets Committee, most of whom are not
23 interested in bidding on default service. So, I
24 do not list those companies on this particular

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 exhibit.

2 But that, you know, I could make
3 changes to this exhibit and make a note that, you
4 know, this is sent to the Markets Committee for
5 widespread distribution, which is -- it's
6 mentioned in my testimony, too, that it is sent
7 to the Markets Committee for distribution.

8 Q If I told you that the Office of the Consumer
9 Advocate were a member of those NEPOOL
10 Committees, would it be fair to say that you are
11 not expecting us to submit a bid to you to supply
12 default service?

13 A (Pentz) That is correct.

14 Q I think my next question might be for Ms.
15 McNamara. But, again, I don't really care which
16 Company witness answers it.

17 I think it would be helpful if the
18 Company -- well, with respect to residential
19 customers, it is true, is it not, that a
20 residential customer who wishes to obtain default
21 energy service from Unitil has an opportunity to
22 either pay a fixed price or a variable price?
23 That's a correct statement, is it not?

24 A (McNamara) That is correct.

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 Q So, under what circumstances are variable prices
2 available to residential customers?

3 A (McNamara) Well, in accordance with our Default
4 Service Tariff, Non-G1 customers, that would be
5 the Residential, the G2, and the Outdoor
6 Lighting, are automatically placed on the fixed
7 option, unless they opt for the variable option
8 at the beginning of when, you know, as they
9 become a new customer or when a new six-month
10 period starts, so that would be, in this case,
11 December 1, 2021.

12 The other time that a customer would be
13 placed on variable service would be if they
14 returned to Unitil from having a competitive
15 supplier in between six-month periods. So
16 generally speaking, most customers, Non-G1
17 customers, are on the fixed option.

18 Q With respect to that option to choose variable
19 service, does the Company undertake any efforts
20 to inform its residential customers that they
21 have that opportunity to choose variable Default
22 Energy Service?

23 A (McNamara) Oh, I'm not aware of any direct
24 information packets or, you know, data that's out

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 there that specifically informs customers that
2 there are two options. The information is
3 definitely posted on the Company's website. I
4 believe there are, when the mailing is done with
5 our rates, which I think is required once a year,
6 I could be wrong about that, there are bullets in
7 there that describe that there are variable
8 options. When we put out our customer bill
9 messages, it's also mentioned in there. So,
10 customers are made aware that it is an option.

11 Q Do you know what percentage of your residential
12 Default Energy Service customers end up or are on
13 variable, as opposed to fixed, rates at present?

14 A (McNamara) Under 10 percent for the Residential
15 class, I believe the number is closer to
16 somewhere maybe around 10, maybe up to 15 percent
17 for the G2/Outdoor Lighting class. But the
18 Residential -- the Residential class is
19 definitely in the -- somewhere between the, say,
20 5 to 8 percent mark.

21 Q And just to refresh the recollection of people
22 who might remember, I don't remember, because I
23 wasn't here when this decision was made, but what
24 is the reason why, if you migrate out to

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 competitive energy supply, and then you come back
2 to default energy service, you are automatically
3 and irrevocably placed on variable, as opposed to
4 fixed, prices?

5 A (McNamara) That is so that customers can't game
6 the system. It is, I guess, for lack of a better
7 term, a fairness issue.

8 Q Sure.

9 A (McNamara) There was a point in time where
10 customers actually, way back, I don't know how
11 many years it's been now, if a customer left in
12 the middle of a six-month period, and they had
13 been on the fixed service, they were required to
14 have their bill recalculated and pay the
15 difference for what it would have been under the
16 variable. And I guess, in some circumstances,
17 that could have been a credit.

18 But that has been removed. And now, if
19 you are on the fixed option, and you move to a
20 competitive supplier, you just move. You don't
21 have your bill recalculated. It's only when you
22 return that you're placed on the variable option,
23 until the start of the next six-month period,
24 then you can certainly be placed on the fixed

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 option.

2 Q Thank you. I think my last question or two might
3 be for Mr. Lambert. But, again, anybody from the
4 Company who wants to answer my question can
5 certainly do so.

6 Would it be fair to say that, given
7 that Default Energy Service prices, assuming the
8 Commission approves the request that's now
9 pending, are going to be higher than they have
10 ever been, would the Company expect that
11 development to increase the degree of interest
12 among its residential customers in exploring the
13 possibility of competitive energy supply?

14 A (Lambert) Yes, Mr. Kreis. This is Mark Lambert.
15 If I understood the question correctly, I was
16 just having a little hard time hearing, is your
17 question whether we would further promote
18 competitive suppliers with our Residential class
19 customers?

20 Q No. My question was simply, do you expect more
21 interest among residential customers in at least
22 considering migrating out to competitive supply,
23 at a time when your Default Energy Service price
24 is or will be at its highest level ever?

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 A (Lambert) Yes. Thank you for the clarification.
2 Yes, absolutely we do. We saw the migration to
3 competitive energy suppliers back when prices
4 spiked in 2014 and '15 from the polar vortex. We
5 saw interest in competitive suppliers increase.
6 And what we plan to do through communications to
7 proactively inform customers is to further
8 promote where this information is on our website,
9 and then also where it is on the Department of
10 Energy and PUC's website as well. So, customers
11 have an opportunity to compare rates, to compare
12 competitive suppliers that do business in our
13 service territory.

14 So, we anticipate it, but we also look
15 for opportunities to promote that, especially
16 with these high rates as we can see.

17 Q You just said "we look for opportunities to
18 promote that". What specifically are you
19 promoting?

20 A (Lambert) We will proactively communicate through
21 bill messages, bill inserts, newsletters to
22 customers throughout this period. And we're
23 putting those communications together now. We
24 will also reactively, as customers talk to our

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 customer service representatives, this will be a
2 point of interest and a point of training for our
3 CSRs, to encourage customers that they do have
4 this option. So, we'll do it two different ways;
5 I think proactively, through messaging, and
6 reactively, as customer service representatives
7 are talking to customers.

8 Q So, you actually -- you expect that you will --
9 Unitil will actually promote to residential
10 customers, and perhaps other customers as well,
11 the fact that they have the right to choose
12 competitive supply, as opposed to default energy
13 service?

14 A (Lambert) I'm sorry, Don. I missed that last
15 part.

16 Q Sorry. I just wanted to make sure I understand
17 what it is that the Company is promoting. And I
18 think you said that what you intend to promote is
19 simply the fact that every customer has the
20 opportunity, if she, he or it wants to, to choose
21 a competitive supplier?

22 A (Lambert) Yes. Yes, that's correct. And what
23 we'll do, too, is to point customers to
24 information. So, perhaps "promote" may have been

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1 the wrong way to describe that, but what we'll do
2 is provide as much education as we can to
3 customers about what their options, about what
4 they should be careful of for suppliers, you
5 know, how they should go about to be best
6 informed to make these decisions. So, those are
7 the things we'll do. And I think maybe
8 "education" is probably the better way to
9 describe it.

10 Q Right. So, it sounds to me, if I'm understanding
11 your testimony correctly, that you aren't putting
12 the Company's thumb on the scale of either
13 choosing a competitive supplier or sticking with
14 default service, you are simply proactively
15 educating customers about the fact that they can
16 make that choice, and it's up to them?

17 A (McNamara) Yes. That's correct.

18 MR. KREIS: Thank you, Madam
19 Chairwoman. Those are all the questions I have
20 at this time for these distinguished witnesses.

21 CHAIRWOMAN MARTIN: Okay. Thank you,
22 Mr. Kreis. Ms. Amidon.

23 MS. AMIDON: Thank you. I would first
24 ask the witnesses to please let me know if you

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1 need me to repeat a question or if you can't hear
2 me. I haven't used this system before, and I
3 understand there could be some issues. So, let
4 me know.

5 BY MS. AMIDON:

6 Q My first question I believe is for Mr. Pentz. If
7 I understand your testimony, this solicitation
8 was conducted pursuant to the terms of the
9 Settlement Agreement which set this process up,
10 and is consistent with prior Unutil solicitations
11 for Default Energy Service. Is that right?

12 A (Pentz) That's correct.

13 Q And, similarly, the bid evaluation process that
14 you conducted considered all the factors that
15 have previously been considered in the selection
16 of a winning bidder, consistent again with that
17 Settlement Agreement that established this
18 procurement in the competitive market. Is that
19 right?

20 A (Pentz) That's right.

21 Q Did the Company make any revisions to the Master
22 Power Agreement with the winning bidder that
23 would shift any costs to customers?

24 A (Pentz) No. There were no revisions to the Power

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 Supply Agreement.

2 Q And, similarly, were there any changes to the
3 financial security requirements from prior bids
4 and prior agreements?

5 A (Pentz) There were no changes to any financial
6 security requirements.

7 Q Thank you. And, Mr. Pentz, if you would please
8 go to Page 32 of I guess I'm going to look at
9 Exhibit 4, which is the confidential filing. And
10 let me know when you're there?

11 A (Pentz) I'm there.

12 Q I understand that this page is confidential. But
13 I want to find out how the Company sees the Class
14 III market operating this year, as opposed to
15 prior years. And my understanding is that the
16 Class III market is existing biomass and in
17 addition some methane producers, is that right?

18 A (Pentz) That's correct. For the New Hampshire
19 Class III market, for compliance year 2020, we
20 issued an RFP for New Hampshire Class III RECs.
21 We did not receive any offers at all. We looked
22 on the market for a little bit shortly
23 thereafter, and we were unable to contract for
24 any Class III RECs. And, so, the Company paid

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1 alternative compliance payments in 2020 to comply
2 with that.

3 Looking at 2020, the compliance
4 percentage was 8 percent, which means, you know,
5 if you're a competitive supplier, or if you're a
6 utility that supplies energy, you have to
7 purchase 8 percent -- 8 percent worth of your
8 sales with those RECs. And it was later reduced
9 to 2 percent, in I believe it was the fourth
10 trading -- the fourth quarter trading period.
11 That presents a risk, because, if you buy 100
12 percent of your RECs, and then the compliance
13 percentage is reduced to 2 percent, what do you
14 do with those leftover RECs? You know, you may
15 not -- you may not be able to bank all of those
16 RECs.

17 So, the New Hampshire Class III, it's a
18 very risky market, from a compliance perspective,
19 because there's a lot of uncertainty as to if the
20 compliance percentage will be changed, you know,
21 in the fourth quarter trading period.

22 So, my view on this class, I like to
23 take a very conservative approach here. We're
24 going to issue an RFP this month likely for 2021

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1 RECs. And I'm not sure that it's in our best
2 interest to procure New Hampshire Class III RECs
3 because of that risk. The percentage is -- it
4 remains at 8 percent right now. But, if it's
5 reduced to 2 percent, what do we do with all
6 those extra RECs, if we are able to purchase
7 them?

8 So, I'm unsure as to the outlook of the
9 market. But it's risky.

10 Q Thank you. And, just for the record, your
11 understanding is that the statutory alternative
12 compliance payment is the cap for which the
13 Company is responsible for the RPS requirement,
14 is that correct?

15 A (Pentz) That is correct.

16 Q Thank you. Okay. I believe this is for Ms.
17 McNamara. I wanted to ask you to turn to I
18 believe it's Bates 160, which is the calculation
19 of the Default Service Charge.

20 A (McNamara) Okay.

21 Q Let me know when you're there?

22 A (McNamara) I am there.

23 Q Okay. So, you recall that previously Attorney
24 Kreis was having a conversation regarding the

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1 fixed and variable rates. Do you recall that?

2 A (McNamara) Yes.

3 Q And could you show -- could you tell us where on
4 this exhibit we might see the fixed rate versus
5 the variable rate?

6 A (McNamara) Yes.

7 Q So, let's go for the Non-G1 class, which is the
8 subject at the top of the page, right?

9 A (McNamara) Correct. This particular page is the
10 redline version of the Company's tariff for the
11 calculation of total default service for the
12 Non-G1 class. And the first several lines, Lines
13 1 through 8, calculate the power supply charge
14 for the Residential class; Lines 9 through 16
15 calculate the power supply charge for the G2 and
16 Outdoor Lighting class; and then the last box --
17 or, not really the "last box", or the last
18 calculation, is Lines 17 through 24 is the RPS
19 charge for the Non-G1 class. It's the same for
20 the Residential, G2, and Outdoor Lighting.

21 So, the very bottom section is where
22 that's all summed together. On Line 25, you see
23 the Residential Variable rate; on Line 26, you
24 would see the Fixed rate for the Residential

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1 class; and then similar, on Lines 27 and 28, the
2 Variable and Fixed charges for the G2 and Outdoor
3 Lighting classes.

4 Q So, just to be clear, the variable rate is where
5 the cost per kilowatt-hour vary from month to
6 month, is that right?

7 A (McNamara) That is correct.

8 Q And tell me how you calculate the fixed rate?

9 A (McNamara) The fixed rate is simply based on the
10 sum of the six-month period.

11 Q So, it's a simple matter of dividing the costs
12 equally over six months, is that fair to say?

13 A (McNamara) It's divided equally over the
14 purchased -- purchased kilowatt-hour, you know,
15 increased using a loss factor.

16 Q Thank you. And about the loss factor, has the
17 Company done any recent recalculation or
18 evaluation of the loss factor?

19 A (McNamara) It has not.

20 Q And would that perhaps be conducted in the
21 context of a rate case?

22 A (McNamara) Yes, it would. My understanding is
23 that, with the Company's current rate case, one
24 was not prepared. But that, with the next rate

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1 case, which I don't know when that would be, the
2 Company is prepared to file one.

3 MS. AMIDON: Okay. Thank you. One
4 moment please.

5 *(Atty. Amidon conferring with*
6 *Mr. Eckberg.)*

7 MS. AMIDON: Thank you. That's all
8 that the Department of Energy has for these
9 witnesses. Thank you.

10 CHAIRWOMAN MARTIN: All right. Thank
11 you, Ms. Amidon. Commissioner Goldner.

12 COMMISSIONER GOLDNER: Yes. Thank you.
13 I just wanted to follow up actually on the last
14 series of questions on Bates 160.

15 BY COMMISSIONER GOLDNER:

16 Q If it's a simple -- if there's a simple average,
17 this Line 25 that we were talking about a
18 variable rate, wouldn't it be a weighted average
19 with usage?

20 A (McNamara) Yes. It is a weighted average. It's
21 based on the summation for the whole period,
22 divided by the kilowatt-hours for the period.

23 Q Okay. Let me -- I'm new to this, so bear with
24 me. So, if I look at each time period, that

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1 corresponds to -- there's a rate, and there's a
2 usage in each period, so, X number of
3 kilowatt-hours. And I would assume that it --
4 you have less energy consumed in the springtime
5 and in the fall than in the winter, is that
6 right?

7 A (McNamara) Could you repeat that?

8 Q I'm just wondering if your usage in each of those
9 time periods of the kilowatt-hours is the same or
10 if it's different?

11 A (McNamara) The kilowatt-hours per period or per
12 month?

13 Q Yes. So, on the chart, on Page 160, you have
14 December '21 through May of '22. And is your --
15 is the kilowatt-hours that you would expect to
16 sell in December '21 greater or less than in May
17 of '22?

18 A (McNamara) Oh. The kilowatt-hours are higher in
19 December 2021 versus May of 2022. If you were to
20 look at the page, Bates Page 160, and, for
21 example, look at Line 4, that shows kilowatt-hour
22 purchases, which, with applying the loss factor,
23 the Company estimates the sales for each of those
24 months. In your example, looking at December,

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 just over 43 million kilowatt-hours, and moving
2 over to May, just over 31 million kilowatt-hours.

3 Q Perfect. Perfect. And, when you calculate that
4 fixed rate of about 17 and a half cents, that's
5 the weighted average of Line 25 and Line 4,
6 correct? Or, is it the simple average?

7 A (McNamara) It is not a simple average. It is
8 taking what is on Line 8, for example, that we
9 would look at Line 8, which is the Fixed
10 Residential power supply charge, which is
11 calculated based on the amounts that are in the
12 column directly above it, on Lines 1, 2, 3, 4, 5,
13 you know, which is the sum from the period. And
14 then, it adds in what is on Line 24, the
15 Renewable Portfolio Standard Charge for the
16 period, the fixed charge.

17 Q Okay. Okay.

18 A (McNamara) So, I guess I'll just rephrase. You
19 cannot take the variable charges shown on Line
20 25, sum them and divide by 6.

21 Q Correct. Because it's weighted.

22 A (McNamara) That would be a simple average. The
23 17 cents proposed fixed rate is a weighted
24 average.

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1 Q Correct. Okay. Thank you. Yes. That's what I
2 was checking. Very good. Very good.

3 So, to follow up on that, and maybe you
4 can help me with percentages, because this is
5 hard to do in my head. If you look at the
6 Renewable Portfolio Standard charges of it looks
7 like seven-hundredths of a dollar, and you take
8 that as a ratio of the overall retail rate on
9 Line 7, is that -- what percentage does the
10 ratepayer pay for the renewable -- the RPS?

11 A (McNamara) I could do that math.

12 Q I'll see if I get the same number here.

13 A (McNamara) Sorry.

14 Q 0.007, 7 divided by 0.167 --

15 A (McNamara) Four percent.

16 Q So, it looks like, and correct me if I'm wrong,
17 I'm getting about 4 and a half percent. So,
18 there's an adder due to RPS of about 4 and a half
19 percent?

20 A (McNamara) Correct. I had 4.4 percent of the
21 total fixed Residential Default Service Charge is
22 made up of the RPS component.

23 Q Okay. So, if a residential ratepayer were to ask
24 "hey, what am I paying for RPS?" The answer, at

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1 least in this time period, would be about roughly
2 4 and a half percent?

3 A (McNamara) Of their rates, correct, but not
4 necessarily of their bill.

5 Q Understand. Okay. Very good. And I am
6 interested, it was interesting when you landed on
7 Page 160, because I'm very interested in the
8 market price and the price that ratepayers end up
9 paying due to cost burdens being added by, let's
10 say, the state. So, we have the Renewable
11 Portfolio Standard, we just talked about that,
12 that's about 4 and a half percent; no problem.
13 Also in the filing, it was Page 1 of what I have
14 from Mr. Hevert, there's also a lot of
15 documentation on the cost of the low-income, for
16 the low-income piece of it. Can you share that
17 same percentage for low-income, what is the
18 contribution of the ratepayers to that fund?

19 A (McNamara) I'm not sure I understand the
20 question.

21 Q There is a low-income fund, right? And, so, it's
22 the same question. So, we know how much, because
23 we have it on Page 160, how much the ratepayer
24 contributes to the RPS. And, so, my question is

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1 the same for low-income, how much does the
2 ratepayer contribute in this regard?

3 A (McNamara) Customers are not funding, for default
4 service, a low-income rate. Low-income customers
5 receive a discount through the low-income
6 discount tiers. That's actually shown in the
7 filing on Bates Page 164.

8 Q Let me get to that in a second. So, yes. But
9 the money comes from --

10 A (McNamara) That's the redline.

11 Q The money comes from somewhere, right? So, some
12 ratepayers pay in, some ratepayers take out. So,
13 I'm trying to understand, the ratepayers that are
14 paying in, how much are they paying?

15 A (McNamara) The discount is not collected as part
16 of default service.

17 A (Lambert) Yes. Commissioner, this is Mark
18 Lambert from Unitil.

19 Although I don't have the numbers in
20 front of me to answer directly your question, you
21 may be referring to what's not included into this
22 default service filing, which is the funding of
23 the System Benefit Charge. And the System
24 Benefit Charge really funds two things: It

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1 funds, as you stated correctly, the low-income
2 attribute or low-income discounts to customers
3 who qualify, and then also the energy efficiency
4 initiatives that have also been approved. So,
5 that charge funds both of those programs.

6 And I don't have the numbers in front
7 of me. Certainly, we could get those for you.

8 MR. KREIS: Madam Chairwoman, I realize
9 that I object to questions posed by commissioners
10 at my peril. But I would like to point out that
11 the effect of the System Benefits Charge on rates
12 or bills is not germane to the matter that is
13 presently pending before the Commission, which is
14 the Company's Default Energy Service rates.

15 COMMISSIONER GOLDNER: So, what I'm
16 trying to understand is --

17 CHAIRWOMAN MARTIN: Just one second,
18 Commissioner Goldner. Is that an objection or is
19 that a comment to note for the record?

20 MR. KREIS: Well, again, if another
21 party were to ask questions like that, I would
22 object on the ground that that line of inquiry is
23 not relevant. I don't even know whether it's
24 appropriate for me to object to a question asked

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1 at a hearing by a commissioner.

2 CHAIRWOMAN MARTIN: Okay. Well, let's
3 hear what Commissioner Goldner had to say, and
4 then we can go from there.

5 BY COMMISSIONER GOLDNER:

6 Q Yes. All I'm trying to understand is, on Page
7 164, if I could direct to a particular page, we
8 have a lot of numbers relative to a summary of
9 Low-Income Electric Assistance Program discounts
10 in this filing, and I'm trying to understand how
11 that relates to what ratepayers pay?

12 A (McNamara) For default service, it has no
13 relation to what, and if I -- correct me if I'm
14 wrong, that I'm understanding your question
15 correctly, are you looking to understand if other
16 customers, not low-income customers, other
17 customers are paying a increased price to collect
18 the discount associated with providing energy to
19 low-income customers? Through default service,
20 the answer is "no".

21 Q I see. So, --

22 A (McNamara) That discount is collected elsewhere.

23 Q Yes. And I appreciate the full disclosure by
24 Unitil in terms of helping to display as much

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1 information as possible. I'm just trying to
2 understand the meaning of Page 164 and what I
3 should take away from this page?

4 A (McNamara) Page 164 is -- the specific Page 164
5 is the redline version of the Company's tariff.
6 But, as I mentioned, this is a tariff page. So,
7 this provides the low-income customers for their
8 delivery discounts by tier. The middle column
9 provides, if they were to take fixed default
10 service, the discount they would receive. And
11 the final columns provide the variable energy, if
12 they were to take variable default service, the
13 discounts that they would receive by month, --

14 Q Okay. Very good.

15 A (McNamara) -- by tier.

16 Q Yes. And is there a dollar amount that
17 correlates to these rates?

18 A (McNamara) Well, there is. There is, the
19 customer would receive a discount.

20 Q Uh-huh.

21 A (McNamara) And, you know, that would be part of
22 their bill. And then, that would get, you know,
23 all these low-income customers' discounts would
24 get summed up, and that amount, as Mr. Lambert

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1 pointed out, would be collected as part of the
2 SBC.

3 Q Yes. And I'm just trying to understand what all
4 this adds up to. I see the rates. I see the
5 categories. I'm just trying to understand what
6 it all adds up to, that's all?

7 A (McNamara) Are you looking for a specific dollar
8 amount?

9 Q Yes. Yes.

10 A (McNamara) That amount would vary every month.
11 It would be part of the billing system.

12 Q Understand. Understand. But, in this filing,
13 we're talking about the next six months. So, I'm
14 just looking to understand just what that dollar
15 amount would be that correlates to these
16 percentages. That all I'm trying to understand
17 here.

18 A (McNamara) I would not be able to answer that
19 question. It would be a matter of how many
20 low-income customers there are, how much energy
21 they used, because these rates are per
22 kilowatt-hour, and how many customers remain on
23 default service.

24 CHAIRWOMAN MARTIN: Mr. Epler.

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1 MR. EPLER: Yes. Just for
2 clarification, perhaps I could direct
3 Commissioner Goldner to where he might find some
4 of this information.

5 And, if you look in Docket DE 21-121,
6 which was the Unutil Energy Systems' most recent
7 reconciliation filing, that's where you could see
8 the breakdown of the components that are in
9 the -- what we call the "EDC", the External
10 Delivery Charge. And that's where a number of
11 different rate components are compiled and
12 charged, and then reconciled once a year.

13 So, in that docket, there is a chart in
14 one of the schedules that was part of
15 Ms. McNamara's testimony in that case, that shows
16 the breakdown. It shows the Customer Charge, the
17 Distribution Charge, the External Delivery
18 Charge, Stranded Cost Charge, Storm Recovery
19 Charge, Systems Benefits Charge, Default Service
20 Charge, and you see each component broken down
21 there. So, for example, I am looking at Bates
22 Page 043 of her Schedule -- Ms. McNamara's
23 Schedule LSM-4 in that docket.

24 So, I provide this not to include it as

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1 evidence in this docket, only for a reference.

2 COMMISSIONER GOLDNER: Yes. Thank you,
3 Mr. Epler. That's exactly what I was looking
4 for. Thank you. I will reference that offline.

5 CHAIRWOMAN MARTIN: Ms. Amidon.

6 MS. AMIDON: If I may, there are bill
7 impact statements or comparisons in this docket,
8 and if you -- in this filing. If you go to Bates
9 175, for example, and this is to assist
10 Commissioner Goldner, there is "Typical Bill
11 Impact by Rate Component" for each customer, for
12 residential customers who use 650 kilowatt-hours
13 a month. And this is something that the Company
14 typically prepares with these filings to show
15 what bill impacts there will be. And there you
16 will find, for this particular customer, the
17 categories of Distribution, External Delivery
18 Charge, Stranded Cost, Storm Recovery, System
19 Benefits Charge, and then the Default Service
20 Charge, and with a dollar value for each. And it
21 shows clearly that the only increase affected by
22 this filing is in the Default Service Charge.

23 So, that may be of some assistance to
24 you. I don't -- I'm not sure if this is what

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1 you're asking for, but I thought this would be
2 helpful.

3 CHAIRWOMAN MARTIN: What was the Bates
4 page? I apologize, Commissioner.

5 COMMISSIONER GOLDNER: 175, yes.

6 CHAIRWOMAN MARTIN: 175?

7 COMMISSIONER GOLDNER: Yes. Excellent.
8 Thank you. That is -- that is exactly right, or
9 exactly what I was looking for.

10 BY COMMISSIONER GOLDNER:

11 Q So, if I look at that Page 175, and I look at the
12 Default Service Charge, as revised, in Column 3,
13 12/1/21, it shows the Default Service Charge of
14 the 17 and a half cents, which I recognize, and
15 total kilowatt charges of about 25 cents. Am I
16 reading that right?

17 A (McNamara) That is correct.

18 Q Excellent. Excellent. And, so, I'm just going
19 to do some simple math. I'm going to take 0.175
20 divided by 0.252. And I'm going to say that the
21 Default Service Charge is about 70 percent of the
22 ratepayer's bill for this scenario, 650
23 kilowatt-hours in this particular scenario.
24 Understanding that scenarios can change, but the

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 one provided from the Company for a typical
2 ratepayer would be in this first section. Is
3 that -- am I doing the math correctly and am I
4 summarizing that correctly?

5 A (McNamara) Your math might be a little -- well, I
6 know you're doing a back-of-the-envelope. The
7 column that is the far column to the right,
8 "% Difference to Total Bill", --

9 Q Uh-huh.

10 A (McNamara) -- that would be the amount I believe
11 that you were just looking for. So, in this
12 particular case, a 650 kilowatt-hour residential
13 customer, who stays on fixed default service,
14 would see a "60.3 percent" increase, which is
15 shown on the line that is on Default Service, as
16 well as total bill. The 60.3 is a percent of
17 total bill.

18 COMMISSIONER GOLDNER: Got you. Okay.
19 Okay. Thank you. That was very helpful. That
20 was what I was looking to understand. That's all
21 the questions I have, Chairwoman.

22 CHAIRWOMAN MARTIN: Okay. Thank you.
23 I just want to go back to Page 164, just to
24 clarify, since we had so much discussion there

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 that I'm understanding that right.

2 BY CHAIRWOMAN MARTIN:

3 Q What I understood from the testimony was that
4 that is simply a reflection of the Default
5 Service rate, less the discount, and that that
6 discount is not funded as part of this. It is
7 coming from the SBC. Do I have that right?

8 A (McNamara) Yes.

9 Q All right. Thank you. Going back to the number
10 of bids that we saw, the number of bids received,
11 which I won't state, is that the same or similar
12 to the number of bids received in other years
13 over the past five years?

14 A (Pentz) Yes. It is a similar amount of bids.
15 There was a slight, very slight reduction in the
16 number of bids due to, like I was mentioning
17 earlier, market conditions for power in New
18 England these days. But, for the most part, they
19 were consistent with past. And I would consider
20 this a very competitive solicitation.

21 Q Okay. Thank you. And you mentioned that the
22 list that we saw, I believe it was Bates Page
23 074, represents those suppliers that you sent the
24 RFP to directly, or that you reached out and

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 contacted directly. How do you decide which
2 suppliers you'll reach out to, versus I think we
3 heard about the Markets Committee and a number of
4 other suppliers? How do you make that
5 distinction?

6 A (Pentz) Some of these suppliers have been on our
7 distribution list for over ten years. As a
8 practice, we do reach out to most of these
9 suppliers on this list. Most of them are not
10 involved in wholesale power trading as of today.
11 So, you know, this is why there is, you know, the
12 pool of suppliers that we have today.

13 I have done some maintenance on this
14 list, and, in particular, for this auction.
15 However, like I had mentioned before, you know,
16 the RFP is sent to the Markets Committee for
17 widespread distribution.

18 Now, you know, our most active
19 communications really are directed at
20 participants who have participated in previous
21 solicitations. These are what I would like to
22 call "active suppliers", because we worked with
23 them before in the past. So, you know, the
24 communication is robust. It involves a phone

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 call, follow-up emails.

2 Q When you say you did "some maintenance", what
3 does that entail?

4 A (Pentz) I removed older suppliers that, you know,
5 have never responded to our RFP.

6 Q Did you add any suppliers?

7 A (Pentz) Yes.

8 CHAIRWOMAN MARTIN: Okay. Thank you.
9 I have no other questions.

10 Mr. Epler, do you have any redirect?

11 MR. EPLER: Yes.

12 **REDIRECT EXAMINATION**

13 BY MR. EPLER:

14 Q Mr. Pentz, if you could look at Bates Page 074,
15 in confidential Exhibit 5 [4?]. Are you there?

16 A (Pentz) Yes.

17 Q Okay. So, I just want to make sure it's clear
18 what this page represents. So, looking at the
19 list of companies, these are companies that have,
20 at some time or another, expressed a level of
21 interest in this solicitation at some point in
22 time?

23 A (Pentz) That's correct.

24 Q Okay. They may or may not be -- reflect recent

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 activity, but, certainly, at some point they have
2 indicated an interest and either submitted a bid
3 or perhaps an indicative bid. Is that correct?

4 A (Pentz) That's correct. Some of these suppliers
5 at some point have responded to our initial
6 solicitation notification for additional
7 information, to only find out that they're not
8 interested in bidding. Some of them are
9 interested in bidding. Some of these companies
10 we have entered into contracts with. So, it's a
11 widespread pool of participants that we tend to
12 think are the most active. So, we put these
13 suppliers in this list to directly send them the
14 solicitation. So, yes.

15 Q Okay. And then, obviously, the contact name is
16 the specific contact person that you're aware of
17 at these -- at these companies?

18 A (Pentz) Yes. That's correct. And, when I
19 referred to "maintenance", maintenance also
20 involves, you know, assigning a new contact to a
21 company, if someone retires. So, that would be
22 involved in the maintenance part.

23 Q Okay. Now, on the column labeled
24 "Communication", it appears that some -- some of

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 these have an indication of the kind of
2 communication and others are blank. What does it
3 mean if it's blank? Does that --

4 A (Pentz) If it is blank, then these are suppliers
5 that I have not heard back from in quite a while.
6 So, these are suppliers that generally are not
7 interested in bidding on default service.

8 Q And then, that's -- and then, for those who there
9 is a communication indicated, you then indicate
10 further, in the last column, "Initial
11 Expectation", what your expectation is, as to
12 whether or not those that you had direct contact
13 with will be bidding, is that correct?

14 A (Pentz) That's correct. Yes.

15 Q So, in terms of the value of this information, if
16 you were someone who was either active or
17 considering whether to be active, if you -- let
18 me clarify that. If you were a potential entity
19 that wanted to bid, and you had access to this
20 information, you could then glean from this which
21 entities are active and which are not? Is that
22 correct?

23 A (Pentz) Yes. That's correct.

24 Q And could you also then gain an understanding of

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 which the Company has actively contacted?

2 A (Pentz) Yes, as stated in the exhibit.

3 Q And, if you could turn to Page -- in this same
4 exhibit, --

5 A (Pentz) I apologize, what Bates page was that?

6 Q Yes, I'm trying to make sure I -- I want to turn
7 to it first to make sure I have the right one
8 before I tell you. Bates Page 025, in this same
9 exhibit, confidential Exhibit 5 [4?].

10 A (Pentz) Okay.

11 Q And do you see the four lines that are shaded
12 gray?

13 A (Pentz) Yes.

14 Q And so, that indicates lines that the Company, at
15 least in this exhibit, has marked as
16 "confidential". Is it your testimony that, in
17 reconsidering these four lines, the Company could
18 withdraw its request to keep these four lines
19 confidential? That this is just a general
20 statement and not specific?

21 A (Pentz) I would agree. This is a general
22 statement regarding payment terms, but it's not
23 assigned to any particular bidder. So, I agree
24 this could be definitely public.

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 MR. EPLER: Madam Chair, the Company is
2 willing to withdraw its request to have the lines
3 on this page confidential. And, when I refile
4 the exhibits to indicate the proper numbering, as
5 I indicated at the beginning of the hearing, I
6 will amend the exhibit so that the lines on this
7 page are not -- are not shaded and not requested
8 to be confidential.

9 CHAIRWOMAN MARTIN: All right. Thank
10 you. And can you please note that in your cover
11 letter when you submit those?

12 MR. EPLER: Okay. Thank you.

13 CHAIRWOMAN MARTIN: Thank you. Any
14 further redirect?

15 MR. EPLER: No, I don't believe so.
16 Thank you very much.

17 *(Brief off-the-record discussion*
18 *between the court reporter and*
19 *Chairwoman Martin.)*

20 CHAIRWOMAN MARTIN: Mr. Patnaude has
21 questioned whether Mr. Lambert and Mr. Diggins,
22 when he swore in the witnesses, raised their hand
23 and were sworn in. Can you, the both of you
24 please confirm that, and/or we'll need to do that

[WITNESS PANEL: Pentz|McNamara|Lambert|Diggins]

1 and have you --

2 WITNESS DIGGINS: Yes. This is Todd
3 Diggins. I did answer. I did swear in.

4 CHAIRWOMAN MARTIN: Okay.

5 MR. PATNAUDE: Okay.

6 CHAIRWOMAN MARTIN: Mr. Lambert?

7 WITNESS LAMBERT: Yes. I swore in as
8 well. But, certainly, I do.

9 CHAIRWOMAN MARTIN: Okay. Thank you
10 for the clarification.

11 MR. PATNAUDE: Thank you.

12 CHAIRWOMAN MARTIN: Any other lingering
13 concerns from anyone?

14 *[No verbal response.]*

15 CHAIRWOMAN MARTIN: Commissioner
16 Goldner, any other questions?

17 COMMISSIONER GOLDNER: No.

18 CHAIRWOMAN MARTIN: All right. Then,
19 we will strike ID on what are now going to be
20 identified as "Exhibits 3", "4", and "5" and
21 admit those as full exhibits.

22 And we will take closings, starting
23 with Mr. Kreis.

24 MR. KREIS: Thank you, Madam

1 Chairwoman.

2 These are the largest Default Energy
3 Service prices ever presented to this Commission
4 for approval in the history of electric
5 restructuring. And it's obvious, from the
6 evidence adduced by the Company, that that
7 development is not the Company's fault. It is a
8 result of some unfortunate and unhappy conditions
9 in the world market for natural gas, and the
10 effects that that world market for natural gas
11 have had on wholesale electricity prices. And I
12 think the Company has done a very good job of
13 making that clear here.

14 The reason that I raised the issue of
15 the redactions in the public version of the
16 Company's exhibits and its filing is I hope
17 pretty obvious. There will be and there should
18 be heightened public interest in a Default Energy
19 Service proceeding that proposes the kind of
20 ultra high prices that the Company, again,
21 through no fault of its own, is proposing.

22 And, in that context, because RSA 91-A
23 calls on instrumentalities of government, and
24 ultimately the courts, to apply a balancing test,

1 it seems to me that the public's interest in
2 disclosure is heightened, not because the public
3 has an interest in scrutinizing the Company, but
4 because the public has an interest in
5 scrutinizing the Commission and, to some extent,
6 even the Office of the Consumer Advocate, so that
7 the public has confidence that we, meaning the
8 PUC and the Office of the Consumer Advocate, and
9 the Department of Energy, are doing everything
10 that we can to make sure that the public is well
11 served by electric restructuring, and is not
12 being taken advantage of in any way at a time
13 when default energy services are at their height.

14 Now, unfortunately from my perspective,
15 what utilities get to do in the context of these
16 default energy service proceedings is rely on
17 Rule Puc 201.06 and Rule Puc 201.07, to
18 essentially gain automatic confidential treatment
19 of certain aspects of their filings. That is a
20 problem, because it largely circumvents the
21 balancing test, and those rules even give the
22 Company an opportunity to seek nondisclosure of
23 certain information should there be a request
24 from the public for access to this information.

1 And let me be clear, I don't think I
2 have standing to make such a request, for the
3 simple reason that the Office of the Consumer
4 Advocate has full access to all the confidential
5 information. So, you won't see me making a
6 request like that. But I do have concerns about
7 the two rules provisions that I just quoted, for
8 the simple reason that RSA 91-A, the
9 Right-to-Know law, is a disclosure statute. It
10 is not a confidentiality statute. And outside
11 parties, including utilities, that prefer to see
12 certain information treated as confidential,
13 because its ultimate source is their files, don't
14 have standing under the statute to attempt to
15 vindicate their alleged confidentiality interest.

16 The question of whether anything in the
17 Commission's files is confidential or not
18 confidential is a matter of discretion to the
19 agency. And, in these circumstances, I would
20 urge the Commission to exercise its discretion by
21 urging this Company, and other companies, to
22 re-examine, refine, and get less sloppy about
23 their assertions of what are entitled or what is
24 entitled to confidential treatment in a docket

1 like this.

2 It's laudable that Mr. Epler, at least
3 in one instance, said "well, it turns out that
4 something we designated as confidential really
5 doesn't need to be confidential. So, we'll fix
6 that when we fix the exhibit numbers and submit
7 new -- newly renumbered exhibits to you so that
8 the record is accurate."

9 But I don't think that's good enough.
10 I think the Commission really ought to re-examine
11 and clamp down on the extent to which utilities
12 are allowed to make cursory, conclusory, and
13 sloppy confidentiality designations. And that's
14 especially important now, because the public is
15 and has a right to be very concerned about the
16 kind of energy prices that they will be
17 confronting when the Commission, as it should,
18 approves this Default Energy Service filing.

19 With respect to the questions about the
20 effect of the low-income program on people's
21 electricity bills, I would just point out two
22 things. (1) RSA 374-F, Section 4, Paragraph
23 VIII, Subparagraph (a) **[Sub. (c)?]** says that the
24 low-income portion of the System Benefits Charge

1 is, by statute, fixed at a maximum of "1.5 mills
2 per kilowatt-hour". To my knowledge, this, and
3 every other electric utility in the state,
4 charges that full 1.5 mills per kilowatt-hour to
5 fund the Low-Income Energy Assistance Program.
6 That is a tiny fraction of people's electricity
7 bills, especially with the Default Energy Service
8 price going up to the level that it is going to
9 go up to.

10 There is a separate proceeding that the
11 Commission has recently opened to consider the
12 budgets for the Electric Assistance Program, and
13 that is where any concerns about what all
14 ratepayers are contributing to the welfare of the
15 fraction of ratepayers who are low-income
16 customers. That's where that question gets
17 resolved. It's not germane to this case.

18 And the other observation I would make
19 is that the Commission has long assumed, without
20 really examining it, that 650 kilowatt-hours per
21 month is a typical residential energy bill.
22 Thanks to things like energy efficiency, I
23 believe that the typical residential bill is now
24 considerably less than 650 kilowatt-hours per

1 month. So, to the extent its relevant, as the
2 Commission considers "what effect does all of
3 this have on the typical residential energy
4 bill?", I don't think that that exhibit that
5 tells you what the effect on a 650 kilowatt-hour
6 bill really tells you what you would like to
7 know.

8 Subject to all of those concerns, I
9 would like to thank the Company for its help in
10 allowing us and the Department of Energy to
11 understand its filing, and for the good job it,
12 and in particular its witnesses, did today in
13 presenting the results of its latest solicitation
14 to you.

15 These are very troubling developments,
16 but I nevertheless, with great reluctance, urge
17 the Commission to approve the results of this
18 solicitation and the resulting Default Energy
19 Service bills. Perhaps, though, instructing the
20 Company to be more proactive in making sure that
21 customers know that they do have the right to
22 choose a variable, rather than a fixed rate.

23 That's all I have to say.

24 CHAIRWOMAN MARTIN: Mr. Kreis, I just

1 have a question, based on your 91-A comments.

2 Do you have -- are you suggesting that
3 the pricing in this docket should -- we should
4 consider disclosing pricing? Or is there some
5 other information that is covered by the rule
6 that you think would give greater insight to the
7 public in understanding why the prices are
8 higher?

9 MR. KREIS: Frankly, Madam Chairwoman,
10 I would urge public disclosure of everything in
11 this file. I really think the public's interest
12 in disclosure, given the extremely high rate that
13 the Company is about to start charging, warrants
14 total disclosure of certain information that, in
15 more routine times, would potentially be
16 competitively sensitive, and therefore worthy of
17 nondisclosure under the balancing test.

18 But, beyond that, I'm simply urging the
19 Commission to ask the Company, this company and
20 other utilities, to be more discerning in what
21 they designate as punitively confidential under
22 Rule 201.06 of the PUC's procedural rules.

23 I hope that's responsive to your
24 question?

1 CHAIRWOMAN MARTIN: It is. As a
2 follow-up, do you disagree that disclosing the
3 pricing may inhibit the competitive nature of
4 future bids?

5 MR. KREIS: I think the evidence of
6 that is -- I really have no way of answering that
7 question. I think that claim has been made time
8 and again on a conclusory basis.

9 CHAIRWOMAN MARTIN: Okay. And I'd like
10 to, Mr. Epler, go back to your witness, just to
11 get, if it's available, a response to Mr. Kreis's
12 argument related to the average residential
13 customer bill.

14 Do you have a more accurate number? Is
15 the "650" an assumption? Is it close? Can you
16 give us some information on that, Mr. Epler?

17 MR. EPLER: Yes. Actually, if you look
18 at -- if you go to Exhibit Number 3, and you go
19 to Bates Page 179, we provide a much more
20 granular breakdown of usage, total bill, under
21 current rates, the new rates, the difference, and
22 the percentage difference.

23 And Ms. McNamara may want to clarify
24 that point it looks like.

1 WITNESS McNAMARA: I would actually
2 like to turn you to Bates Page 177. Sometime ago
3 this question was posed, this particular page has
4 been included with default service filings, as
5 well as our annual reconciliation filing that
6 recovers the EDC and SCC. This page provides a
7 box where we show the residential mean, the
8 average, as well as the residential median. And,
9 as footnoted, that was based on the last calendar
10 year. We update this once a year. So, this
11 looked at actual billings for the period January
12 through December 2020.

13 And, coincidentally, it's not always
14 that way, but the mean use for calendar year
15 2020, for a residential customer, was 650
16 kilowatt-hours. Typically hovers right around
17 that number.

18 CHAIRWOMAN MARTIN: Okay. Thank you
19 for that clarification.

20 All right. Ms. Amidon.

21 MS. AMIDON: Thank you. Staff, the
22 Department of Energy, has reviewed the filing,
23 and we believe that the Company conducted the bid
24 solicitation, the bid evaluation, and the final

1 selection process according to the process
2 approved by the Commission in Order Number
3 24,511, as amended, and consistent with other
4 Commission rulings.

5 In particular, we find that the bids
6 were competitive -- that the solicitation was
7 competitively bid. That the selection was
8 appropriate, and that the resulting rates are
9 indeed market-based.

10 So, consistent with the Commission
11 settlement -- the settlement agreement I
12 previously referenced, the Commission should
13 approve the filing, and along the lines requested
14 by the Company, which I believe is by the end of
15 the week they would expect an order.

16 I am concerned that any, other than
17 what Attorney Epler proposed in terms of a
18 redaction from the confidential request, at this
19 time. I think that Attorney Kreis has some merit
20 in asking for maybe a generic process for all
21 utilities to conform with those, with certain new
22 requirements, if they are indeed sloppy in their
23 request for redaction. But my concern is related
24 to issues of volatility in the market, and the

1 fact is that the number of competitive suppliers,
2 for example, is confidential is it does send a
3 signal to the market. I am not a market expert.
4 But, in developing the process used here by the
5 Commission, I did work with someone who was
6 familiar with the markets, and that utility
7 analyst, George McCluskey, agreed that you don't
8 want to send signals to the market that would
9 create instability in the market, that would
10 discourage competitive suppliers from -- well,
11 that would discourage energy suppliers from
12 responding to these bids, or encourage energy
13 suppliers to bid higher prices.

14 So, in that sense, given the nature of
15 these increases, I would think this would not be
16 an appropriate time to consider releasing the bid
17 numbers that was received by the Company from
18 these suppliers.

19 As to the future, I think it has to be
20 done with some deliberation and caution. And I'm
21 also mindful, I believe there is a FERC rule
22 which holds wholesale prices confidential for I
23 believe at least one quarter. Attorney Epler may
24 be able to clarify anything I said that's

1 incorrect with respect to these FERC rules. But
2 that you will note, if you look at the filing,
3 that after a period of time the wholesale prices
4 can be disclosed.

5 So, having said that, I request the
6 Commission to approve the filing as -- and the
7 rates that result from this filing. But to be
8 cautious in taking any action, other than what
9 Attorney Epler suggested, with respect to the
10 confidential treatment of the financial
11 information in this filing.

12 Thank you.

13 CHAIRWOMAN MARTIN: Thank you,
14 Ms. Amidon. Mr. Epler.

15 MR. EPLER: Thank you, Chairwoman
16 Martin, Commissioner Goldner.

17 Perhaps one of the benefits, or maybe a
18 detriment, of occupying the chair that I've sit
19 in for so long is that I've gone through a number
20 of iterations in a number of dockets dealing with
21 the solicitations for default service. And, so,
22 there's a history that I may remember that others
23 may not. But it may be instructive to just
24 review a little bit of that in talking about some

1 of these issues.

2 First, in terms, just to give some
3 perspectives, so the Commission understands, it
4 was actually at the request of an earlier
5 Consumer Advocate that the Company provides the
6 typical bill showing the median and the mean
7 usage, as well as what I pointed out to be on
8 Bates Page 179, which is a more granular
9 breakdown, showing the usage at various levels.
10 So, we were -- this actually evolved and we were
11 instructed by the Commission to provide this
12 information on this more granular level. Because
13 there was an argument that either a 600 or 650
14 kilowatt-hour usage that we were using was not
15 really indicative to those customers, as Mr.
16 Kreis has pointed out, tried to take advantage of
17 energy efficiency measures and so on and try to
18 reduce their usage. So, that's why that's
19 provided there.

20 In terms of the confidentiality, it was
21 previously the case a number of years ago that,
22 when we made our filing, we actually accompanied
23 it with a motion for confidential treatment, and
24 there was a more upfront analysis of

1 confidentiality on the record as part of these
2 proceedings. And, after some time, I think
3 perhaps from the Commission's perspective, these
4 became routine. And, so, the provisions that Mr.
5 Kreis pointed to in Rule 200 were incorporated
6 into that rule, so that we would not -- there
7 wasn't a need to rehash those arguments in each
8 one of these default service hearings. Perhaps
9 there's a benefit of doing that, perhaps there's
10 a detriment in doing that. But, in any event,
11 that's the derivation of why that's in the
12 Commission's rule, at least according to my
13 memory.

14 Certainly, at the time, again, thinking
15 about the evolution of the confidentiality here,
16 the intent initially was to protect the
17 competitive supplier market and to nurture it,
18 and to allow it to develop, so that, when we went
19 out for -- when the Company would go out for a
20 default service solicitation, it would -- it
21 could be assured that there were as many
22 participants as possible, and that you would get
23 an actual competitive solicitation and a
24 competitive result.

1 So, there was clearly an intent to try
2 to protect information that, perhaps not at first
3 glance, but from somebody who is a sophisticated
4 player in the market, could be used to try to
5 game the solicitation and gain some kind of
6 advantage, by knowing who are at least
7 participating in the markets; whether they
8 participate in other markets; whether they are an
9 active bidder here, or maybe they're not, and
10 maybe they're going to be an active bidder
11 somewhere else; if they bid recently, if they're
12 not, what kind of terms that they're proposing,
13 are they requesting payment monthly, more
14 frequently, less frequently; are there other
15 kinds of financial arrangements they want. So,
16 there was a desire to protect as much of that
17 information as possible to protect the
18 competitive market and keep it active.

19 So, it is very possible that over time
20 that, because we no longer, on an active basis,
21 look at some of this information and rely on the
22 rule, that we have become perhaps a little less
23 precise in what we're seeking confidential
24 treatment for. But the desire is to protect

1 that, our solicitations from gaming, to try to
2 solicit as many participants as possible, so that
3 we have a result that we can rely on, and that we
4 can present to you and to the other parties, is
5 an active market, and we believe that we have
6 achieved an accurate price that is reflective of
7 the market.

8 So, with that, I would just -- I would
9 caution the Commission in taking what I would
10 consider a drastic step and seeking to have all
11 this information made public. I think that there
12 is a strong basis for wanting to protect a lot of
13 the information, or perhaps all of it that we've
14 marked. And, if there is a desire to look at
15 this, to do -- is to proceed along the lines that
16 Attorney Amidon has suggested, that would be some
17 kind of more generic or inclusive docket, where
18 other participants could look at the kind of
19 information that we're seeking to protect, and
20 the benefits and costs of either disclosing or
21 keeping it confidential.

22 But we will, for this particular
23 proceeding, as I re-mark the exhibits, as I
24 indicated at the beginning of the hearing, we

1 will carefully go through what we've requested
2 confidential treatment for. And, if we have not
3 been precise in our request, we will amend that
4 request, and you will see that in the filing.
5 And we will endeavor to do that as quickly as
6 possible, knowing that we are requesting an order
7 by the end of the week. So, we'll try to get
8 that to you quickly.

9 With that, I think that really covers
10 the points that I wanted to make. I think,
11 otherwise, I think the witnesses and the evidence
12 has shown that the solicitation occurred in
13 accordance with prior Commission orders and
14 precedent, and that the results are accurate, and
15 the tariffs that we're requesting should be
16 approved.

17 Thank you.

18 CHAIRWOMAN MARTIN: Thank you,
19 Mr. Epler. And I appreciate your reviewing what
20 has been marked "confidential" and your
21 willingness to do that very much.

22 Commissioner Goldner, did you have any
23 follow-up?

24 COMMISSIONER GOLDNER: No follow-up.

1 CHAIRWOMAN MARTIN: All right. Thank
2 you, everyone.

3 With that, we'll close the hearing and
4 take this matter under advisement, and we will
5 issue an order promptly as requested. The
6 hearing is adjourned.

7 ***(Whereupon the hearing was adjourned***
8 ***at 10:51 a.m.)***

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