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**I N D E X**

**PAGE NO.**

**WITNESS PANEL:            JEFFREY M. PENTZ  
                                 LINDA S. McNAMARA  
                                 ALEC O'MEARA  
                                 CAROLE BEAULIEU**

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

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
3	Petition for approval of Default Service Solicitation and Proposed Default Service Tariff for the period beginning December 1, 2022. <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
4	Petition for approval of Default Service Solicitation and Proposed Default Service Tariff for the period beginning December 1, 2022. <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>

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

CHAIRMAN GOLDNER: Okay. Good morning, everyone. I'm Commissioner Goldner. I'm joined today by Commissioner Chattopadhyay. We're here in Docket 22-017 for a hearing regarding the 2022 Unitil Default Service Schedule.

Let's take appearances, beginning with the Company.

MR. FOSSUM: Good morning, Commissioners. Matthew Fossum, here for Unitil Energy Systems, and also counsel here this morning is Patrick Taylor.

CHAIRMAN GOLDNER: Okay. Very good. The Office of Consumer Advocate?

MS. DESMET: Good morning. Julianne Desmet, on behalf of the Office of Consumer Advocate.

CHAIRMAN GOLDNER: All right. And the New Hampshire Department of Energy?

MR. YOUNG: Good morning, Commissioner. My name is Matthew Young, appearing on behalf of the Department of Energy. With me today is David Wiesner, serving as co-counsel. From the Regulatory Division, Liz Nixon, the Electric

1 Director; as well as Scott Balise, who is an  
2 Analyst working on this matter; and finally with  
3 us today is Amanda Noonan, Director of Consumer  
4 Services.

5 CHAIRMAN GOLDNER: Very good. Thank  
6 you, Attorney Young.

7 So, turning to preliminary matters,  
8 Attorney Fossum, I'd like to thank you and the  
9 Company for a clear Petition which shows seven  
10 approval requests. And I'd like to, as a  
11 preliminary matter, start with Number 7,  
12 requesting to grant approval for a protective  
13 treatment of the confidential material pursuant  
14 to 201.06 and 201.07. And I'd like to turn to  
15 the OCA and ask if the OCA has had an opportunity  
16 to review this request?

17 MS. DESMET: Yes, we have.

18 CHAIRMAN GOLDNER: Okay. Does the OCA  
19 object to the request?

20 MS. DESMET: No, we do not.

21 CHAIRMAN GOLDNER: Okay. Same question  
22 to the DOE. Has the DOE had the opportunity to  
23 review the request and does the DOE object?

24 MR. YOUNG: Yes, we have reviewed.

1 And, no, we do not object.

2 CHAIRMAN GOLDNER: Thank you. Okay.

3 So, we'll grant approval from the Bench.

4 And move on to Number 6, where there's  
5 a request for approval of the tariff changes.

6 And we'll ask if the OCA had the opportunity to  
7 review this request?

8 MS. DESMET: Yes, we have.

9 CHAIRMAN GOLDNER: And does the OCA  
10 object?

11 MS. DESMET: The OCA does not object to  
12 the changes, but also is not requesting  
13 endorsement of the proposal.

14 CHAIRMAN GOLDNER: So, can you clarify  
15 please? What would the OCA suggest with respect  
16 to the tariffs?

17 MS. DESMET: The OCA is concerned about  
18 residential ratepayers and the increases  
19 proposed. The OCA has had discussions with  
20 parties about potential alternatives. It does  
21 not seem like any of those alternatives are  
22 fruitful. I do have some questions for  
23 examination with regard to that.

24 So, the OCA is, again, just concerned

1 about the rate increases to its residential  
2 customers, possibilities of increases in  
3 arrearages. And, based on that, we're not even  
4 sure our suggestions and proposals that have been  
5 discussed with parties could be a potential  
6 answer to what ratepayers will be facing.

7 So, the short answer to your question  
8 as "what do we propose as an alternative?" We,  
9 unfortunately, don't have a solution to this  
10 problem. So, we are taking more of a neutral  
11 position.

12 CHAIRMAN GOLDNER: Okay. Thank you,  
13 Attorney Desmet.

14 Has the DOE had the opportunity to  
15 review the Number 6, the tariff changes?

16 MR. YOUNG: Yes.

17 CHAIRMAN GOLDNER: And does the DOE  
18 object to those changes?

19 MR. YOUNG: No.

20 CHAIRMAN GOLDNER: Okay. Thank you  
21 very much. We have -- the Company has asked us  
22 for a ruling today. So, it's helpful to sort  
23 through some of these preliminary matters up  
24 front.

1           Okay. So, we'll take that under  
2           advisement, since we don't have everyone agreeing  
3           here and now. So, we'll take that one under  
4           advisement.

5           So, then, I would say for -- that 1  
6           through 5, in Attorney Fossum's filing, will be  
7           the focus of today's hearing. We'll discuss  
8           improvements for the process, the overall, you  
9           know, default service process, in IR 22-053. So,  
10          the Commission does not plan to spend much time,  
11          if any, on the topic of improvements today. So,  
12          we'll just focus on the narrow question of the  
13          current filing.

14          For future filings, the Commission does  
15          request that the Company provide a simple table  
16          for default service, with the petition, sort of  
17          up front, in the front of the filing, with the  
18          prior period, the year ago period for each rate  
19          class, including default service, RPS, SBC, and  
20          the total rate, we think it would be very helpful  
21          to sort of have that up front in the petition, so  
22          everyone can see what the impact is. It's, of  
23          course, in the filing, but it's easier to see if  
24          it's up front.



1           Okay. So, moving on to exhibits,  
2 Exhibits 3 and 4 have been prefiled and premarked  
3 for identification. All materials identified as  
4 "confidential" in the filings will be treated as  
5 confidential during the hearing.

6           Is there anything else that we need to  
7 cover regarding exhibits?

8           MR. FOSSUM: Mr. Chairman, I think --  
9 This is Matthew Fossum. I think the only thing,  
10 and, normally, I wouldn't bring it up, but I do  
11 note on the record that we have media in the  
12 room. And, so, to the extent that there is any  
13 discussion of confidential material, we want to  
14 appropriately address the attendance in the room  
15 for that. I just wanted to make that note on the  
16 record.

17           CHAIRMAN GOLDNER: Okay. Very good.  
18 And, if you see anyone, including the  
19 Commissioners, delving into confidential  
20 material, please -- please jump up and let us  
21 know that we're in a place that we shouldn't be.  
22 But we are conscious of it. And we are -- the  
23 filings were clear in terms of what's  
24 confidential and what's not. So, it's pretty

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 easy to see.

2 Okay. Are there any other preliminary  
3 matters, before we have the witnesses sworn in?

4 *[No verbal response.]*

5 CHAIRMAN GOLDNER: Seeing none, let's  
6 proceed with the witnesses. Mr. Patnaude, would  
7 you please swear in the panel.

8 (Whereupon **Jeffrey M. Pentz,**  
9 **Linda S. McNamara, Alec O'Meara,** and  
10 **Carole Beaulieu** were duly sworn by the  
11 Court Reporter.)

12 CHAIRMAN GOLDNER: All right. We'll  
13 move to direct examination, beginning with the  
14 Company and Attorney Fossum.

15 MR. FOSSUM: Thank you. We'll just  
16 start, basically, going from my left to right for  
17 these initial questions. And, so, I'll start on  
18 the end here with Mr. Pentz.

19 **JEFFREY M. PENTZ, SWORN**

20 **LINDA S. McNAMARA, SWORN**

21 **ALEC O'MEARA, SWORN**

22 **CAROLE BEAULIEU, SWORN**

23 **DIRECT EXAMINATION**

24 BY MR. FOSSUM:

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Q Would you please state your name, your position,  
2 and your responsibilities for the record?

3 A (Pentz) My name is Jeffrey Pentz. I'm a Senior  
4 Energy Analyst. And I'm responsible for the  
5 procurement of default service and RPS.

6 Q And have you previously testified before this  
7 Commission?

8 A (Pentz) Yes.

9 Q Thank you. And next, Ms. McNamara, the same  
10 questions for you?

11 A (McNamara) My name is Linda McNamara. I'm a  
12 Senior Regulatory Analyst for Unitil Service  
13 Corp.

14 Q And your responsibilities in that position?

15 A (McNamara) Part of my responsibilities were  
16 preparation of the proposed Default Service rates  
17 included in this filing.

18 Q And have you previously testified before this  
19 Commission?

20 A (McNamara) Yes, I have.

21 Q And, Mr. O'Meara, your name, position, and  
22 responsibilities for the record?

23 A (O'Meara) My name is Alex O'Meara. I am the  
24 Media Relations Manager at Unitil. And my

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           responsibilities include serving as the chief  
2           spokesman for the Company, as well as the  
3           drafting and creation of a wide variety of  
4           external communications on topics relative to  
5           Company activities.

6    Q       And have you previously testified before this  
7           Commission?

8    A       (O'Meara) I have not.

9    Q       Welcome. Glad to be part of your beginnings  
10           here.

11                   And, finally, Ms. Beaulieu, could you  
12           please state your name, your position, and your  
13           responsibilities for the record?

14   A       (Beaulieu) Good morning. My name is Carole  
15           Beaulieu. I am the Manager of Credits and  
16           Collections at Unitil, where I'm responsible for  
17           all collections activities, and the direction of  
18           the credit representatives and customer service  
19           representatives, as it relates to residential,  
20           commercial, and low-income customers who may be  
21           facing delinquency.

22   Q       And, likewise, have you ever testified before  
23           this Commission?

24   A       (Beaulieu) Yes, I have.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Q Thank you. Turning back to Mr. Pentz and Ms.  
2 McNamara, and beginning again left-to-right.  
3 Mr. Pentz, did you, back on September 23rd, 2022,  
4 file testimony and attachments that have been  
5 made part of the Company's Default Service filing  
6 and marked as "Exhibit 3" and "4"?

7 A (Pentz) Yes.

8 Q And was the testimony and other materials, was  
9 that prepared by you or at your direction?

10 A (Pentz) Yes.

11 Q And do you have any corrections or updates to  
12 that information this morning?

13 A (Pentz) I do have one correction. And it's  
14 evident throughout the exhibits and my testimony.  
15 There's a cosmetic issue with the winning bidder  
16 of the Residential and Medium customer classes.  
17 The winning bidder in my exhibits is labeled as  
18 "Exelon Generation Company". However, the  
19 correct name should actually be "Constellation  
20 Energy Generation". And that was as a result of  
21 a corporate restructuring, as Exelon Generation  
22 Company had separated from its parent company,  
23 and is now its own entity.

24 So, the contract that we executed is

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 correct. It has the correct supplier name.

2 There's no issues with the contract. It's just  
3 simply a cosmetic issue.

4 Q Thanks. I was going to ask and make sure that's  
5 clear.

6 Subject to that clarification  
7 throughout the filing, where the name correction  
8 should be made, do you adopt that testimony and  
9 those materials as your sworn testimony for this  
10 proceeding?

11 A (Pentz) I do.

12 Q Ms. McNamara, did you likewise, back on September  
13 23rd, file testimony and attachments that have  
14 been included in the Company's exhibits marked  
15 "3" and "4"?

16 A (McNamara) Yes.

17 Q And was that testimony and were those other  
18 materials prepared by you or at your direction?

19 A (McNamara) They were.

20 Q And do you have any corrections or updates to  
21 that information this morning?

22 A (McNamara) I also do, yes. On Exhibit 3 and 4,  
23 what has been marked as "Page 232 of 251", it's  
24 also known as "Schedule LSM-6, Page 2 of 2",

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           there are two footnotes at the bottom. Both  
2           referencing last year's date "September 2021",  
3           and those should be updated to "August of 2022".  
4           The figures themselves in the spreadsheet are  
5           correct; the footnotes are not.

6    Q       And, so, I guess, similar to Mr. Pentz, I guess  
7           would it be correct to characterize that as more  
8           of a cosmetic correction, rather than a  
9           substantive one?

10   A       (McNamara) Yes.

11   Q       And subject to the correction that you just  
12           identified, do you adopt this testimony and the  
13           associated materials as your sworn testimony for  
14           this proceeding?

15   A       (McNamara) Yes.

16   Q       Thank you. I just have a couple of questions for  
17           the two of you on the filing materials. And I  
18           believe this is best directed to Mr. Pentz.

19                        Recently, this Commission approved a  
20           request by the Company to move to an eight-month  
21           procurement. Could you explain how that  
22           adjustment was addressed in this filing, and what  
23           benefits, if any, the Company saw from that  
24           change?

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 A (Pentz) Sure. So, going back in historical  
2 solicitations, normally, the Company has procured  
3 a winter block and a summer block. And these  
4 service periods go from June 1st to November  
5 30th, and then December 1st to May 31st. So, in  
6 those two separate blocks, you're really, in the  
7 winter months, encapsulating all of the higher  
8 priced months, especially January, February,  
9 March, and December. And that has an effect of  
10 creating a seasonal rate, which is much higher in  
11 the winter than in the summer.

12 And knowing what is going on right now  
13 in the energy markets, we decided it was a  
14 opportune time to go ahead and make a change to  
15 the procurement schedule, to be on the same  
16 schedule as Liberty and Eversource, where they  
17 essentially split the winter period in two. So,  
18 they separate December and January in one block,  
19 and then February and March in another block.  
20 So, in order to get to that schedule, we needed  
21 to do a one-time procurement for eight months,  
22 instead of six months.

23 Short-term benefits are that we're  
24 adding two additional months to this procurement



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1 period, June and July, which are typically much  
2 lower priced than the winter months. And we did  
3 some analysis by looking at futures contracts,  
4 and saw that you would likely see around a 16  
5 percent reduction of the wholesale -- of the  
6 weighed wholesale rate by contracting for those  
7 two additional months. And we did, once final  
8 bids did come in, we did see a reduction, it was  
9 a little smaller than 16 percent, it was around  
10 13. But it was a short-term benefit for this  
11 period, considering the extreme volatility in the  
12 markets.

13 Some long-term benefits are that we're  
14 splitting the winter period effectively going  
15 forward. So, that will provide a more annual  
16 rate, and less of a seasonal rate. So, there  
17 will be less, you know, the winter prices won't  
18 be much higher than the summer prices. It will  
19 reflect an annual rate, essentially, similar to  
20 Eversource and Liberty.

21 Another additional benefit is it allows  
22 for a good comparison of Default Service rates  
23 between all three of the utilities.

24 Q Thank you for that explanation. Other than the

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1 change, this one-time procurement to eight  
2 months, were there any other material changes to  
3 the RFP or the filing from prior solicitations?

4 A (Pentz) No, there is not.

5 Q And, Ms. McNamara, looking at the rates that are  
6 before the -- that are proposed for approval this  
7 morning before the Commission, were they  
8 calculated with past practice and in line with  
9 Commission precedent, even understanding the  
10 slight change to the RFP?

11 A (McNamara) Yes, they were.

12 Q And, because it's relatively new, I want to make  
13 sure to ask, has the Company included  
14 time-varying rates for its new time-of-use rate  
15 classes in this filing?

16 A (McNamara) Yes.

17 Q And, just very briefly, could you please describe  
18 or explain how those rates were determined for  
19 this filing?

20 A (McNamara) Sure. The proposed Default Service  
21 rates were calculated for the time-of-use and EV  
22 classes using the ratios that were determined in  
23 DE 20-170.

24 Q So, thank you. I just wanted to make sure to get

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           that explained.

2                         Given that, both Mr. Pentz and  
3           Ms. McNamara, is it your position and the  
4           Company's position that the procurement process  
5           in this case was fair and appropriate, and that  
6           the resulting rates are just and reasonable?

7   A       (McNamara) Yes.

8   A       (Pentz) Yes.

9   Q       Thank you. Turning now to Mr. O'Meara, and  
10          understanding that you did not prefile testimony  
11          in this matter, are you generally -- generally  
12          aware that there has been some interest,  
13          including from the Department of Energy, in  
14          understanding the Company's plans for customer  
15          outreach and education, in light of this, the  
16          present rate proposal?

17   A       (O'Meara) Yes.

18   Q       Could you please describe the kinds of customer  
19          outreach that the Company has either done or is  
20          planning to do in this case?

21   A       (O'Meara) Certainly. Well, this particular  
22          topic, regarding supplier rates for the region,  
23          has been top-of-mind for the Communications team  
24          for -- basically, since the midsummer, when there

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1           were a lot of news stories already appearing in  
2           the media on the topic. Our Communications team  
3           has crafted a plan that's really kind of above  
4           and beyond what we have done in previous years,  
5           in regards of communicating this particular  
6           topic.

7                         We began that process, again, right  
8           around the midsummer. And the first part of that  
9           process was sort of creating the message that we  
10          thought was going to be most helpful for our  
11          customers. That was, really, included three key  
12          pieces of information. One piece of that  
13          information is energy efficiency programs,  
14          knowing what programs are available for  
15          customers, and talking about those programs early  
16          enough so that, if a customer was interested in  
17          taking advantage of one of those programs, they  
18          could begin that work in the summer, and  
19          potentially see benefits from it by the  
20          wintertime, as well as talking about general  
21          conservation opportunities.

22                        The next piece of that is talking about  
23          what assistance programs might be available,  
24          where we focus on what might be available

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 internally from us, in terms of budget billing or  
2 assistance like that, as well as from local CAP  
3 agencies. And the message there is we want our  
4 customers to know what's available and to take  
5 steps before they get overwhelmed, should they  
6 fall behind on payments during the winter months.

7 Finally, we are talking about third  
8 party supply. We want to make sure our customers  
9 know that they have that opportunity, if it's  
10 something they're looking at. When looking at  
11 that, we also include reminders, that we want to  
12 make sure that our customers are, if they are  
13 looking at a contract like that, know all the  
14 things about any sort of contract that you would  
15 be looking to sign in that case, including its  
16 duration, any special requirements that may have,  
17 what occurs at the end of the contract.

18 Basically, all the things that a person should  
19 look at if they're considering any kind of a  
20 long-term financial contract. We want to make  
21 sure folks are aware of those key aspects of it.

22 On top of that, we are trying to also  
23 explain the "why" of what's going on. We're  
24 talking about the regional pipeline constraints

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1 to New England as a whole, and how that's  
2 impacting things. How liquid natural gas is  
3 supplementing our regional supply, how we need  
4 that for our electric generation in the region,  
5 and how sort of the global environment that we're  
6 in right now is causing increases to all of those  
7 costs. So, we want to try and make sure our  
8 customers understand why this is happening, as  
9 well as the difference between supply costs,  
10 which is what are going up, and distribution  
11 costs.

12 So, with all of that, we then took that  
13 message, and we then began building a plan around  
14 it. The first step of that was to build a  
15 special landing site on *unitil.com*, where we  
16 included in-depth information on all of these  
17 points, as well as just sort of a landing point  
18 that we can then point to on all other customer  
19 communications that we have. And our focus, as a  
20 team, has been to use all channels available to  
21 us as an organization, to try and make sure that  
22 our customers see this message and are aware of  
23 it. That includes customer bills. We've had, in  
24 our newsletters, we've included messaging about

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           this for a number of months now, on top of the  
2           regular print messages that customers get with  
3           their bills. For customers we have email  
4           addresses with, we've been sending them emails  
5           that are in supplement to that, again,  
6           acknowledging the volatility of the market,  
7           and --

8    Q       I'm going to just interject, I apologize. If you  
9           can just slow down please, to make sure the court  
10          reporter has the ability to keep pace.

11   A       (O'Meara) I apologize. I'm a fast talker. I'm  
12          sorry.

13                        So, where was I? Emails. We share --  
14          we send emails to our customers, again, sort of  
15          reinforcing that message, reminding them of the  
16          volatility of the market and those three pieces  
17          that I was talking about previously.

18                        We also are using our social media  
19          channels. Primarily, that's Facebook and Twitter  
20          in this case. But we are also on Instagram and  
21          LinkedIn. We are sharing on all those channels,  
22          but Facebook and Twitter are our primary tools in  
23          that case. We are sharing the general message  
24          that we're putting in those emails. But, on

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1           those channels, we also use what is called a  
2           "video news release", and that's the same  
3           information, but in a video format, where we are  
4           hopeful that putting the information in a  
5           slightly different way will attract different  
6           customers. People ingest information in  
7           different ways. So, we create those video news  
8           releases as a means to make sure that the widest  
9           array possible of folks are hearing that message.

10                   We then embed those video news releases  
11           on the landing page that we have as well. So, if  
12           folks just end up there, they're still seeing  
13           that message.

14                   Outside of those channels that are our  
15           proactive channels, there are, of course, earned  
16           media and reporters, media in the region as a  
17           whole. We were expecting coverage of the filing,  
18           and that has been expected and welcome. That's  
19           getting the information out as well.

20                   Throughout this entire period, we have  
21           continued to communicate with all media as they  
22           have reached out to answer any questions that  
23           they've had about what is going on and why, and,  
24           again, what customers are available to do.



[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           Going forward, we plan to continue to  
2           use all of these tools. We also do training for  
3           our call reps, as the winter months approach,  
4           we've done that a number of years, making sure  
5           they understand what's happening, in terms of  
6           supply costs, so that they have more familiarity  
7           with it. It's been especially helpful when, you  
8           know, we have first-time call reps, making sure  
9           they understand what's going on, so that they  
10          have some base knowledge so that they're able to  
11          get that. And, internally, we are putting out  
12          messages to our employee base as a whole through  
13          internal communication tools, so that they know  
14          what's going on, and make sure they know that  
15          they can send folks to *unitil.com*, if they're  
16          looking for more in-depth information, because we  
17          recognize that neighbors are going to be asking  
18          people if they're working here.

19                 So, we're using a robust strategy.  
20           We're trying to make sure that, if there's a  
21           communications tool we have, we're hitting it.  
22           And we intend to continue to do that as the  
23           December 1 date approaches, and then continuing  
24           on into the winter, as customers start to see

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1 impacts from these rates.

2 Q Thank you. That was thorough. And, Ms.  
3 Beaulieu, you also did not file testimony in this  
4 proceeding, correct?

5 A (Beaulieu) That's correct.

6 Q But given -- in light of your position at the  
7 Company, and in light of the information that is  
8 being delivered to customers, as explained by Mr.  
9 O'Meara, could you please explain what happens  
10 when the customers see or interact with that  
11 information, or otherwise having an issue, what  
12 kinds of information services or the like that  
13 the Company is offering?

14 A (Beaulieu) Yes. Certainly, I'd be happy to.  
15 Unitil does share the same concerns as the OCA  
16 and DOE and our customers, in general, of this  
17 increase, and which, you know, could be a very  
18 challenging time for a number of customers. And  
19 our representatives are trained and ready to  
20 offer a variety of customers to -- options to our  
21 customers to meet their unique needs.

22 So, one of the things different, what  
23 Alec was talking about, was our proactive, how we  
24 tell all customers. So, now, I'm referring to,

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1           once we hear from a customer, whether it's via  
2           the inbound Call Center or through the website,  
3           we talk with the customer one-on-one with a very  
4           personal experience. We can offer them budget  
5           billing that helps the customer to spread their  
6           energy costs over a 12-month period. But we  
7           realize that a number of customers will face  
8           arrears. And, so, we work with them in a very  
9           customized, personal way to find out what are  
10          their unique needs, and set up a plan that they  
11          would need. We have a heightened awareness  
12          because of the higher rates. So, we focus on  
13          what is unique and what might need to be  
14          different than what we've done in the past.

15                 We have been able to be successful with  
16          our non-low income residential customers by  
17          setting up plans that are usually between six or  
18          eight months in length to help them clear up  
19          arrears. But we are happy to increase that to  
20          twelve months, as we realize some customers might  
21          need the additional time to clear up, to make  
22          those monthly payments.

23                 Traditionally, we haven't offered  
24          payment plans for commercial customers. But we

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 realize that some customers, some small or medium  
2 commercial customers, might also feel an impact  
3 by this. And, so, we're happy to work with them,  
4 again, addressing those -- their unique needs,  
5 and set up a plan for four or six months, if  
6 that would meet their needs. Wanted to point  
7 out, any customer who is on a payment --  
8 maintaining a payment plan will not receive late  
9 fees on their full balance.

10 And we also then offer additional  
11 flexibility for our customers who are financial  
12 hardship. Where we can -- they might need a  
13 longer plan, twelve months might not be enough to  
14 help them. So, we work with them for up to 18 or  
15 up to 24 months, whatever they might need.  
16 During the winter moratorium period, we follow  
17 the rules where a low-income customer can enroll  
18 in a 10 percent payment plan. So, our  
19 representatives are trained to work with the  
20 customer individually to determine what is the  
21 best plan between those. Is it a 10 percent plan  
22 or up to a 24-month plan? But, most importantly,  
23 we work with them to determine what's the best  
24 option to meet their needs.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           And then, all customers who convey that  
2           they are financially struggling are referred by  
3           the representative 2-1-1 and/or the local  
4           Community Action Agency, the CAPs. And, when I  
5           mention "convey", a customer does not have to say  
6           the words "I'm low income." Conveying can be  
7           based off of the conversation, and the reps are  
8           trained to listen for certain words that could  
9           help them, such as "Oh, I can pay this bill, but  
10          now I can't pay X bill", or something. That  
11          conveys that someone is struggling. So, they are  
12          referred for assistance. Things such as -- and  
13          their representative will tell them "By applying  
14          for the Electric Assistance Program, they would  
15          be able to be entitled to the Unutil discount  
16          rate", which would help to reduce the lower --  
17          the future invoices, or "they could apply for  
18          LIHEAP", which is fuel assistance monetary  
19          benefits.

20                 There are also two new one-time  
21                 assistance benefits that are available to our New  
22                 Hampshire customers now, the Emergency Heating  
23                 Assistance Benefit and the Supplemental Electric  
24                 Assistance Benefit. A really important point

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           here that our reps are ready to assist customers  
2           with is that sometimes our customers will tell us  
3           "I've applied for fuel before, and I didn't  
4           qualify because I'm over income." These  
5           particular programs are even able to help  
6           customers that did not qualify for fuel  
7           assistance. So, the representatives make sure  
8           that they tell the customers that, and say  
9           "Please try again, because there could be  
10          additional assistance that could help you to get  
11          through this challenging period."

12                        Once a customer qualifies for any other  
13          financial program, if they're above income, such  
14          as, say, Neighbor Helping Neighbor, and they  
15          acquire the "financial hardship" designation,  
16          that does prevent them from receiving any future  
17          late fees or deposits. So, that that's another  
18          help for the customers, if they are financially  
19          struggling.

20                        When a representative talks to a  
21          customer, and they learn of that financial  
22          challenge, all of the customer's accounts are  
23          coded, so that, after the conversation, we follow  
24          up with a letter. Because what could be

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1           happening is we might find customers that are  
2           experiencing a problem with a past due balance  
3           for the first time. And they might be  
4           embarrassed during the phone call. They might be  
5           overwhelmed with all of the information that a  
6           representative is sharing with them of  
7           possibilities. So, what we like to do is follow  
8           up that conversation with a letter that says "As  
9           a reminder" -- "Thank you for talking with us  
10          today. And, as a reminder, here are ways that  
11          you can reach out for assistance", and we  
12          strongly encourage them to seek assistance that  
13          might be available for their needs.

14                         And then, also, during that  
15          conversation, we also -- the representatives  
16          engage with the customers and refer them to our  
17          Unitil website regarding energy usage. And we  
18          share tips for reducing energy consumption. We  
19          provide information on energy efficiency programs  
20          at the New Hampshire Saves Program. And also, on  
21          our website, we have a link that goes directly to  
22          the PUC list of the external suppliers, should a  
23          customer choose to explore that as an alternative  
24          to Unitil.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 I just wanted to summarize by saying we  
2 are ready, we care about our customers. Our goal  
3 is to engage with customers, and make sure that  
4 they're aware of all of the assistance that's  
5 available to them, but work with them to set up a  
6 reasonable plan and help them address any arrears  
7 that they may be facing.

8 MR. FOSSUM: Thank you. And thank you,  
9 both, for those explanations. That's what I have  
10 for the direct.

11 CHAIRMAN GOLDNER: Okay. Thank you.  
12 We'll move to cross-examination, and beginning  
13 with the Office of the Consumer Advocate and  
14 Attorney Desmet.

15 MS. DESMET: Yes. Thank you very much.  
16 I just have a few questions.

17 I'm not sure if this would be for  
18 Mr. Pentz, but anyone on the panel is able to  
19 jump in, that would be appreciated.

20 **CROSS-EXAMINATION**

21 BY MS. DESMET:

22 Q And the first question would be, if you could  
23 explain what happens if this Petition is  
24 rejected, and if there are any plausible



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1 alternatives for the Company to serve the  
2 required load?

3 A (Pentz) So, we -- in light of that question, I  
4 would like to review the current issues we're  
5 facing with wholesale bidder participation,  
6 because it's important to talk about this before  
7 we address the question.

8 In the initial solicitation, the bidder  
9 participation was down significantly compared to  
10 previous solicitations. And, if the contracts  
11 were to be rejected, I think what would happen is  
12 you could likely see the wholesale supplier that  
13 has won, you know, this solicitation, they could  
14 possibly not participate in future solicitations.  
15 And, you know, I think that might affect other  
16 wholesale suppliers as well. They may have a  
17 second look at participating in these auctions  
18 going forward. And it's simply due to the fact  
19 that, when we announce to these suppliers, you  
20 know, that they have won, what they usually do is  
21 they take out a hedge in the market to fix in a  
22 lot of that load as soon as we notify them. So,  
23 if the contract is rejected, they will likely  
24 have to go into the market and unwind those

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1 purchases, likely at a loss. And I would expect  
2 that they would not participate in our auctions  
3 going forward.

4 Q Okay. And the second part is, are there any  
5 plausible alternatives?

6 A (Pentz) The only plausible alternative would be  
7 that the Company would self-supply these  
8 customers in the real-time or day-ahead markets.  
9 That method exposes residential customers to the  
10 volatility of the markets. The pricing that  
11 we've received from the winning bidders for the  
12 Residential and Small Commercial classes are  
13 fixed full requirement prices. The rate's not  
14 going to change. They're going to pay the rate  
15 that we propose.

16 If we're procuring energy in the  
17 real-time or day-ahead markets, we don't know  
18 what the price is going to be. And going into  
19 this winter, it's the most volatile winter, in  
20 terms of energy futures, that we've seen, and we  
21 don't know what the price could be. It could be  
22 very high; conversely, it could be lower. But  
23 there is just more risk to the ratepayer.

24 Q Thank you. I appreciate that answer. So, the

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1 next question I have is, is it reasonable for the  
2 Company to cap its requested increase for  
3 residential customers at the current level that  
4 Eversource is charging? And would -- I guess, in  
5 addition to that, what size deferral would that  
6 require?

7 A (McNamara) Good morning. The Company has looked  
8 at the concept of a deferral. There are, of  
9 course, benefits to a deferral at times. In this  
10 particular instance, the Company doesn't believe  
11 there is, that that may be that the benefits are  
12 outweighed by the negatives. And the negatives  
13 being that this is a market-based rate.  
14 Customers are seeing and experiencing what  
15 essentially everyone is seeing and experiencing  
16 in the market at this time. By creating a  
17 deferral, you're pushing those dollars into a  
18 time when perhaps prices are, as Mr. Pentz just  
19 mentioned, lower, yet the customers are still  
20 paying for these higher priced -- higher priced  
21 energy.

22 I am unsure about the Company's ability  
23 to carry a significant amount of deferral. You  
24 know, the other thing is that these rates, yes,

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1           they are higher than what Eversource and Liberty  
2           recently got approval of a couple of months ago.  
3           Again, Mr. Pentz explained how their summer and  
4           winter periods are split a little bit different  
5           than ours. But we are generally seeing similar  
6           results. Keeping us in line with our peers is  
7           important. If we have a -- if we create a  
8           deferral going forward, that could also send us,  
9           again, out-of-skew with our peers, when we're  
10          looking at the August 1 -- future August 1, 2023  
11          Default Service rate.

12                         So, there are concerns, for sure, with  
13           creating a deferral, and then, of course, getting  
14           into concepts regarding recovery of that  
15           deferral.

16   Q       Okay. So, based on what you said, and please  
17           correct me if I'm interpreting anything  
18           incorrectly or putting words in your mouth, so  
19           you said that the Company weighed the pros and  
20           cons of that option, and believes that the  
21           negatives outweigh any potential pros. So, the  
22           Company is not willing to put forward that  
23           option, is that correct?

24   A       (McNamara) The Company is not, I don't know if I

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1 would say "not willing to", the Company would, if  
2 told to. However, the Company doesn't believe  
3 that it is the best option for customers to go  
4 that route.

5 Q Thank you. That's a clarification. Thank you.

6 With regard to arrearages, and I know  
7 the witness gave a lot of testimony about that,  
8 and the Company's plan to address that, is there  
9 anything else, if arrearages go up, is there  
10 anything else that you hadn't mentioned that the  
11 Company is doing to consider that?

12 A (Beaulieu) No. We will just continue to work  
13 with all of the individual customers who reach  
14 out to us. And make sure that we are working  
15 with them, so that they're aware of all of the  
16 assistance that's available to them, as, when  
17 they receive assistance, it also helps to reduce  
18 their arrears. And then, they -- so, money that  
19 they would receive from fuel or those assistance  
20 programs that I mentioned. And then, their  
21 balance becomes smaller, and then it becomes a  
22 little bit easier for them to work on a payment  
23 plan. So, all of those things together would be  
24 what we'd be doing to reduce the arrears.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Q And I think I just have a final maybe two-part  
2 question. Does the Company expect residential  
3 customers' arrearages to go up?

4 A (Beaulieu) Yes. I would expect that.

5 Q And is there any sort of analysis or anything  
6 done to quantify how much that may go up or how  
7 that affects the Company?

8 A (Beaulieu) I don't have access to a number today  
9 or the specific analysis that we would do.  
10 However, for example, during the pandemic, the  
11 arrearages went up. And, so, this is a  
12 different, but another example of increased rates  
13 do cause customers to struggle to pay. So, that  
14 would be a very logical outcome that the  
15 arrearages would go up. And we would then just  
16 continue to work with the individuals to reduce  
17 those arrears as much as possible.

18 MS. DESMET: Thank you. That was all I  
19 had for questions.

20 CHAIRMAN GOLDNER: Thank you. We'll  
21 move to the Department of Energy, and Attorney  
22 Young.

23 MR. YOUNG: Thank you.

24 BY MR. YOUNG:

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Q Mr. Pentz, you mentioned the cosmetic change  
2 caused by the corporate restructuring, and thank  
3 you for clarifying that, and as well as a bit of  
4 the bidding process.

5 Overall, does the Company believe that  
6 the results of the RFP accurately reflect  
7 competitive market dynamics?

8 A (Pentz) Yes. The Company does believe that the  
9 prices received from the winning bidder were  
10 competitive. And I would point to a particular  
11 exhibit that I have in the filing. And that  
12 would be Bates Pages -- Bates Pages 035 and 036.  
13 Now, these are confidential exhibits. So, I need  
14 to be careful about discussing this.

15 However, what this -- what this exhibit  
16 does, particularly on Bates Page 036, is we're  
17 comparing the bid prices, the final bid prices  
18 that we've received, to the NYMEX ISO forward.  
19 And, by doing this comparison, we can sort of  
20 gauge how much of a risk premium there could be  
21 in these bids. So, the bid prices are -- consist  
22 of a full requirements price, which is the energy  
23 piece, the capacity piece, and the ancillary  
24 piece. And those are the components needed to

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1           serve load in ISO-New England.

2                       The NYMEX ISO forward only consists of  
3           the energy piece. So, by doing that comparison  
4           of the bid and the NYMEX ISO price, you can  
5           isolate the non-energy piece, which is -- could  
6           consist of risk premiums.

7                       When you look at the results, the  
8           weighted ratios of the current period, from  
9           December to July of 2023, to previous periods,  
10          you can see they're very much in a line. So, on  
11          Bates Page 036 is a comparison to the previous  
12          procurement period, from June to November. And  
13          then, on Bates Page 035 is a comparison to the  
14          prior winter period, from December 2021 to May  
15          2022.

16                      We looked at that. We looked at the  
17          ratios. And we were able to determine they were  
18          in line, there wasn't too much of a variance.  
19          And that's how we reviewed the reasonableness of  
20          these bids that we received.

21    Q          Great. Thank you. So, maybe just for my own  
22          clarification then, and just the Company believes  
23          that the competitive solicitation was successful  
24          and the resulting prices are market-based?



[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

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

2 Q Thank you. Turning to Ms. McNamara, referring to  
3 LSM-1, Bates Page 188.

4 A (McNamara) Could I ask for a clarification, if  
5 you are referring to --

6 Q Yes.

7 A (McNamara) -- the Bates number in the center of  
8 the page or are you looking at the -- the exhibit  
9 that I'm looking at has two page references at  
10 the bottom.

11 MR. FOSSUM: Sorry, yes. For clarity,  
12 when filed as an exhibit, there was -- additional  
13 Bates numbers were added, so then they don't  
14 quite line up.

15 BY MR. YOUNG:

16 Q So, this is the Default Service schedule. I  
17 believe it is Page 7 of 18 of that schedule.

18 CMSR. CHATTOPADHYAY: Do you have the  
19 Bates page, which appears in the middle, you  
20 know, at the end of the pages.

21 MR. YOUNG: I'm sorry, just a minute.

22 WITNESS McNAMARA: I believe it's "Page  
23 211 of 251". Is that the page we're looking at?  
24 Bates Page 188?

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 MR. YOUNG: Yes.

2 WITNESS McNAMARA: Okay.

3 MR. YOUNG: Thank you for that.

4 BY MR. YOUNG:

5 Q Could you briefly explain the changes to the  
6 tariff made on that page, regarding the "Non-G1  
7 Customers returning to Default Service from a  
8 competitive supply"?

9 A (McNamara) Sure. This page is part of the  
10 Company's Default Service tariff. And the middle  
11 paragraph there goes over some changes that the  
12 Company has proposed.

13 Currently, when a customer is on  
14 self-supply or a competitive supply, and they  
15 return to UES Default Service in the middle of a  
16 Default Service period, until currently, the  
17 Default Service periods, as explained by  
18 Mr. Pentz, were December 1 through May 31, and  
19 then, again, June 1 through November 30. So,  
20 when I say "periods", that's what I'm talking  
21 about. When a customer might return mid-period,  
22 they were automatically to come back onto Default  
23 Service placed on the variable Default Service  
24 rate. And they would continue on that rate until

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1           they contacted the Company that they wanted to be  
2           placed on the fixed Default Service rate, which  
3           could occur on the next regularly scheduled rate  
4           change, as long as they contacted the Company I  
5           believe it was two business days prior to the  
6           start of that.

7                         The Company here has proposed that  
8           customers automatically be moved to the fixed  
9           rate without having to contact the cust -- the  
10          Company, I'm sorry, at the start of that next  
11          fixed period.

12   Q       Great. Thank you. And just, I guess, one  
13          follow-up with that. Has the Company considered  
14          placing those customers directly back onto the  
15          fixed pricing in the middle of a period?

16   A       (McNamara) The Company has the ability to do  
17          that, or will have the ability to do that. The  
18          Company has considered that. And the Company  
19          would be open to that. However the Company also  
20          does have, I don't know if "concerns" is the  
21          right term or not, but certainly would want to  
22          explore that concept with the OCA and the DOE  
23          before making a quick decision on something like  
24          that.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           The variable Default Service rate can  
2           go up and down. So, customers may, in fact, pay  
3           more by being returned automatically to the fixed  
4           rate, depending on when they came back on,  
5           depending on when they left again.

6           So, there's certain things to consider,  
7           and the Company believes it would be best to  
8           explore those things with the OCA and the DOE.

9   Q       Great. Thank you. And then, just one final  
10         question, this is for Ms. Beaulieu and Mr.  
11         O'Meara.

12           You both mentioned the Company's  
13         commitment to extend the payment plans, as well  
14         as the outreach already being done, and then that  
15         will be done, I guess, in the future.

16           Is the Company prepared to work with  
17         DOE and OCA Staff regarding that outreach and  
18         messaging to customers?

19   A       (O'Meara) Well, the Company would be open to  
20         working with any outlet, as far as promoting  
21         what's going on as far as this particular issue.

22   A       *(Witness Beaulieu indicating in the affirmative).*

23           MR. YOUNG: Thank you. No further  
24         questions.

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1 CHAIRMAN GOLDNER: Okay. Very good.  
2 We'll move to Commissioner questions, beginning  
3 with Commissioner Chattopadhyay.

4 CMSR. CHATTOPADHYAY: Thank you.

5 BY CMSR. CHATTOPADHYAY:

6 Q So, I'll keep it generally high level. But can  
7 you give me a sense of the competitiveness of the  
8 solicitation this time around, compared to the  
9 previous one? And I know that you have said,  
10 even the last time, it was a competitive, you  
11 know, solicitation, this time as well. But can  
12 you just give me a comparison?

13 A (Pentz) Yes. Like I had mentioned earlier, there  
14 were significantly less bidders this time around  
15 compared to the previous solicitation. As I  
16 mentioned previously, we did look and analyze the  
17 NYMEX forward contracts with the bid prices, and  
18 compared that to previous solicitations. And,  
19 you know, considered that bid competitive, based  
20 on historical bids as well.

21 Yes. The competitiveness, in terms of  
22 the total number of the bidders participating,  
23 it's down.

24 Q You may recall that last time around, I know this

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1 is all confidential information, but there was  
2 a -- there was a request that you provide the  
3 comparatives, meaning number of, you know,  
4 responses and things like that, in a summary  
5 form. I would reiterate that again. So, maybe  
6 next time around, something like that would be  
7 helpful. So, this is all -- this is a rocket  
8 docket, really. So, we have to look at  
9 information very quickly. Something like that  
10 would be helpful. I'm just letting you know.

11 A (Pentz) Sure. And I will reiterate that when we  
12 get back. And the amount of bidders has been  
13 fairly consistent over -- for the past several  
14 years. It's really, at a high level, the number  
15 of bidders has gone down significantly for this  
16 particular solicitation. So, I can give you sort  
17 of what you need right now. I just -- I have a  
18 memory of all the solicitations going back that  
19 I've done. And it's been fairly consistent, up  
20 until this solicitation.

21 Q Okay. Thank you. With the move to breaking up  
22 the twelve months into six months differently  
23 than what you previously had, I know we are doing  
24 this for eight months because this is a

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 transition. Can you -- can you tell me how is it  
2 done in your -- in Fitchburg? Like, do you have  
3 a sense of what goes on there?

4 A (Pentz) Sure. The situation in Fitchburg -- and  
5 we procure Fitchburg and UES at the same time to  
6 try to increase bidder participation. The  
7 situation in Fitchburg is markedly different than  
8 the situation in UES. It's a much smaller amount  
9 of load, so that reduces -- that reduces bidder  
10 participation, compared to, say, UES  
11 historically. It's just this time around that  
12 we've seen reduced competition in UES like I  
13 mentioned. In Fitchburg, we've had low -- a low  
14 number of bidders for years. And this is  
15 primarily due to municipal aggregation risk.

16 The Fitchburg territory consists of  
17 four cities and towns, two of which already have  
18 established municipal aggregations, which account  
19 for about 10 percent of distribution load. So,  
20 it doesn't have too much effect on wholesale  
21 suppliers, when they assess, you know, how much  
22 load they expect to purchase.

23 We have a pending aggregation for the  
24 City of Fitchburg. The City of Fitchburg

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           comprises around 70 percent of distribution load  
2           for the Fitchburg territory. And knowing that,  
3           from the wholesale bidder point of view, there  
4           isn't much load certainty right now going on in  
5           Fitchburg. Because the aggregation is pending,  
6           they don't know when they will start. They could  
7           start in a few months, it could be a year.

8                        So, we've had difficulties trying to  
9           establish competition for a while. And we have  
10          an alternative procurement plan that we proposed  
11          in the Mass. DPU, because we didn't receive any  
12          bidders in this procurement. So, we came up with  
13          a proposal to essentially self-supply these  
14          customers. That was the only other option  
15          available, because we didn't receive any fixed  
16          price bids.

17                       And we came up with the forecast of  
18          what the wholesale rate would be over the  
19          eight-month period, using NYMEX forwards,  
20          capacity prices, ICAP tags, and we were able to  
21          forecast a retail rate for that eight-month  
22          period based upon those estimates. And that rate  
23          was around 22 cents. And the difference is --  
24          and when I had mentioned earlier how the Company



[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 would self-supply, if the contract got rejected,  
2 the difference in Fitchburg is that we would  
3 self-supply, the rate would be established, the  
4 22 cent rate would be established.

5 But, if the forward NYMEX contracts  
6 varied by more than 20 percent, we would have the  
7 right to file a change in rates. Because, when  
8 we looked at the forward contracts at the time of  
9 the filing, you know, we came up with the rate,  
10 but that could change, right, because we're  
11 looking at futures. So, every month we will look  
12 at futures contracts and say "Well, hey, okay,  
13 it's up 40 percent for this month." We would go  
14 in with a rate change, which essentially exposes  
15 customers to the market.

16 So, the Fitchburg customer -- the  
17 Fitchburg residential customers are essentially  
18 fully exposed to the market. And that difference  
19 between the rate in UES, the 26 cents, versus  
20 Fitchburg's 22 cents, is, with the 26 cents,  
21 you're fully fixed in. You know you're not going  
22 to pay more than that. With the 22 cents, we're  
23 not fully sure. That could change.

24 Q And this is -- is it happening at the same time?

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Or is the self-supply auction, you know, the  
2 approach, rather, has been in place for a while?

3 A (Pentz) No. This, the proposal was made in  
4 August, I believe, knowing that the Fitchburg  
5 aggregation was approved recently. So, this is a  
6 new -- a new proposal. This has not been done  
7 before. Yes.

8 Q Okay. So, can you confirm, and this is -- I'm  
9 going back to my recollection, having worked as  
10 an analyst before, I remember that, for  
11 Eversource and EnergyNorth [sic], we moved to  
12 including one month of winter in the summer  
13 block, you know, that happened several years ago,  
14 probably 2014-15, I don't remember. But, at that  
15 time, the position -- the Unitil's position was  
16 that that would create issues with Unitil,  
17 because you also procure stuff in Fitchburg at  
18 the same time. And, so, now -- so, I guess that  
19 was the only reason at that time you didn't do  
20 it, that Unitil didn't do it.

21 A (Pentz) Well, I think at the time, knowing that  
22 we would have to go into the Mass. DPU and New  
23 Hampshire PUC to make those changes at the same  
24 time, I think that may have presented a

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1 challenge. Whereas this time around, it was  
2 imperative for us to do it, based on futures  
3 prices for this upcoming winter. You know, the  
4 markets were less volatile during the winter  
5 periods previously. So, we kind of took this  
6 opportunity as a good time to make that change.

7 Q Okay. Thank you. Other than looking at your own  
8 affiliates, do you have a sense of how the prices  
9 have fared across different states? And I'm not  
10 necessarily asking about all the U.S. states,  
11 even Massachusetts, even, you know, just focusing  
12 on New England, how the experience has been? And  
13 do you glean anything out of that, if you do have  
14 that information, to think about the procurement  
15 differently?

16 And I'm aware that we don't want to  
17 talk about improvements, *et cetera*. But,  
18 within -- just give me a sense of, if you do know  
19 anything about how the other states have fared,  
20 and why they're different? For example, what  
21 would have happened if you had staggered  
22 procurement, and, you know, perhaps you would  
23 have timed it before the Ukraine situation  
24 cropped up. And, so, those things all matter in

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           some ways. So, I'm just trying to get a sense of  
2           what is the Company's reaction to it?

3   A       (Pentz) And that's a very good question. And I  
4           think it really depends on, you know, what the  
5           state wants to do, in terms of these changes. I  
6           think that, if you want to try to approximate the  
7           cost of energy, you know, for the most recent  
8           months, then you do what we do in New Hampshire,  
9           which is you do every six months, to try to  
10          approximate that most recent cost.

11                    In Massachusetts, it's different. In  
12           Massachusetts, there are laddering of contracts.  
13           So, there are purchases, not for 100 percent of  
14           the load, like we're doing here, the purchases  
15           are for 50 percent, and for twelve months. And,  
16           you know, that, to your point, if you make a  
17           purchase before the war in Ukraine started, and  
18           you blend that in with a purchase made now, then  
19           your rate's going to be lower.

20                    So, that's one alternative in  
21           Massachusetts. I understand Connecticut does  
22           things in a similar way to Massachusetts, with  
23           separate tranches layered.

24   Q       Do you have any opinion on laddering, given the

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 size of procurement that you go for in New  
2 Hampshire? I mean, would it even -- would it  
3 create other problems? That's --

4 A (Pentz) I think that's something we would  
5 probably need to discuss more internally, to come  
6 up with a Company position. And I think we will  
7 certainly participate in the docket, you know,  
8 and figure out, you know, what the position of  
9 the Company is on that.

10 A (McNamara) I would just point out also that, as a  
11 reminder, Maine many years ago, and I can't say  
12 how many they were, that the Company actually did  
13 have that approach to Default Service. That  
14 there was, I believe, was it maybe three  
15 different timing periods, something like that,  
16 that were layered upon each other in order to  
17 have a little bit more of a blended rate.

18 Q And why did we move away from it, do you know?

19 A (McNamara) I don't remember. It was that long  
20 ago. And I don't believe it was exclusive to  
21 UES. I believe it was across the utilities, --

22 Q Okay.

23 A (McNamara) -- or at least with Liberty. And I  
24 can't include Eversource with that, because they

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 had their own generation going on. But, again, I  
2 apologize for that. I don't know the timing of  
3 it. I just wanted to remind you of that.

4 Q That's okay. I'm just curious. And, so, just  
5 thinking about this procurement, I'm more focused  
6 on the process, okay. I get, of course, being an  
7 economist, I understand how the markets work, and  
8 I have a lot of faith in it. Keeping the focus  
9 on this procurement, the approach that we have,  
10 given that, you know, you have now the experience  
11 of what happened during pandemic, what happened,  
12 and what's going on right now. I mean, the  
13 pandemic situation may be less relevant, it's  
14 probably relevant for the customers getting, you  
15 know, help.

16 But, overall, is there anything that  
17 jumps out at you, from the process itself, that  
18 you think that maybe we should improve it within  
19 what we have already?

20 A (Pentz) Sure. I believe that there should be a  
21 shorter time between when we make a final bid  
22 award to when the contract is approved. Right  
23 now, that lag time is around two weeks. The  
24 shorter the time, the better, because it reduces

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           that certainty on the wholesale supplier, right?  
2           I mean, if the contract did get rejected, you  
3           know, and the market went south, then they would  
4           have to sell off those hedges and essentially  
5           take a loss, right?

6                         If you shorten that to let's say five  
7           days, or, like, in Massachusetts, for example,  
8           it's usually five days, and that reduces some --  
9           that reduces some uncertainty. And could end up  
10          being reflected as a lower bid price.

11   Q       Is the process in Massachusetts very similar,  
12           other than, you know, the point that you made  
13           about the time, is it very similar? Is it like  
14           the Commission has to approve it? At the same  
15           time, you know, we are sort of trying to  
16           understand what the DOE's position is. And I  
17           know that there are states in the U.S. where it's  
18           done in a way that the Company procures, but the  
19           Staff of the PUC or -- it gets involved in the  
20           process as well, and they end up blessing the  
21           process, and then it becomes a quicker process.  
22           So, I just want to understand whether -- how is  
23           the process different in Massachusetts?

24   A       (Pentz) Some other differences in Massachusetts

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           are that there is no requirement for a hearing.  
2           Essentially, a filing is made, and the DPU, you  
3           know, either rejects it or approves it, depending  
4           upon, you know, the arguments made in the filing.  
5           But, in Massachusetts, we submitted our filing  
6           for Fitchburg Friday, not this recent Friday --  
7           oh, yes, it was last Friday, and it got stamped  
8           "approved" yesterday. So, that was five days.  
9           There was no hearing involved. They, typically,  
10          just look at the filing, make sure it's  
11          market-based, and it's a simple stamp of  
12          approval.

13                         Like you mentioned in Maine, I  
14          understand the Commission procures energy for all  
15          of the -- for Central Maine Power and Emera.  
16          And, you know, I think that's something that  
17          could be explored in the docket. Whether it's  
18          more efficient or not, I'm not sure. I haven't  
19          really -- I don't think the Company has really  
20          developed a position on that. So, I don't want  
21          to talk further about that.

22    Q       That's helpful. I am just -- so, going to the  
23          issue of media blitz, that's how you sort of --  
24          you mentioned -- I think I heard sometime during



[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           summer you had to ramp up your media activity.  
2           Is there a way for you to judge whether that is  
3           helping, the more, you know, that is creating  
4           what you intended to do, you know, the kind of  
5           help that customers need? Is there a way that  
6           you can judge it? Are you measuring then through  
7           any metrics?

8    A       (O'Meara) We do use a measurement tool that  
9           allows us to review what is written, and sort of  
10          look at the overall content within that. We can  
11          see how many individuals that piece may be  
12          reaching. We do not have the ability to be able  
13          to say how that message is being interpreted on  
14          the other side. So, that would be a challenge  
15          there. What we can do is we can see what the  
16          piece says, and we feel like that's in line and  
17          accurate with what's going on in the region as a  
18          whole.

19                        I think a lot of the stories we were  
20          seeing during the summertime were reacting to  
21          some of the other supply rates that were being  
22          filed in that period. Our focus, since we  
23          weren't filing at that moment, was explaining the  
24          "why" of it, and explaining the market conditions

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1           that are causing it. I do think we saw some of  
2           that.

3                        I judge it by what I see from the next  
4           time I'm talking to reporters and an  
5           understanding there. And I do feel like I'm  
6           seeing growth in the reporting from season to  
7           season. So, that would be -- that would be my  
8           takeaway and how I would try and interpret that.

9    Q        Okay. On the piece of "helping customers", and  
10           I'm trying to address the question of, like,  
11           given the new realities, and this, you know, it's  
12           not like it's permanent, but we don't know how  
13           long this will continue. Usually, markets are,  
14           you have -- you know, it's a wave, the prices go  
15           up, then maybe six years later you'll see the  
16           prices are really low, all of that.

17                       But I'm trying to get a sense from you  
18           about the customer initiatives, you know, the  
19           phone calls and all of that. With the current  
20           reality, are you doing something new just beyond  
21           what you were doing during the pandemic?

22    A        (Beaulieu) So, we work with our customers in the  
23           say same way that we always have. And what is  
24           new is the additional flexibility that we're

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 adding for the payment plans due to the increased  
2 Default Service rate. So, we did find that, if  
3 you recall during the pandemic, because of the,  
4 you know, a lot of people being out of work,  
5 there was a suspension of a lot of collections  
6 activities.

7 Q Uh-huh.

8 A (Beaulieu) So, the collections activities did  
9 resume. So, we are now back to "business as  
10 usual". And that does -- the activities that we  
11 take does encourage customers to work with us,  
12 engage with us. And, so, then what would be  
13 different now is, so people have been engaging  
14 with us. And, you know, in the month of July, we  
15 had the highest number of UES electric plans for,  
16 you know, this year and last -- compared to last  
17 year as well. And, so, we want to keep working  
18 with our customers on that.

19 And now, when we see this increase as  
20 of December, we know we might find people that  
21 are struggling for the first time, or we would  
22 just continue to work with people. And what's  
23 different is the fact that we would extend the  
24 length of the plan as needed, based on the

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 customer's unique circumstances.

2 Q And I know this is about Default Service and all  
3 of that, but -- so, I'm just, again, curious.  
4 You mentioned that you -- that there was an  
5 uptick, right?

6 A (Beaulieu) That's right.

7 Q Again, do you track that?

8 A (Beaulieu) Yes.

9 Q And where can we expect that information gets  
10 reported? I mean, doesn't have to be here, I  
11 understand. I'm just curious, where can we get  
12 that sent? Is it usually part of the rate cases?  
13 Or how does it work?

14 A (Beaulieu) We have a report that goes every month  
15 to the DOE that shares the number of plans, and  
16 the arrears, the disconnections, or whatever.  
17 So, that is something that we already do on a  
18 monthly basis, and we'll certainly continue to  
19 do.

20 CMSR. CHATTOPADHYAY: Okay. Thank you.  
21 That's all I have.

22 CHAIRMAN GOLDNER: All right. I'll  
23 start with sort of a tactical issue.

24 BY CHAIRMAN GOLDNER:

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Q So, I noted in the filing that the power supply  
2 agreements are subject to termination if UES  
3 isn't able to obtain Commission approval by  
4 today. Is that midnight? Is that 4:30? Is that  
5 Monday morning? What does that mean? Can  
6 somebody help me with when you need an order?

7 I asked the toughest question of the  
8 whole hearing.

9 A (Pentz) I'll take that one.

10 Q Thank you.

11 A (Pentz) Ideally, it would be good for the Company  
12 to have a decision by the close of business. We  
13 do have in our contracts built in an additional  
14 week before, you know, we'd have to notify them  
15 "Hey, you know, it's rejected" or "it's  
16 accepted". So, in our contracts with the  
17 suppliers, we have "October 7th" as a deadline.  
18 But we ask the Commission for speedy approval.  
19 The more time that goes by without a decision,  
20 the more the wholesale supplier knocks on our  
21 door and says "Hey, what's going on?"

22 Q And to Commissioner Chattopadhyay's probing  
23 earlier, in the future, it sounds like there  
24 might be an expedited process to consider, where

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           this whole, you know, time from, you know,  
2           bidding to closure, if we can close that gap,  
3           that would probably result in -- or, would  
4           inevitably result, I think, in lower rates,  
5           because the risk would be reduced?

6   A       (Pentz) I would think so. Yes.

7                       CHAIRMAN GOLDNER: That would be  
8           something we can explore in the IR docket. But,  
9           for purposes of today, we'll endeavor to get this  
10          out by close of business. It might be after  
11          4:30. So, that's what I was checking.

12                       *(Witness Pentz indicating in the*  
13                       *affirmative.)*

14                       CHAIRMAN GOLDNER: Okay. We'll certain  
15          work to make that happen today.

16   BY CHAIRMAN GOLDNER:

17   Q       If we -- I'll also note, I think, on the  
18          laddering, and please correct me if I get this  
19          wrong, laddering I think is great on the way up,  
20          but not so great on the way down. So, if New  
21          Hampshire was to decide "Hey, laddering is a  
22          great solution", and rates started to drop  
23          consistently over the next year or two, right, we  
24          would be ungrateful for that approach, right? I

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 mean, I think --

2 A (Pentz) That's correct, because you wouldn't be  
3 able to capture the market on its descent. So,  
4 there's pros and cons to the "laddering"  
5 approach.

6 CHAIRMAN GOLDNER: Exactly. Okay.  
7 Thank you. I just wanted to kind of note that  
8 for the record.

9 Okay. I'd like to maybe just quickly,  
10 to Energy, in your closing, I have a note from  
11 the last hearing that Energy needed more time to  
12 fully assess the Company's 2021 Lead/Lag Study.  
13 And if you could just please address in closing  
14 when we should expect that, that would be very  
15 helpful.

16 We didn't have a deadline on it or  
17 anything like that, but we haven't seen it in the  
18 docket yet. And that's something that we would  
19 want to close on. Thank you, Attorney Young.

20 BY CHAIRMAN GOLDNER:

21 Q Okay. Now, I would like to move to Page -- it's  
22 Bates -- I have it as "Bates Page 217". I'm in  
23 Exhibit 4, which I know is confidential, but I'm  
24 not discussing any confidential material.

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           And I'm in the first table. And let me  
2 know when you get there. I have a question  
3 regarding that table. And I think that it's  
4 Ms. McNamara's table, if I'm not wrong. And it's  
5 just a sample. It's true for all of the tables  
6 you have in there, the questions that I'm going  
7 to ask. Just let me know when you're there, Ms.  
8 McNamara.

9 A       (McNamara) I made it. We're looking at "typical  
10 bills", I think.

11 Q       Yes. I have -- what I'm showing is it's  
12 "Schedule LSM-9 Page 1 of 12", "Residential Rate  
13 D"?

14 A       (McNamara) Yes.

15 Q       Okay. Same place. Okay. So, first thing, I  
16 think there's a math error, I don't think it  
17 affects anything we're doing today, but I will  
18 point out that I think there's a math error.

19           If we look on the "Default Service  
20 Charge" line, it goes from 10 cents to 26 cents,  
21 *et cetera*, and across the page it goes to an  
22 increase, on the far right, it's "77 percent",  
23 which is incorrect, I think, because the  
24 denominator should be 65, and then the numerator



[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1           should be 102, right? So, "77" I think is the  
2           net total bill is correct?

3   A       (McNamara) Correct.

4   Q       But the Default -- but, in that column on the far  
5           right, shouldn't it be calculating the impact of  
6           each of the line items?

7   A       (McNamara) In the far right column, where we are  
8           showing that percentage, this actually was added  
9           a number of years ago, because the very same  
10          question, believe it or not, did come up. So, I  
11          included in the title "to Total Bill", to  
12          hopefully clarify what that percentage was doing.  
13          I know exactly what you're saying. But that --  
14          so, that's what that is doing. So, it's showing  
15          that the "77.7 percent" is to the "total bill".

16   Q       I see your point. I see the header, and  
17          recognize that. I would suggest that it's more  
18          helpful if you have the impact of each line item,  
19          as opposed to the impact on the total bill.  
20          Because we can see it at the bottom, obviously,  
21          we know that's 77.

22                        So, I think it's just more instructive  
23          to calculate the actual Default Service Charge.  
24          And I know that it's an uncomfortable number, but

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 I get 156 percent of the Default Service Charge,  
2 which is why we're here today, and acknowledging  
3 also it's a 77.7 percent increase to the total  
4 bill. I think both of those things are true  
5 simultaneously.

6 Can I ask also on this chart where I  
7 would find the RPS charge? What line item is  
8 that included in?

9 A (McNamara) RPS is included as part of power  
10 supply, and the two pieces combined make Default  
11 Service.

12 Q Okay. Okay. So, it would -- in this chart, it  
13 would show up on the "Default Service" line?

14 A (McNamara) Correct.

15 Q Okay. And then, just a high-level question.  
16 Does the Company make any profit on the Default  
17 Service rate or is that just a pass-through rate?

18 A (Pentz) It's a pass-through rate.

19 CHAIRMAN GOLDNER: Thank you. Everyone  
20 deserves a softball. So, I think we've  
21 established that that is the case.

22 Okay. Very good. That, I believe, is  
23 all that I have for questions.

24 And I will turn it back over to

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 Attorney Fossum for any redirect?

2 MR. FOSSUM: Thank you. I just have a  
3 couple, which I think are very quick and should  
4 be very easy to answer, directed to Mr. Pentz.

5 **REDIRECT EXAMINATION**

6 BY MR. FOSSUM:

7 Q You received from the Bench a number of questions  
8 about "laddering" and also about the  
9 "Massachusetts process". So, I'm going to sort  
10 of mash those two items together for a couple of  
11 questions.

12 Does Unitil's affiliate, Fitchburg Gas  
13 & Electric, does it currently use laddering for  
14 its supply in Massachusetts?

15 A (Pentz) No, it does not. And this goes back to  
16 the issue in Fitchburg regarding municipal  
17 aggregation risk. Typically, it's required in  
18 Massachusetts, like I mentioned, to procure for a  
19 12-month period for 50 percent of load  
20 requirements. However, over the past couple of  
21 years, we've only been procuring 100 percent of  
22 the load for a six-month period, similar to what  
23 we're doing here in New Hampshire.

24 Q Okay. Thank you. I just wanted to make that

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 clear.

2 Getting to the same point, are you,  
3 Mr. Pentz, are you familiar with the recent  
4 default service equivalent rate proposal of  
5 National Grid, in Massachusetts?

6 A (Pentz) Yes, I am.

7 Q Subject, you know, understanding this is your  
8 recollection, I'm going to guess you're not  
9 looking it up, do you recall what that rate is?

10 A (Pentz) The approved rate for National Grid, in  
11 Massachusetts, for residential customers, came  
12 out to be 34 cents a kilowatt-hour.

13 Q And that was a recent approval, is that correct?

14 A (Pentz) That's correct.

15 Q Does National Grid use, to the best of your  
16 recollection, does it use a laddering process for  
17 procurement in Massachusetts?

18 A (Pentz) Yes, they do. Uh-huh.

19 MR. FOSSUM: Thank you. I just wanted  
20 to get that comparison out there. That's all I  
21 have for redirect. Thank you.

22 CHAIRMAN GOLDNER: Thank you, Attorney  
23 Fossum.

24 Okay. If there's nothing else for the

[WITNESS PANEL: Pentz|McNamara|O'Meara|Beaulieu]

1 witnesses, the witnesses are released. You're  
2 welcome to stay there or return to the other  
3 tables, whatever is more convenient.

4 And, without objection, we'll strike ID  
5 on Exhibits 3 and 4 and admit them as full  
6 exhibits.

7 And we'll move to closing arguments,  
8 beginning with the Office of Consumer Advocate.

9 MS. DESMET: Yes. Thank you very much.  
10 I will be relatively brief.

11 The Office of Consumer Advocate  
12 appreciates the all-hands-on-deck approach to the  
13 issue of rising rates for residential customers.  
14 They appreciate and acknowledge the Company's  
15 work to change the solicitation to the  
16 eight-month period. They appreciate -- the OCA  
17 appreciates the legislative approval to pass  
18 assistance for its citizens, given these times  
19 and these rates that citizens are facing. And  
20 the OCA is aware of the Commission's IR docket to  
21 seek to explore this issue of procurement, and if  
22 any changes can be made. The fact that everyone  
23 is trying to address this issue and relieve this  
24 burden on residential customers is very clear.

1           But the OCA wonders what more can be  
2 done? The Eversource 22-cent rate was certainly  
3 jarring for residents; and the 26-cent rate will  
4 significantly impact their quality of life.

5           The OCA is concerned about residential  
6 ratepayers and their ability to pay, and also, if  
7 their arrearages happen to increase, we are also  
8 concerned about their ability to pay their  
9 electric bills.

10           The question we have is: Where does  
11 this end? As prices increase, they are viewed as  
12 riskier. That risk premium is then passed to  
13 residential customers, prices go up, and so on  
14 and so on. This could be a so-called "death  
15 spiral".

16           The concern of this Default Service  
17 rate death spiral is an issue for us. We wonder  
18 when is enough to look for new and creative  
19 solutions. Here, the OCA believes that this rate  
20 is at that point, or very much approaches that  
21 point.

22           A suggestion that was kicked around,  
23 and as you've heard discussed with parties, was  
24 creating a capital expense to spread out some of

1 the increase over a number of years. However,  
2 the OCA acknowledges that it is unsure if that is  
3 an answer to this problem.

4 For those reasons, and for the stated  
5 concerns expressed, the OCA is not requesting  
6 approval of this Petition and approval that these  
7 rates are reasonable. But also, again, for those  
8 reasons, is not advocating for a rejection of the  
9 Company's Petition.

10 Thank you.

11 CHAIRMAN GOLDNER: Okay. Thank you.  
12 And I'll just encourage the OCA, which I'm sure  
13 you will, participate in 22-053, which is the  
14 docket investigating this very topic for future  
15 enhancements.

16 Today, I think we're left with the  
17 challenge of the determination on the current  
18 solicitation. But I appreciate your comments,  
19 Ms. Desmet.

20 Okay. Well, let's move to the  
21 Department of Energy.

22 MR. YOUNG: Thank you.

23 First, the Department wants to thank  
24 the Company and the OCA for making time for a

1 technical session on Tuesday afternoon. That was  
2 very helpful to us in view of the naturally  
3 compressed timeframe of this Default Service  
4 filing.

5 The Department has reviewed Unitil's  
6 filing, and determined that the Company  
7 appropriately solicited bids, evaluated the bids  
8 received, and selected the winning suppliers  
9 consistent with the Settlement Agreement and  
10 prior Commission orders. As a result, we believe  
11 the resulting rates are consistent with the  
12 competitive market, which is a primary goal of  
13 the electric restructuring statute. We also  
14 believe that the Company's proposed  
15 reconciliations are reasonable and appropriate,  
16 and should be approved by the Commission.

17 The Department did also review the  
18 Lead/Lag Study included with the Petition, found  
19 no issues, and did not plan on filing anything.  
20 However, we will continue to review these  
21 documents in future dockets.

22 The dramatic price increases this year  
23 reflect the continuing volatility in the market  
24 and the high forward natural gas and electric



1 prices heading into the winter across the  
2 country. For example, as previously mentioned,  
3 it has been reported that, in Massachusetts,  
4 National Grid currently has a price of about  
5 34 cents per kilowatt-hour for their basic  
6 service rate, and even substantially higher for  
7 their "all-in" rate.

8 The Department supports the Company's  
9 eight-month transitional period intended to align  
10 Unitil's default service periods with those of  
11 the other two regulated utilities in New  
12 Hampshire. We note that the longer transitional  
13 rate period also has the effect of mitigating  
14 some of the impacts of these high winter rates.

15 The Department shares the concerns of  
16 with OCA, and appreciates all of the questions  
17 posed today surrounding procurement. However,  
18 the Department believes IR 22-053, related to  
19 energy procurement, is a better venue for these  
20 types of discussions. A prehearing conference is  
21 scheduled in that docket for next week.

22 In view of the potential customer bill  
23 impacts that this rate will have, we are  
24 encouraged that the Company started meaningful

1 outreach and communications in the lead-up to  
2 this price increase in order to prepare its  
3 customers and to describe potential strategies  
4 that might mitigate and help customers manage  
5 their impacts.

6 In conclusion, the Department  
7 recommends that the Commission approve the  
8 Petition and the resulting Default Service rates  
9 for electric service to be provided by Unitil  
10 during the eight-month period beginning on  
11 December 1st. The Department reiterates the  
12 Company's request and urges the Commission to  
13 issue an order today.

14 Thank you.

15 CHAIRMAN GOLDNER: Thank you, Attorney  
16 Young. And just turning to that Lead/Lag Study,  
17 that is -- your summary is what we have in the  
18 record, which is that, if the Department  
19 uncovered any issues, that you would put  
20 something in the filing. The absence means that  
21 there's no issue. And we're on the record today  
22 with your statement that you have reviewed it,  
23 and it's acceptable. So, thank you for closing  
24 on that.

1           And we'll wrap up with the Company, and  
2           Attorney Fossum.

3           MR. FOSSUM: Thank you.

4           I'll start out by giving credit where  
5           it is due. I appreciate the note at the  
6           beginning of the hearing about the clarity of the  
7           Petition. That Petition was built on a model  
8           that now retired Attorney Epler created. And,  
9           so, I think credit due him for developing a clear  
10          and useful Petition. And, in light of your note,  
11          we'll be sure to follow that in the future.

12          Regarding the substance, I'll begin by  
13          making sure to get on the record that, as was  
14          testified as the Company's position that the  
15          rates before you, while not appealing, are  
16          nonetheless just and reasonable, and we would  
17          request that the Commission approve them timely  
18          by today.

19          That all said, the Company certainly  
20          shares the concerns that you heard spoken about  
21          today, and that you're certainly acutely aware of  
22          in light of the investigation docket that has  
23          been opened. We are fully intending to  
24          participate in that investigation docket, because

1           it is in our interest, as it is in others'  
2           interests, to have processes in place that are  
3           efficient, that are useful, and that are most  
4           likely to result in rates that are just and  
5           reasonable for customers.

6                         In the immediate time, however, and I  
7           appreciate the comments of the Department of  
8           Energy recognizing the volatility that we are all  
9           facing, and what that means for the rates that  
10          are in front of you. It is our hope that that  
11          volatility will abate, but hope is not a plan.

12                        In the meantime, our plans, as was  
13          discussed by Mr. O'Meara and Ms. Beaulieu, are to  
14          provide customers with as much information as we  
15          possibly can about what is going on, to direct  
16          them to resources to assist, and to provide those  
17          resources ourselves when and where possible. As  
18          Ms. Beaulieu noted, the Company has already made  
19          adjustments to its internal processes in  
20          anticipation of the kinds of impacts that we  
21          expect, hopefully not long-term impacts, but we  
22          will deal with those impacts as they come.

23                        I won't -- I guess I won't try to close  
24          on a rosy note, I'm not sure there is one. The

1 market is volatile, it is difficult. But the  
2 Company has abided by the Commission's directives  
3 and the relevant requirements in doing its  
4 solicitation in this case. It was a competitive  
5 solicitation that resulted in appropriate bids,  
6 and, ultimately, in just and reasonable rates.  
7 And I would reiterate our request that the rates  
8 be approved as filed.

9 Thank you.

10 CHAIRMAN GOLDNER: Okay. Thank you.  
11 So, the Commission will work on this particular  
12 order this afternoon and get something out before  
13 the close of business today.

14 We look forward to engaging with all  
15 the parties on the upcoming IR docket beginning  
16 next week to look at strategic solutions. And we  
17 are adjourned. Thank you.

18 ***(Whereupon the hearing was adjourned***  
19 ***at 11:34 a.m.)***