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**STATE OF NEW HAMPSHIRE**

**PUBLIC UTILITIES COMMISSION**

**August 25, 2021** - 9:04 a.m.  
21 South Fruit Street  
Suite 10  
Concord, NH

*[Hearing also conducted via Webex]*

**RE: DE 21-119**  
**PUBLIC SERVICE COMPANY OF NEW**  
**HAMPSHIRE d/b/a EVERSOURCE ENERGY:**  
Proposed Tariff Amendments to  
Residential Time-of-Day Rate.  
***(Prehearing conference)***

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

Doreen Borden, Clerk  
Corrine Lemay, PUC Hybrid Hearing Host

**APPEARANCES:** **Reptg. Public Service Company of**  
**New Hampshire d/b/a Eversource Energy:**  
Jessica A. Chiavara, Esq.

**Reptg. New Hampshire Dept. of Energy:**  
Brian D. Buckley, Esq.  
*(Regulatory Support Division)*

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

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**DISCUSSION ON PRELIMINARY ISSUES  
RAISED BY MR. BUCKLEY:**

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\* \* \*

**STATEMENTS OF PRELIMINARY POSITION BY:**

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**QUESTIONS BY:**

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

CHAIRWOMAN MARTIN: We're here this morning in Docket DE 21-119 for a prehearing conference regarding the Eversource proposed tariff amendments to its Residential Time-of-Day rate.

Let's take appearances to start. And I see Ms. Chiavara. Why don't we start with you.

MS. CHIAVARA: Good morning, Chair Martin and Commissioner Goldner. Jessica Chiavara, here on behalf of Public Service Company of New Hampshire, doing business as Eversource Energy. And today I have with me Edward Davis.

CHAIRWOMAN MARTIN: All right. Thank you. And for the Department of Energy? I think you're on mute.

MR. BUCKLEY: One of these days I'll figure that out.

Good morning, Madam Chair and Commissioner Goldner. My name is Brian D. Buckley. And I am here today representing the Department of Energy's Regulatory Support Division.

1 CHAIRWOMAN MARTIN: Okay. Thank you.  
2 And I do not see Mr. Kreis. So, we will move on.

3 There is no one else here that is  
4 appearing, correct?

5 MR. BUCKLEY: Correct. I understand  
6 that Mr. Kreis has a flight today from Chicago  
7 back to New Hampshire. So, he may not be at this  
8 prehearing conference or this afternoon's  
9 prehearing conference.

10 I do know that Clean Energy NH had  
11 filed to be added to the service list, filed a  
12 request to be added to the service list, and  
13 plans to file a request for intervention, but has  
14 not done so yet.

15 To the extent that a late-filed request  
16 comes in, I would just probably note in the  
17 report out on the tech session the parties'  
18 position on that late-filed request, and then we  
19 can take care of that intervention in that  
20 manner.

21 CHAIRWOMAN MARTIN: Okay. Thank you,  
22 Mr. Buckley.

23 All right. Any preliminary issues,  
24 before we hear your positions on this?

1 MR. BUCKLEY: The Department of Energy  
2 Regulatory Support Division does have two  
3 preliminary issues to raise, I think that might  
4 be helpful.

5 So, this is my first prehearing  
6 conference since the reorganization took place.  
7 And I plan to raise these two issues here for the  
8 Commission, and to also include them in the  
9 report on the technical session that follows the  
10 prehearing conference, allowing the Commission  
11 the choice of either ruling on them from the  
12 Bench here today, or, in that determination, that  
13 response to the report on the technical session  
14 that follows the prehearing conference. The  
15 first has to do with hearing scheduling, and the  
16 second has to do with Excel versions of petition  
17 attachments.

18 So, I'll start with hearing scheduling.  
19 It might be helpful to better understand the  
20 PUC's preference for arranging hearing dates for  
21 a procedural schedule. One approach would be to  
22 simply provide for hearings "during the month of  
23 X" or "in the two weeks at the end of month X" in  
24 our proposed procedural schedule, and let the

1 Commission decide on the dates, without the input  
2 of the parties. Another approach would be for  
3 one of the docket participants, such as the  
4 attorney with the Department of Energy, to  
5 communicate with both the PUC Docket Manager, who  
6 I think is Jody Carmody, and the Parties  
7 themselves to find dates that might work for  
8 everyone, while circulating a procedural schedule  
9 for review before a proceeding.

10 There is an elegance in the simplicity  
11 of that first approach, but it does run the risk  
12 of scheduling conflicts with the parties. As to  
13 the second approach, which looks more like how it  
14 used to be done prior to the reorganization, RSA  
15 12:P-5, VII, provides that, "other than for  
16 administrative functions, department employees  
17 shall not communicate with the public utilities  
18 commission and its staff in connection with any  
19 issue in a matter pending before the commission  
20 or the department, except upon notice and  
21 opportunity for all parties to participate." A  
22 reasonable interpretation of that provision would  
23 be that scheduling hearings might be a  
24 administrative function.

1                   Now, I'll move to the Excel filings  
2                   issue. In a recent order, --

3                   CHAIRWOMAN MARTIN: Mr. Buckley?

4                   MR. BUCKLEY: Yes.

5                   CHAIRWOMAN MARTIN: Why don't we -- why  
6                   don't we address that first issue first. And I  
7                   don't know if Ms. Chiavara would like to weigh  
8                   in? I think I can quickly answer that question.

9                   MS. CHIAVARA: I'll defer to the Chair  
10                  to answer the question.

11                  CHAIRWOMAN MARTIN: All right. Thank  
12                  you.

13                  I think that the preference would be to  
14                  have you identify the "month of X", as opposed to  
15                  have -- it's a challenge coordinating all of the  
16                  schedules, even on this side. And, so, if you  
17                  provide some general timing, or even multiple  
18                  dates. But "month of X" is, obviously, a good  
19                  target. We can land there. And then, if there  
20                  is a conflict, just simply file something, just  
21                  as you would do in court, indicating there's a  
22                  conflict, and request a continuation to a  
23                  different date, and we will do our very best to  
24                  accommodate that.

1           I think that's probably the most  
2           manageable approach in the new structure.

3           MR. BUCKLEY: Thank you. That's very  
4           help.

5           CHAIRWOMAN MARTIN: Go ahead with two.

6           MR. BUCKLEY: So, now, I'll move to the  
7           Excel filings.

8           In a recent order, the Commission  
9           directed one of the utilities, I think it was the  
10          one before today, to, on a going-forward basis,  
11          provide the Commission with the live Excel  
12          versions of the *pdf* attachments to any of its  
13          filings.

14          It's, as I'm sure the Commission knows,  
15          incredibly helpful to have those live Excel files  
16          with all equations intact, and preferably before  
17          the prehearing conference and the first round of  
18          discovery in a proceeding.

19          Now, the Department of Energy can  
20          request these filings on an individualized basis,  
21          pursuant to RSA 365:6, our authority to inspect  
22          books and records of a regulated utilities, once  
23          a petition is actually filed. But, as a matter  
24          of maybe efficiency and transparency, I might



1 encourage the Commission to consider either (a)  
2 posting those live Excel spreadsheets to the  
3 docketbook website of that particular proceeding  
4 for any potential interested parties to review,  
5 or (b) direct the utilities to add at least the  
6 Department of Energy and Office of the Consumer  
7 Advocate to that same email on which they  
8 transmit the Excel file to the Commission on a  
9 going-forward basis, and starting with the  
10 utility appearing before you today.

11 CHAIRWOMAN MARTIN: Thank you, Mr.  
12 Buckley.

13 I'd have to go back and look at the  
14 language where that was filed. I definitely  
15 remember the issue coming up related to the live  
16 Excel spreadsheets, but I would need to go  
17 revisit the language that specifically was there.

18 Ms. Chiavara, do you have any reactions  
19 to that?

20 MS. CHIAVARA: I do. A couple,  
21 actually.

22 As a first matter, posting these live  
23 Excel spreadsheets publicly to the docket page  
24 could raise some issues for Eversource, as some

1 of these formulas and calculations I think could  
2 be characterized as "proprietary". And, so, we  
3 would like to probably further examine that for  
4 claims of confidentiality.

5 Additionally, as a general matter, it  
6 seems that Eversource had some concerns that, if  
7 this were to be made as a general requirement, a  
8 requirement of general applicability, it might be  
9 the kind of change that would require a  
10 rulemaking.

11 And there is also a concern that if  
12 these Excel workbooks were to be made generally  
13 available, that there is concern of how they  
14 would be used outside of the technical session or  
15 hearing process, namely, if alternative  
16 calculations were to be made, and they weren't  
17 able to be addressed in a hearing setting.

18 As far as adding the DOE and OCA to a  
19 discovery list, as far as submitting these  
20 throughout the discovery process, even if we were  
21 to claim them as confidential, I don't see an  
22 issue with adding the DOE and OCA to the  
23 distribution of those, in addition to the  
24 Commission.

1 CHAIRWOMAN MARTIN: Okay. Thank you  
2 for that.

3 I think the issue that the Commission  
4 is faced with, or has been faced with since  
5 July 1st, is that at times during hearings we  
6 hear discussions about things, and, in fact, I'm  
7 remembering the proceeding where this came up,  
8 specific discussions related to the live Excel  
9 spreadsheets, but we actually did not have those,  
10 and could not go back and make any review on our  
11 own. And, since we have to make an independent  
12 determination, that creates an issue for us.

13 And, so, I think, generally speaking,  
14 we're looking at how to have the information we  
15 need to make our decisions available to us  
16 directly, and have it available at a time when we  
17 can actually make use of it in comparing, and  
18 looking at questions and things.

19 So, I put that out there for your  
20 discussion as well, and certainly welcome any  
21 proposals. But that is something that needs to  
22 be resolved on the going forward, so that, in the  
23 case I'm thinking of, it was at the very end, you  
24 know, in the hearing process, it's really too

1 late. The Commission needs to have access to  
2 some of that kind of information in order to be  
3 prepared for the hearing and decision-making.  
4 Especially in cases where we're trying to make a  
5 decision very, very quickly, there's not a lot of  
6 time after.

7 So, there's a struggle there. I think  
8 we're all faced with trying to figure that out,  
9 and certainly we are open to reasonable  
10 suggestions along those lines.

11 So, we'll take this one under  
12 advisement and get back with further guidance on  
13 that. Okay.

14 MR. BUCKLEY: Thank you very much.

15 CHAIRWOMAN MARTIN: Mr. Buckley,  
16 anything else?

17 MR. BUCKLEY: No. That's all we have  
18 as far as preliminaries.

19 CHAIRWOMAN MARTIN: Okay. Anything  
20 else from you, Ms. Chiavara?

21 MS. CHIAVARA: No preliminary matters.  
22 Thank you.

23 CHAIRWOMAN MARTIN: All right. Then,  
24 let's hear your initial positions, starting with

1 Ms. Chiavara.

2 MS. CHIAVARA: Thank you. Sorry. Just  
3 give me one moment.

4 The proposed revised rate at issue in  
5 this docket arose as a compliance item to Section  
6 14.6 of the Settlement Agreement in the  
7 Eversource distribution rate case, which was  
8 Docket Number DE 19-057, and approved by Order  
9 26,433.

10 The Settlement required that, within  
11 six months of approval of the Settlement,  
12 Eversource would remodel its existing Residential  
13 Time-of-Day rate. The rate would still have two  
14 parts, peak and off-peak, but the peak period was  
15 to be no longer than 8 hours. The resulting  
16 revised Optional Residential Time-of-Day rate  
17 before the Commission in this docket has a peak  
18 period that's been reduced from 13 hours to 7  
19 hours, in line with the Settlement. This new  
20 reduced peak period of the revised Time-of-Day  
21 rate create savings potential for residential  
22 customers.

23 The Company has conducted and provided  
24 analysis demonstrating bill impacts to customers

1 for the various rates, so that customer outreach  
2 and education may be done, and customers can be  
3 well-informed to select the rate that results in  
4 the most savings based on their usage.

5 In regards to the Company's request for  
6 transition time between approval and  
7 implementation of the proposed rate, the need for  
8 such a transition will be determined by whether  
9 the existing Time-of-Day rate is retired.

10 Currently, there are approximately 45 customers  
11 on existing Residential Time-of-Day rate. Those  
12 customers have meters that are suited only for  
13 the existing rate. Moving any of those customers  
14 to Residential Rate R or the revised Time-of-Day  
15 rate would require installation of a new meter.  
16 Because of this, retiring the existing  
17 Time-of-Day rate could be problematic for those  
18 45 or so customers, and require some sort of time  
19 period between approval and implementation of the  
20 proposed rate. If, however, the existing rate  
21 remains available to those customers, the  
22 proposed rate most likely could be implemented  
23 upon approval, or closely to approval.

24 The Company's existing billing systems

1 are ready and able to deploy the proposed rate.  
2 However, if it were to become implemented and  
3 available upon approval by the Commission, the  
4 Company still may need some time to prepare the  
5 new meters that would need to be installed for  
6 any customer who decides to take the rate.

7 Ultimately, any transition time  
8 permitted by the Commission between approval and  
9 implementation of the proposed rate would be  
10 devoted to customer outreach and education, so  
11 that Eversource's residential customers,  
12 particularly those already on the existing  
13 Time-of-Day rate, may evaluate their options and  
14 select one that best suits their energy needs.

15 The savings potential of this newly  
16 revised optional rate depends largely on the  
17 percentage of customer energy usage during the  
18 peak period, but the savings potential is real  
19 for all residential customers. The proposed rate  
20 was designed to be revenue neutral to current  
21 residential rates, and does not create a  
22 cross-subsidy from any other rate class.

23 Should the Commission decide to approve  
24 this proposal, adding this rate option to

1 Eversource's current rate offerings, would result  
2 in continuing just and reasonable rates  
3 consistent with the public interest.

4 And that's all I have. Thank you.

5 CHAIRWOMAN MARTIN: Thank you, Ms.  
6 Chiavara. Mr. Buckley.

7 MR. BUCKLEY: Thank you, Madam Chair.

8 The Department of Energy Regulatory  
9 Support Division is still evaluating the issues  
10 raised in the instant Petition, but appreciates  
11 the efforts of Eversource to satisfy the intent  
12 of the 19-057 Settlement. From the Division's  
13 perspective, time-of-use rates are incredibly  
14 important to get right, particularly at the  
15 state's largest electric utility, and  
16 particularly at a time when more and more  
17 consumers are engaging with electric vehicles and  
18 equipment that can help them take advantage of a  
19 well-designed time-of-use rate.

20 Sending accurate and well-designed  
21 price signals, based on the marginal cost to  
22 serve, at times of day when the cost -- when that  
23 cost is actually highest, is the lowest cost tool  
24 this utility, and this Commission, have to reduce



1 usage at peak, slow the need for capacity-related  
2 investments, and lower overall system costs.

3 Translation: Encouraging those who can shift  
4 their energy usage from peak usage periods can,  
5 in fact, lower everyone's rates.

6 To that end, the Division looks forward  
7 to a docket process, and particularly the  
8 discovery process, where it can further review  
9 several of the issues in this proposal, including  
10 whether the customer charge of \$32.08 a month,  
11 which is twice the Company's normal residential  
12 customer charge is appropriate, or whether more  
13 of that charge should instead be recovered via  
14 volumetric rates; whether the differential  
15 between the on-peak distribution rate and the  
16 off-peak distribution rate is adequate and  
17 reflective of the true long-run marginal cost to  
18 serve; whether an imputed time-varying Energy  
19 Service offering, similar to what the Company  
20 provides in Connecticut, might be more  
21 appropriate for New Hampshire than the flat rate  
22 provided in this proposal; whether a 7-hour peak  
23 period is appropriate, or might cause customer  
24 confusion, in light of the Commission's

1 preexisting statewide guidance in the electric  
2 vehicle proceeding, regarding the peak period  
3 that should be no longer than 5 hours; and the  
4 impact of transitioning the Company's  
5 approximately 45 existing R-TOD customers to Rate  
6 R, and what an appropriate timeline for  
7 implementation of an overhauled residential  
8 Time-of-Use rate might be.

9 The Department of Energy's Division of  
10 Regulatory Support looks forward to working with  
11 the Company. The Office of the Consumer  
12 Advocate, and the various intervenors, to  
13 evaluate these and any other issues that might  
14 arise, and to try to reach an amicable resolution  
15 of those issues that we have outlined this  
16 morning.

17 Thank you.

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

20 Commissioner Goldner, do you have  
21 questions?

22 COMMISSIONER GOLDNER: I do. I think  
23 what I would like to do, Chairwoman, if you're  
24 okay with it, is to go through a list of

1 concerns, and maybe either raise them as  
2 statements or as rhetorical questions, just to  
3 put the concerns in front of the parties. Would  
4 that be -- would that be acceptable?

5 CHAIRWOMAN MARTIN: That's fine with  
6 me. Go ahead.

7 COMMISSIONER GOLDNER: So, as I read  
8 through the testimony and the docket, I'm very  
9 interested in the technology piece of this. The  
10 statement was made, even I think in opening, that  
11 the ratepayers that are currently under this  
12 scheme would need new -- new devices to -- new  
13 metering to read the information. Which seems a  
14 little baffling, if you're moving to Rate R, it  
15 sort of doesn't make sense to me that you would  
16 need a new meter to read a constant rate. So,  
17 that's kind of one piece of it.

18 And, secondly, and I think this is to  
19 Mr. Buckley's point perhaps, the idea behind  
20 time-of-use rates is sort of, you know, real-time  
21 metering, back office processing, reducing peak  
22 load, and these kinds of things, which I -- which  
23 didn't seem to be the direction that things were  
24 going. So, I'm wondering -- I'm wondering about

1           that as well.

2                       CHAIRWOMAN MARTIN:   Commissioner  
3           Goldner?

4                       COMMISSIONER GOLDNER:   Yup.

5                       CHAIRWOMAN MARTIN:   Ms. Chiavara has  
6           her hand up.  And, to the extent the parties have  
7           some responses to that, it certainly would be  
8           helpful to have them.

9                       COMMISSIONER GOLDNER:   Oh, perfect.  
10          That would be great.

11                      MS. CHIAVARA:   Yes.  I can speak to the  
12          new metering issue to the -- to my limited  
13          knowledge of metering.

14                      It's my understanding that it's not so  
15          much that a new device would be needed, it's the  
16          calibration of the meters for the customers on  
17          the existing Time-of-Day rate are -- they're  
18          calibrated for those peak and off-peak periods.  
19          And, so, to move to the Residential Rate R, it  
20          would just require a general usage meter or one  
21          that's not calibrated for a peak and off-peak  
22          period.

23                      And, since the proposed rate has  
24          different peak periods, that would likewise need

1 a new calibration. So, it's not necessarily a  
2 new type of meter or a new category of meter.  
3 It's just a calibration issue.

4 COMMISSIONER GOLDNER: Yes. I guess my  
5 request would be then, when you're talking to the  
6 technical team, to understand more about that.  
7 Because, if you have two rates, and the meter is  
8 capable of capturing two rates, and you're  
9 putting the two rates into one rate, one would  
10 assume that that would be possible with the  
11 existing meter.

12 Maybe it needs to be recalibrated, but  
13 I don't grasp yet why you would need a different  
14 meter. So, maybe it's a question for the  
15 technical team, you know, down the road.

16 Right. Okay. So, the new meters that  
17 would get put in for this new rate, R-OTOD-2, are  
18 those real-time meters? Or, you know, what's the  
19 technology behind what's required to move to the  
20 new rate, assuming that they don't go to Rate R?  
21 Would be a separate question, again, and these  
22 can all be rhetorical for today, but these are  
23 things -- I'm just trying to understand the  
24 technology picture. So, I think the Commission

1 will be very interested in this, the technology  
2 that's required, the costs that are required for  
3 the new technology, why the new technology is  
4 required, this kind of thing. So, I'll just put  
5 that out there.

6 In the pricing on -- oh, let me just  
7 quote the table here, just so everybody knows  
8 where I am. So, in the testimony of Mr. Davis,  
9 there's no change in the Energy Service Charge, I  
10 think it's "6.627 cents per kilowatt-hour". Yet,  
11 sort of to Mr. Buckley's point, the idea is to  
12 reduce generation. So, I'm sort of -- sort of  
13 trying to understand a little bit better about  
14 the rate schedule and why it's structured the way  
15 that it is. Again, perfectly fine for that to be  
16 rhetorical and down the road.

17 And then, there's a complete change  
18 from the old rate to the new rate, OTD-1  
19 versus -- OTOD-1 versus OTOD-2, between  
20 distribution and transmission. It really  
21 flip-flops. It goes from -- it goes from heavy  
22 weighting on one versus a heavy weighting on the  
23 other between the two rates. So, I think the  
24 Commission will be very interested in why that's

1           happening.

2                     Let's see.  Bear with me a second here.  
3           A technical question that might be -- this might  
4           be answerable today, but these rates I believe  
5           are for all residential or for residential  
6           customers.  Is there a separate docket, separate  
7           proceeding, separate schedule for C&I customers  
8           or how are C&I customers being treated?

9                     MS. CHIAVARA:  Commissioner Goldner,  
10          this is just for a Residential Time-of-Day rate.  
11          There is no commercial/industrial equivalent  
12          design at this time.

13                    COMMISSIONER GOLDNER:  Okay.

14                    MS. CHIAVARA:  As to your brief  
15          questions, if you'd like, we have Mr. Davis here,  
16          if you would like him to speak to those  
17          questions, the two prior questions that you just  
18          asked, Mr. Davis could provide an explanation at  
19          this time.  If you'd like?  If you would like  
20          them to remain rhetorical, to be addressed at the  
21          tech session, that's fine, too?

22                    COMMISSIONER GOLDNER:  That would be  
23          helpful.  But why don't we -- let me just, if you  
24          don't mind, complete the question on C&I.  Does

1           that mean that there's no time-of-use rates  
2           available to C&I customers today? Is that how I  
3           should read that?

4                       MS. CHIAVARA: I would have to  
5           double-check and see. I know that I believe  
6           there's metering capabilities of C&I customers to  
7           read -- I would hesitate to provide an answer at  
8           this time. I do know that we haven't developed  
9           one for purposes of this docket.

10                      COMMISSIONER GOLDNER: Okay. Perfect.  
11           Yes, we'll make that one, in fact, a rhetorical  
12           one.

13                      MS. CHIAVARA: Thank you.

14                      COMMISSIONER GOLDNER: Thank you.

15                      MS. CHIAVARA: Okay.

16                      COMMISSIONER GOLDNER: Thank you. Yes.  
17           If Mr. Davis would like to touch on the  
18           structure, that would be very helpful. I'm  
19           sorry, I'm getting an echo here.

20                      CHAIRWOMAN MARTIN: Commissioner  
21           Goldner, let me just ask if we can bring -- oh,  
22           we have Mr. Davis. I want to check in with Mr.  
23           Buckley, as to whether he has any objection to  
24           proceeding in this fashion? And also note that



1 Mr. Davis is not sworn. So, this would be just  
2 for informational purposes. Mr. Buckley?

3 MR. BUCKLEY: No objections to  
4 proceeding in this fashion.

5 CHAIRWOMAN MARTIN: Okay. Go ahead,  
6 Commissioner.

7 COMMISSIONER GOLDNER: Yes. If I could  
8 just orient Mr. Davis to the testimony, on Bates  
9 Page 021, there's a very nice chart that talks  
10 about the old rate, the old OTOD rate, and the  
11 new Rate, let's call them "1" and "2". And  
12 there's a strong movement from distribution to  
13 transmission, in terms of the weighting, in terms  
14 of how the old rate was structured and the new  
15 rate was structured. And I'm just very  
16 interested to know the logic behind, you know,  
17 why those rates were changed so drastically, if  
18 they were, from Rate 1 to Rate 2?

19 MR. DAVIS: Thank you, Commissioner.  
20 Yes, I'd be glad to give some insight there.

21 It is important maybe to just give you  
22 a little background. The rates that we're  
23 starting with are Optional Time-of-Day rates for  
24 residential. They really are the result of

1 unbundling from pre-restructuring, if you will.  
2 So, we had time-of-use components in this  
3 optional rate that were not just distribution,  
4 not just transmission, they were part of bundled  
5 rates. So, when we did unbundle into  
6 distribution, transmission, generation, the only  
7 component -- components left for time-of-use were  
8 the delivery components,  
9 distribution/transmission.

10 So, in a sense, when that was  
11 originally done, twenty plus years ago, we  
12 started with time periods that would really have  
13 applied to the energy component and others, on a  
14 bundled basis, so they weren't broken out. When  
15 you unbundle and you pull out generation at a  
16 flat cents per kilowatt-hour, and you keep doing  
17 that for different components, the sort of  
18 leftover falls to distribution, and, in the case,  
19 also transmission.

20 So, one of the really important parts  
21 of taking a look at this, particularly in our  
22 last rate case, was to understand the underlying  
23 cost basis, and particularly distribution. So,  
24 coming out of the rate case, we, you know, we had

1 a Settlement here that we agreed to reevaluate  
2 the distribution/transmission components of  
3 service, particularly relying on the existing  
4 rate, and coming up with a new proposal for the  
5 same customers, effectively residential.

6 And, as a sidebar, by the way, we do  
7 have time-of-use rate elements for our various  
8 C&I customers. It depends on the class. But,  
9 just as a sidebar, for information, there are  
10 also time-of-day components for those other  
11 classes.

12 But, again, focusing back on  
13 residential here, the really important part, you  
14 know, about the current Time-of-Day rate and the  
15 Time-of-Day -- the TOD-2, if you will, is, when  
16 we evaluate the underlying costs, we're also  
17 looking at the time periods when these costs are  
18 concentrated. And we use marginal cost analysis.  
19 So, taking a fresh look at our costs, we have a  
20 13-hour period for the peak today. And I would  
21 say that largely tracked the types of generation  
22 we used to have in place; fossil units that would  
23 come on at 7:00 in the morning, and tail off at  
24 the end of the day. So, you have this long 12-,

1 13-hour window, when we owned generation, it was  
2 all bundled together.

3 Currently, we're looking at  
4 market-based pricing for energy supply. We do  
5 not, under the current Time-of-Day rate, have a  
6 generation Time-of-Day component of rates. It's  
7 a flat rate. So, we're starting with the  
8 existing structure. The only time-differentiated  
9 structure is for distribution and transmission  
10 under the current rate.

11 So, using the same metering technology,  
12 and I'll touch on that in a minute, because  
13 that's important, too. So, we're really relying  
14 on the current technology, not just the meters,  
15 but the billing systems, how they're programmed,  
16 the ability to implement, in the near-term, a new  
17 Time-of-Day rate, for residential customers, is  
18 structured still on the same kind of  
19 metering/billing structure and process, but we're  
20 looking at updating the cost basis, the price  
21 basis, the periods in which those costs may be  
22 concentrated more in the peak versus off-peak  
23 periods.

24 So, our analysis showed that a period

1 of less than 13 hours for sure, and as we agreed  
2 to, looking at no more than 8 hours, we found  
3 that a 7-hour peak generally captures where peak  
4 costs occur in a broad enough range. And it  
5 certainly is a refresh of what the actual costs  
6 are, as well as an appropriate time period to set  
7 a peak period, where, and again, this is a  
8 two-period rate, so there's a peak and off-peak  
9 period. So, you're trying to get that bright  
10 line between peak and off-peak periods, but also  
11 when would you start that? When in the day does  
12 that properly kind of match where costs are  
13 higher for peak?

14 You also want to, in this case, look  
15 at -- we're looking at marginal costs. So, the  
16 point here is, if a customer sees a price, and  
17 they respond to that, which costs change by  
18 reducing usage during that period, and which  
19 costs are more fixed and do not change on the  
20 basis of kilowatt-hours, if you will, usage?

21 So, there's a lot of underlying sort of  
22 theory and kind of elements of that. But our  
23 analysis showed that a 7-hour period, in lieu of  
24 the 13-hour period first, does provide us a

1 strong peak period in which to set those prices.  
2 And, again, we're just focusing on distribution  
3 and transmission. There are two components of --  
4 well, first of all, using existing metering and  
5 billing, the transition from the old to the new  
6 rate, if you will, really just structurally fits  
7 only distribution and transmission. And we're  
8 only changing the time period. So, as long as we  
9 have meters that can capture the usage in the new  
10 time period, and we set the new prices, we don't  
11 have an impact to our metering and billing  
12 systems, or the metering technology that we're  
13 using. So, we're using the same metering  
14 technology, programmed to work both with  
15 capturing the data and flowing those through our  
16 billing system for whatever the new peak period  
17 would be.

18 So, I probably said way too much in  
19 there all at once. But the key is, when you  
20 look at -- I think you said was at Page 21, Bates  
21 021?

22 COMMISSIONER GOLDNER: Yes.

23 MR. DAVIS: Okay. So, you know, we're  
24 really looking at not so much the customer

1 charge, which reflects our customer-related  
2 costs, but taking the current Time-of-Day peak  
3 periods of 13 hours, and -- during the week, and  
4 saying "what's an appropriate new period?" Well,  
5 you notice at the bottom of that page, we're  
6 showing you the on-peak and off-peak percentages  
7 of usage. So, if I look at an entire class of  
8 residential customers, under a 13-hour period, a  
9 peak period, 41 percent of customers' usage falls  
10 into that 13-hour period. When we redefine it to  
11 a 7-hour period, we're seeing 24 percent of the  
12 usage during the on-peak periods. So,  
13 analytically, we took the same class, identified  
14 what the usage would be under a 13-hour and a  
15 7-hour peak period definition, and also looked at  
16 the costs, and we're focusing on the R-TOD when  
17 we're doing our marginal cost analysis.

18 So, the dramatic change in pricing that  
19 you also see, while we started with unbundled  
20 rates that were, as I said, this leftover from  
21 restructuring, so, for example, distribution has  
22 a 15 cent on-peak, and less than a penny  
23 off-peak. Our analysis shows, and this is --  
24 also was presented and discussed in our rate

1 case, a very much small differential in peak  
2 versus off-peak costs. However, for  
3 transmission, you're seeing 3 cents peak, and  
4 just about 2 cents off-peak. And our analysis,  
5 again, marginal cost-based analysis, showed  
6 transmission during the peak hours is more like  
7 7.4 cents, and off-peak would be about 1.7 cents.

8 So, the dramatic change is really due  
9 to updating and refreshing our costs for the new  
10 time period. And, basically, what falls out is  
11 this very low distribution peak to off-peak  
12 differential, about a half a penny, but a  
13 significantly higher differential for  
14 transmission, about 7.4 cents versus 1.7 cents.  
15 So, while it is dramatic, it is an update and a  
16 refresh based on current costs.

17 And, you know, there were some -- there  
18 were some guidelines here that were, I wouldn't  
19 call them "constraints", they're just basically  
20 structurally, use the existing metering and  
21 billing processes and technologies. So, the  
22 meter swap that Ms. Chiavara mentioned earlier,  
23 we have to swap the meter by taking an existing  
24 type meter and programming it to the new time



1 periods. So, it's not so much that we're doing  
2 anything dramatically different with the  
3 technology, it's just we have to reprogram them.

4 Now, with these new prices and the new  
5 peak period, customers might also be better off,  
6 just based on their peak and off-peak usage, they  
7 may be better off on Rate R. So, the reason we  
8 brought up Rate R is it's an option customers  
9 have. But there's also some tables in here that  
10 do some comparisons, depending on what your peak  
11 and off-peak usage is, we would, if you -- a  
12 customer chooses to go on Rate R, it's a flat  
13 rate, the meter technology is a simple monthly  
14 kilowatt-hour meter. So, that's a meter swap  
15 that simply allows us to place the customer on  
16 Rate R with an existing meter technology. But,  
17 either way, when you move from Rate R-OTOD to  
18 either Rate R or the new TOD-2, you need the  
19 appropriate metering in place. But there's no --  
20 we're using existing technologies to accomplish  
21 that.

22 So, I tried to cover a few of the items  
23 you had highlighted. And I know this isn't, you  
24 know, I'm not sworn in on the record here, but

1 just for background and insight. And I'm quite  
2 sure we'll get into it. Mr. Buckley had a great  
3 set of questions, and I look forward to engaging  
4 in that. So -- but those are some of the key  
5 elements that, it's kind of technical, obviously,  
6 the basis for these things. But, from the  
7 customers' perspective, it's a big change for  
8 existing customers. But, also, as we've shown,  
9 there's opportunities for savings. It really  
10 does depend on what individual customer's usage  
11 is in the new peak period, and how their total,  
12 you know, their charges would compare. And,  
13 again, distribution, transmission, and energy  
14 supply, and how those would compare to what they  
15 are charged currently under the current TOD rate.

16 COMMISSIONER GOLDNER: Just a couple of  
17 follow-up questions.

18 One is, you know, as you mentioned,  
19 using a 7-hour peak, that there's -- that's like,  
20 you know, 24 percent of the load, I think is the  
21 way to read that, which isn't much of a peak,  
22 because seven hours in a day is 29 percent of the  
23 day. So, there's not much variability in terms  
24 of the peak versus the rest of the day. Is

1           that -- am I reading that right?

2                       MR. DAVIS: That's correct. But I  
3 would say, you know, we were able to look at  
4 customer data that showed what they actually use.  
5 So, when we overlay the 7-hour window, that's how  
6 much of their load was concentrated during that  
7 period.

8                       So, if the idea is to find out the  
9 amount of the load during this peak period, and  
10 price it accordingly, so that, if that's what the  
11 customer's utilization is, and if they have the  
12 opportunity to shift the load or respond to that,  
13 they could move power out of the 7-hour period  
14 into the off-peak period.

15                      It is kind of a balancing act when you  
16 design the rates. And I will also say, these are  
17 designed at a class average level, that's how we  
18 design rates generally. But individual customers  
19 will have usage that, in some cases, is largely  
20 in that peak period; in other cases, a lot of the  
21 usage falls out of that new 7-hour peak period.

22                      It's very telling, when you look at the  
23 13-hour window, those are actual customers and  
24 what they actually use, you know, that's kind

1 of -- that's interesting to see what, if you look  
2 individual customers, what their contribution to  
3 that higher 13-hour window is as a class. But,  
4 individually, maybe they use a lot of  
5 kilowatt-hours outside of that new 7-hour window.  
6 But it's going to vary by customer.

7 COMMISSIONER GOLDNER: And I think, you  
8 know, Eversource is working to be in compliance,  
9 as I think Ms. Chiavara said at the outset, to  
10 the federal and the state laws, which is  
11 appropriate, of course.

12 But I think where the benefit would be  
13 would be more of what I'll call a real-time  
14 program, where you have -- you're dealing with  
15 real peaks that happen at random, you know,  
16 throughout the year, although I'm sure you have  
17 more during the summer, air conditioning, than  
18 you do in the winter, would be my guess. But  
19 you're trying to -- you know, where that would be  
20 where the real benefit would be. So, if a  
21 consumer could see "hey, you know, there's a huge  
22 benefit to reducing my load at a time when the  
23 utility is really struggling", that's the place  
24 we're all really trying to get to. This is sort

1 of a proxy for that, where you're estimating peak  
2 loads and hoping that those true peak periods  
3 actually fit within, you know, sort of estimated  
4 or a normal peak period.

5 Is there any program or any plan at  
6 Eversource to move to what I'll call more of this  
7 "real-time program" that I'm describing? Or is  
8 this really the only action going on in response  
9 to trying to comply with all of the different  
10 statutes?

11 MR. DAVIS: So, you know, "real-time"  
12 is an interesting question, because there's  
13 clearly a difference between the supply side, if  
14 you will, where you have kind of near real-time,  
15 where you have, for example, hourly pricing in  
16 the market, versus delivery, where our costs and  
17 peaks occur over a broader band, not necessarily  
18 real-time.

19 And, at the same time, we have looked  
20 at this, particularly on the generation side. We  
21 have -- in fact, we have a sort of a real-time,  
22 we call it a "Variable Peak Program" in  
23 Connecticut, which has been in place since about  
24 2007, I believe.

1           So, it's sort of a virtual real-time,  
2           where we actually price each day, based on a  
3           day-ahead price for energy. Typically, these --  
4           and what we have done typically is focus where  
5           those costs vary, let's say, hourly, so that's  
6           kind of close to real-time. And there's been  
7           various policy directives to pursue that. And,  
8           so, in Connecticut, we were able to put in place  
9           this Variable Peak Pricing Program. But,  
10          generally, I think we've never had more than a  
11          dozen customers take advantage of that. But the  
12          program is there, it provides information.

13                 In Massachusetts, we have -- a number  
14          of years ago, we proposed a time-varying rate  
15          program, again, for the generation component for  
16          residential. It wasn't quite real-time, but it  
17          certainly had critical peak and something that  
18          more approached, you know, narrower periods of --  
19          actually, we'd call customers and let them know  
20          there's a higher price, you know, the next day.  
21          So, that's typically the way, and that's kind of  
22          an industry standard that's out there, where a  
23          number of utilities have implemented critical  
24          peak pricing.

1           So, as far as pursuing a real-time  
2           program, we have made forays into that. There's  
3           a lot of metering and billing and other  
4           complexities that that involves. We had run a  
5           pilot in Connecticut prior to this program I just  
6           mentioned. And it's similar to many pilots,  
7           including the DOE -- the federal DOE, and a  
8           number of other utilities had run. So, we kind  
9           of have a sense of what's involved there, and  
10          that certainly was looked at in Massachusetts.

11          So, I think "real-time -- "real-time  
12          pricing" as a concept has been looked at. I  
13          think it will continue to be looked at. When we  
14          look at time-of-use as a -- just as a general  
15          structure, what we're seeing here is on one end  
16          of the spectrum. It's the more simpler, static  
17          defined periods. As you move to more complexity,  
18          for example, in the electric vehicle docket,  
19          looking at three periods, three time periods.  
20          And, you know, the same analysis occurs. In  
21          fact, the underlying analysis that leads us to  
22          the pricing, even in this proposal before us  
23          today, you know, really keys on looking at hourly  
24          pricing, looking at the probability of when load

1 and price occurs, literally, by hour. So, our  
2 analysis really does drill down to hourly-based.  
3 And, then, when you roll it altogether, and you  
4 look at distribution by itself, you look at  
5 transmission by itself, and even generation. But  
6 any two components, you want to see "well, when  
7 does the cost concentration occur?" So, you can  
8 do pricing for distribution, but where costs are  
9 higher, marginal costs particularly, for  
10 distribution, may not be the same as when  
11 transmission occurs.

12 In fact, we are billed on the single  
13 peak of the month in transmission. Every  
14 distribution company in New England is, including  
15 Eversource, and that becomes a cost. And you say  
16 "well, what's the probability of a customer  
17 hitting that peak?"

18 So, if we price it every single hour,  
19 you could argue that there's only one peak in the  
20 month for transmission. But, for generation  
21 supply, the energy is priced every hour  
22 differently, and, you know, whatever the hourly  
23 price is, capacity is a single peak of the year.

24 So, there's just -- these are just to



1 exemplify the different types of costs, the  
2 nature of when they occur. And there's just a  
3 lot more to it.

4 But I think what we've learned, and the  
5 work that's been done so far, and I think what  
6 we're doing not only here, but that we've done in  
7 the electric vehicle docket, and I think this  
8 will continue, I think will keep moving us toward  
9 what -- where does real-time pricing, you know,  
10 as -- I guess as on the one end of the extreme,  
11 versus having a simpler, more stable, easier to  
12 understand rate, time-of-use rate, that maybe  
13 captures a broader period, I think all of these  
14 come into play. It has to be practicable and  
15 implementable, too, understandable by customers,  
16 something they can respond to. These are  
17 optional rates for a reason, I mean, not  
18 everybody can respond. And, you know, so, I  
19 think that's another element of this.

20 But, yes, we have, and I expect will  
21 continue to look at the whole spectrum of when  
22 and where costs occur; what the level of costs  
23 are; what can vary by time; what might be more  
24 real-time based, versus fixed. Some costs don't

1 vary by time, some costs don't vary by load. So,  
2 you have all of those elements. And, as we  
3 continue to break down our costs and evaluate  
4 that, it even gets locational. It could get down  
5 to not only at a system level, and, in fact, our  
6 distribution rates largely have both system level  
7 and more local, if not customer-specific, costs.  
8 And many of those latter costs do not vary by  
9 time, and would not be influenced by real-time  
10 pricing.

11 COMMISSIONER GOLDNER: Yes, I'm  
12 intrigued by the technology, because I've seen in  
13 Europe, and this was a few years ago, where they  
14 actually had sort of tabletop devices that showed  
15 the real-time usage, and then had like red,  
16 yellow, green, or, you know, "hey, you might want  
17 to not run a washing machine right now, or a  
18 dryer", and green, you know, "everything is  
19 good." And I don't know if that was -- if that  
20 was sort of a holistic view of the whole power  
21 system or whether they were just addressing  
22 pieces of it, I don't actually know. But I  
23 thought it was interesting, an interesting  
24 technical solution to a difficult problem.

1           Because, from Eversource's perspective,  
2           you know, this business of the transmission rate,  
3           you know, sort of being, you know, one day a  
4           month, well, that would be, if you could signal  
5           that to enough people, you might be able to, you  
6           know, you might be able to really improve that  
7           situation.

8           So, I'm just -- my questions are really  
9           just related to, I think, signaling that the  
10          Commission is very interested in the technical  
11          piece and the technology piece, and how this --  
12          how this particular docket is all just, of  
13          course, central to what we're talking about, but  
14          also the wider view of, you know, Eversource's  
15          view of how to handle this moving forward. You  
16          know, 30 years from now, people might not even  
17          remember that there was a single rate. So, as we  
18          transition to whatever happens in the future, I  
19          think the Commission is interested in being in  
20          the front of that discussion.

21          And I just want to highlight, I think  
22          the problem here is that Eversource is working  
23          very hard to be in compliance, but there's no  
24          interest in the market. You have 45 customers, I

1 think after 16 years of having this at least in  
2 the law. So, you know, I appreciate the  
3 situation and the difficulty that Eversource is  
4 dealing with here. And, as we work through it,  
5 you know, I'm sensitive to the fact that we're  
6 only talking about 45 customers, which, if we  
7 charged them for even today's docket, the rate  
8 wouldn't be very good.

9 So, I appreciate your time. I think,  
10 let me just check my notes here real quick, that  
11 might be all I have for today.

12 It is. It is. Thank you, Mr. Davis.  
13 I appreciate your time.

14 MR. DAVIS: Yes. My pleasure. You're  
15 welcome.

16 COMMISSIONER GOLDNER: That's all,  
17 Chair.

18 CHAIRWOMAN MARTIN: All right. Thank  
19 you. I just have a couple background questions  
20 as well.

21 We have heard about New Hampshire's  
22 participation rates, and I think we just heard  
23 about some other states as well, the twelve or  
24 approximately twelve customers who have taken the

1 Connecticut program.

2 Do we have any -- has any analysis been  
3 done as to why participation is so low? Do you  
4 have information on that? And what efforts have  
5 been made to encourage participation?

6 MR. DAVIS: I could speak to that. So,  
7 in New Hampshire, I think the start here is more  
8 to understand and I think update and refresh  
9 rates, understand what those customers, who have  
10 been on this rate for quite some time, we haven't  
11 had a lot of change. It's been a pretty much,  
12 you know, roughly on the order of 50 customers  
13 for quite some time who have participated in  
14 this. So, I don't think there's been a lot of  
15 analysis. I think some of that becomes a need to  
16 do some testing and evaluations.

17 But, at the same time, not looking at  
18 New Hampshire specific, but relying not only on  
19 industry, but also our own experience in other  
20 jurisdictions, and I will talk to Connecticut  
21 particularly, because I mentioned what I called a  
22 "Variable Peak Pricing Program", and, like I  
23 said, about twelve customers on that. But we  
24 also have very much like the proposed rate here

1 in Connecticut, a residential optional  
2 time-of-day rate. And that was implemented about  
3 the same time, although we had had it for many,  
4 many years. Prior to restructuring, we even had  
5 a time-of-use rate for residential customers.

6 But we implemented -- we went from a  
7 very similar, actually, a 16-hour peak period to  
8 an 8-hour peak period, in designing, like I said,  
9 right around 2007, the new residential  
10 time-of-day rate, and we also had a pretty  
11 extensive marketing campaign. So, we went -- I  
12 don't recall the numbers prior to implementing  
13 the new rate. But, by implementing a new  
14 time-of-day period, with similar transmission  
15 differentials that we have in this proposal,  
16 there is, in fact, other components of rates, we  
17 have more components in Connecticut than New  
18 Hampshire, but there are other time-of-day  
19 rates -- components. But we have on the order of  
20 about 500 customers who are participating in  
21 this.

22 Now, I think we had an increase of  
23 about maybe 200 of those, perhaps 250, were new  
24 following our campaign, customers who had

1 switched. So, in spite of the campaign, and  
2 we've been asking the same question. We've had  
3 sessions in front of the regulators in  
4 Connecticut just discussing this. But a lot of  
5 customers, in spite of the marketing and  
6 education, chose not to switch. So, meanwhile, I  
7 think the customers who have switched have stayed  
8 on the rate and sustained it.

9 We also, trying to think what else, we  
10 had also implemented mandatory time-of-day rates  
11 for other classes. And I want to say, obviously,  
12 there is no opt-out. It's simply, where we  
13 implemented mandatory rates, that was  
14 implemented. We did full cost analyses.

15 So, we have, I think, cost-reflective  
16 time-of-day rates, and particularly as an option  
17 for residential customers. It's not clear why  
18 more customers have not switched. So, I think  
19 that's an area that I think would be sort of  
20 ongoing and important to look at that on an  
21 ongoing basis.

22 The Variable Peak Pricing Program, with  
23 the very small number of customers, that's more  
24 real-time, because that's priced out daily. It's

1 not clear there why more customers have not. And  
2 I think there's more complexity, more involvement  
3 by customers, and actively manage and pay  
4 attention to decide whether a high price the  
5 following day is something they want to respond  
6 to. But I think more work needs to be done there  
7 to better understand that.

8 I think, even here, with this proposed  
9 rate, I mean, we would certainly be performing  
10 outreach and communicate to customers. And it  
11 would be available to not just these 45  
12 customers, but also other Rate R customers. So,  
13 they, in fact, could also, if interested,  
14 investigate, and if they so choose, request to be  
15 placed on this new rate as well. So, sort of at  
16 the beginning, I would say.

17 CHAIRWOMAN MARTIN: So, I'm curious  
18 what the messaging is. When you did the campaign  
19 or when you do this outreach, what is -- how is  
20 it portrayed? What are the benefits to customers  
21 for participation that's included in the  
22 messaging?

23 MR. DAVIS: Yes. I mean, I don't have  
24 all the details at the top of mind. But I do



1           remember one of the big taglines we had was "Wait  
2           till 8:00". In other words, we basically  
3           announced and provided a lot of information about  
4           what the new rate is, what it looks like. And,  
5           again, this is typically to customers who were  
6           not on a time-of-day rate. So, this went out to  
7           all customers. We had all various forms of, you  
8           know, media channels. But the campaign really,  
9           you know, was basically designed to inform and  
10          identify potential savings. We had some tools in  
11          place. The difficulty with customers who don't  
12          already have information about their time -- when  
13          they're using energy, is it's kind of difficult  
14          to say -- to guesstimate what their usage might  
15          be. So, we certainly had to provide some  
16          education/information outreach, and help  
17          customers, in some cases, do self-evaluation to  
18          try to better understand that. But then there  
19          were, obviously, potential savings. You know,  
20          "if you use the following" -- "if your usage is X  
21          percent peak versus off-peak, you know, here's  
22          what, if you switch, what the bill impact might  
23          be. And, also, if you do move onto this rate,  
24          and you're able to respond, potential additional

1 savings that are available."

2 So, there was a fair amount of  
3 information to provide the basis for customer  
4 decisions, and also, just generally, what  
5 time-of-use rates are. That alone was a  
6 question, like "what is" -- a lot of folks were  
7 very confused or just weren't aware of  
8 time-of-use rates. So, this was a pretty, I  
9 mean, a legislatively-driven, regulatory-driven,  
10 and public policy-driven kind of program, not  
11 just for residential, but it certainly -- there  
12 was a huge push. And this is where we are.

13 We've had a slow, you know, maybe a few  
14 customers every month who have gone onto this  
15 rate. I think also the prospect of competitive  
16 supply puts a challenge out there. Customers  
17 who, particularly at that time was, you know, a  
18 very -- very large portion of the bill under a  
19 rate -- unbundling transition plan was the  
20 generation piece of the bill. And, while we  
21 might offer generation supply on a time-of-use  
22 basis, those who switch wouldn't necessarily have  
23 that supply. I mean, they would have to go by  
24 whatever the competitive supply is based on. And

1           that also poses a lot of complexity with billing  
2           and all the protocols that go along with, you  
3           know, whether the supplier bills the customer  
4           bills, or the company bills on behalf of the  
5           supplier. So that -- and that's a central issue  
6           here, as well as at any other state I'm aware of,  
7           the competitive supply aspect isn't necessarily  
8           priced on a kilowatt-hour basis -- a time-of-use  
9           basis. And, so, you know, the savings aren't as  
10          clear when you have that variable.

11                        So, that's another -- those are good  
12          examples of challenges and considerations. And,  
13          so, just trying to understand and market  
14          time-of-use rates, and also address the extent to  
15          which a customer may achieve bill savings, and  
16          what it would take for them to actually achieve  
17          those, I think are all central issues that come  
18          along with introducing particularly a new  
19          time-of-use rate, in this case, with a new  
20          period.

21                        CHAIRWOMAN MARTIN: Thank you. That  
22          was very helpful.

23                        Mr. Buckley, is the optional  
24          residential program that Mr. Davis just mentioned

1 in Connecticut, is that what you were referring  
2 to?

3 MR. BUCKLEY: In my comments earlier, I  
4 was referring to specifically the program or the  
5 rate design in Connecticut, where the Company  
6 offers an imputed time-differentiated supply  
7 rate. That is something that I think, in this  
8 proceeding, we could continue to examine the  
9 relevance of for New Hampshire.

10 I know it was something that the  
11 Commission had discussed in its 20-004 order in  
12 the electric vehicle docket. Now, I don't know  
13 that the findings in that determination really  
14 necessarily carry over to the rate we're talking  
15 about now. But it's certainly something that we  
16 intend to further explore the relevance of in  
17 discovery.

18 CHAIRWOMAN MARTIN: Okay. Thank you.

19 And, Mr. Davis, we heard Mr. Buckley  
20 reference the "5-hour period". Did you also look  
21 at a 5-hour period?

22 MR. DAVIS: In the proposal before us?

23 CHAIRWOMAN MARTIN: No, I understand  
24 you have the 7 hours. But I think Mr. Buckley

1 was pointing to the 5-hour period that's in  
2 another docket. And I just wondered --

3 MR. DAVIS: Yes.

4 CHAIRWOMAN MARTIN: -- whether you had  
5 analyzed that as a potential?

6 MR. DAVIS: We had analyzed it  
7 subsequently in the other docket. I want to say  
8 we actually did look at it here as well.

9 CHAIRWOMAN MARTIN: And what did you,  
10 if you recall off the top of head, you said the  
11 7 hours was "24 percent". Do you know what the 5  
12 hours was?

13 MR. DAVIS: I do not have that offhand.  
14 That's certainly something I would be glad to  
15 bring to the table.

16 CHAIRWOMAN MARTIN: Okay. Thank you.

17 MR. DAVIS: I would say, I think we  
18 ended up focusing heavily on the 7- versus 6-hour  
19 period, and whether there was, you know, the  
20 proper alignment between distribution and  
21 transmission of that.

22 I also just want to add for what Mr.  
23 Buckley just referred to, the imputed rate is  
24 part of that Connecticut optional residential

1 time-of-day rate. And that was a policy  
2 decision, basically, where we weren't seeing a  
3 huge differential at the time between peak and  
4 off-peak for the generation component, and based  
5 on an 8-hour period, and evaluation by staff in  
6 Connecticut. And then, further analysis that we  
7 performed, it was determined that, as a policy  
8 measure, we should impute three and a half cents  
9 between the peak and off-peak for an 8-hour  
10 period. Though, the underlying costs are  
11 different, but that was sort of a -- not  
12 necessarily cost-based, but a decision that we  
13 want to send a signal by forcing a three and a  
14 half cent price difference. The prices in that,  
15 particularly in that component, as I was  
16 discussing earlier, change quite frequently.  
17 They change every hour. And, in a given year,  
18 you'll see significant differences between peak  
19 and off-peak pricing on a cost basis.

20 CHAIRWOMAN MARTIN: I know we don't  
21 have a lot of customers in the program here, and  
22 it sounds like you have more experience  
23 elsewhere. But have you done an analysis of  
24 whether this is actually changing customer

1 behavior, in New Hampshire or elsewhere?

2 MR. DAVIS: We have not, not here. I  
3 would say, relying on -- we had a study in  
4 Connecticut, which led us to -- we ran a critical  
5 peak pilot program. The experience in Europe, we  
6 did the same thing. We had an orb placed in  
7 customers' homes, and it would glow different  
8 colors. And customers would get a kind of visual  
9 sense of whether prices were going to be  
10 increasing and whether they should respond to  
11 that.

12 So, analytically, we do have -- I don't  
13 have the metrics, and I'd have to do a little  
14 digging, but there were both participation rates,  
15 because, after so many calls to respond and  
16 either shift your load or pay higher prices,  
17 customers started opting out. So, you had that.  
18 But you had to incentivize customers to  
19 participate. But, at the end of the day, there  
20 was responsiveness to the pricing. So, we were  
21 able to measure that. And we certainly have some  
22 reports. And they're kind of consistent with, I  
23 mentioned earlier, older DOE reports, DOER, those  
24 kind of showed the similar -- same kinds of

1 things, and other utilities have implemented  
2 critical peak pricing similarly, have seen some  
3 responsiveness. And that's sort of the  
4 expectation you might expect for those customers  
5 who would opt into this rate what they would  
6 experience.

7 CHAIRWOMAN MARTIN: Okay. Thank you.

8 We heard about the options that a  
9 customer -- these current customers might have or  
10 customers generally. Is there a plan as to how  
11 you will communicate what the options are related  
12 to this program, and especially for those  
13 customers currently on it, what options they will  
14 be informed of?

15 MR. DAVIS: Yes. We would, you know,  
16 communicate with customers, I think it would be  
17 like either -- either, and/or letter and email,  
18 if you will, to, first of all, provide, you know,  
19 information about the program, but also to try to  
20 provide specific -- customer-specific information  
21 about what their potential savings might be or  
22 the impacts of either our R-TOD-2 or Rate R as  
23 options.

24 I think some of -- some of what we



1 would actually do in education and outreach, I  
2 think we do look a little bit for guidance,  
3 depending on, you know, what we proposed. And I  
4 think there's a number of aspects of what our  
5 outreach would involve that would be somewhat  
6 informed by the Commission's guidance. But I  
7 think, clearly, information about, you know,  
8 awareness and education about the rate change,  
9 what the options are, specifically Rate R versus  
10 R-TOD-2, and, you know, maybe process as well.  
11 But, you know, any information we can provide,  
12 for example, information that is in the filing  
13 provides, you know, basically a spectrum of bill  
14 impacts. To the extent we can hone in on  
15 individual customer's usage, for example, if  
16 they're at that 24 percent, and they know that,  
17 and we have information to inform that, we could  
18 probably identify, compared to current billing,  
19 what the difference in the charges will be under  
20 a bill. And, to the extent we don't have  
21 specific enough information, we can provide  
22 enough information to estimate that.

23 So, information like that would be part  
24 of, you know, the information customers need, so

1           they know about the choices and are able to make  
2           an informed decision.

3                   CHAIRWOMAN MARTIN:   That was going to  
4           be my follow-up question.   Whether, in cases  
5           where you have provided customer-specific  
6           information, is that a -- on request by the  
7           customer, you provide general information, and  
8           then they say "I'd like more information"?   Or is  
9           it something you provide just outright?

10                   MR. DAVIS:   So, there would --  
11           certainly, outright would be general information.  
12           And, if we have -- are able to do sort of "most  
13           beneficial rate" type analysis, where we can have  
14           that information as I just mentioned, we could  
15           inform them that the impact would be X, if their  
16           usage is, you know, making the assumption that,  
17           in the future, you would have the same type of  
18           usage.

19                   So, we certainly know what customers  
20           individually use on the current rate.   And, to  
21           the extent we can also provide information about  
22           what their usage would be under a new time  
23           period, also at the new pricing, and what that  
24           bill impact would be, I think that would be key

1 information we would want to provide as much as  
2 possible to each individual customer as part of  
3 that communication and outreach.

4 CHAIRWOMAN MARTIN: All right. Thank  
5 you.

6 MR. DAVIS: So, it's a small number of  
7 customers. And I think we feel not so much that  
8 a campaign approach, but more targeted to those  
9 individual customers on the rate today would be  
10 most appropriate.

11 CHAIRWOMAN MARTIN: All right. Thank  
12 you, Mr. Davis. All that information is really  
13 helpful.

14 Commissioner Goldner, do you have any  
15 other questions?

16 COMMISSIONER GOLDNER: I do have a  
17 quick follow-up based on the Chairwoman's  
18 questions.

19 I'd like to encourage, when we -- as we  
20 go through the process, that the Commission will  
21 want to see the real costs, you know, revenue  
22 neutral, I think as you've designed it today. If  
23 there are any incentives or any other sort of  
24 adjustments made to those real costs, the

1 Commission would want to know what those were and  
2 why those were made.

3 So, I just want to maybe give some  
4 headlights on that at the outset.

5 MR. DAVIS: Absolutely.

6 CHAIRWOMAN MARTIN: And I think adding  
7 to that, just the costs of the program, so those  
8 would be some of them, but the costs associated  
9 with running the program in general.

10 All right. I think those are all of  
11 our questions.

12 To Mr. Buckley, Ms. Chiavara, do you  
13 have any follow-up, or otherwise we can let you  
14 get to the tech session?

15 MS. CHIAVARA: I have nothing to add,  
16 no.

17 MR. BUCKLEY: Nothing on our end  
18 either.

19 CHAIRWOMAN MARTIN: All right. Then, I  
20 believe, Mr. Buckley, can you confirm this Webex  
21 will be used for the tech session?

22 MR. BUCKLEY: Yes, I believe that is  
23 the case.

24 CHAIRWOMAN MARTIN: Okay. So, folks

1           should stay on this Webex after the end.

2                         With that, I will adjourn this  
3           prehearing conference. Let you get to the tech  
4           session. Off the record.

5                         **(Whereupon the prehearing conference**  
6                         **was adjourned at 10:14 a.m.)**

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