

1                                   **STATE OF NEW HAMPSHIRE**

2                                   **PUBLIC UTILITIES COMMISSION**

3                   **January 19, 2023 - 1:31 p.m.**  
4                   21 South Fruit Street  
5                   Suite 10  
6                   Concord, NH

7                   **RE: DE 22-021**

8                   **PUBLIC SERVICE COMPANY OF NEW**  
9                   **HAMPSHIRE d/b/a EVERSOURCE ENERGY:**

10                   2022 Energy Service Solicitation.  
11                   *(Hearing regarding the remaining*  
12                   *50 percent load block for the*  
13                   *Large Customer Group for the period*  
14                   *commencing on February 1, 2023)*

15                   **PRESENT:**       Chairman Daniel C. Goldner, Presiding  
16                                   Commissioner Pradip K. Chattopadhyay

17                                   Alexander Speidel , Esq.  
18                                   *PUC Legal Advisor*

19                                   Tracey Russo, Clerk

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

23                                   **Reptg. New Hampshire Dept. of Energy:**  
24                                   Matthew C. Young, Esq.  
                                 Stephen Eckberg, Electric Group  
                                 Scott Balise, Electric Group  
                                 *(Regulatory Support Division)*

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

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**I N D E X**

**PAGE NO.**

**WITNESS PANEL:            JAMES R. SHUCKEROW  
                                 PARKER LITTLEHALE  
                                 LUANN J. LaMONTAGNE  
                                 MARISA B. PARUTA**

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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>
6	Petition for Adjustment to Energy Service Rate for Large Customer Group for Effect on February 1, 2023, including Testimonies and Attachments <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
7	Petition for Adjustment to Energy Service Rate for Large Customer Group for Effect on February 1, 2023, including Testimonies and Attachments <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 afternoon. I am Commissioner Goldner. With me today is Commissioner Chattopadhyay.

This is the continued hearing for Docket DE 22-021, the Eversource Default Service Petition. This phase of the proceeding addresses service for the remaining 50 percent load block of Eversource's Large Customer Group for the February through July 2023 period.

Eversource has marked for identification confidential -- the confidential version of its updated Petition and supporting testimony and attachments for this continued proceeding, as confidential Hearing "Exhibit 7", as corrected yesterday, January 18th. Eversource has marked for identification the public redacted version of its Petition and supporting testimony as Hearing "Exhibit 6".

We see that Eversource has proposed a Company witness panel, which I see to my right. Will the New Hampshire Department of Energy or the Office of Consumer Advocate be offering witness testimony today?

1 MR. YOUNG: We will not.

2 CHAIRMAN GOLDNER: Okay. Thank you.

3 Okay. We note that the Company's  
4 confidential material and confidential Exhibit 7  
5 has been submitted pursuant to the terms of the  
6 Commission's rules, Puc 201.06 and 201.07, as  
7 being within the scope of confidential treatment  
8 under Puc 201.06(a)(15).

9 If there are no members of the public  
10 here today, we may address confidential matters  
11 here directly without clearing the hearing room.  
12 And we do not need to issue a ruling on  
13 confidentiality of the information today beyond  
14 relying on Puc 201.06 and Puc 201.07.

15 If there are members of the public here  
16 today, when Eversource is ready to ask witness  
17 questions that relate to confidential  
18 information, please signal that to the Bench so  
19 we can go into confidential session. The  
20 Commissioners, the DOE, and I don't see the OCA  
21 today, may have confidential questions as well.

22 Are there any members of the public  
23 present?

24 *[No verbal response.]*

1 CHAIRMAN GOLDNER: No? Okay. So,  
2 then, we'll go with Part A on my description.

3 Before the witnesses are sworn in, are  
4 there any opening statements or other matters  
5 that require addressing before we get started?

6 *[No verbal response.]*

7 CHAIRMAN GOLDNER: No? Okay. All  
8 right. Let's swear in the witnesses,  
9 Mr. Patnaude.

10 (Whereupon **James R. Shuckerow,**  
11 **Parker Littlehale, Luann J. LaMontagne,**  
12 and **Marisa B. Paruta** were duly sworn by  
13 the Court Reporter.)

14 CHAIRMAN GOLDNER: I don't think we  
15 took appearances this morning. Sorry, I'm out of  
16 sequence. Let's take appearances, beginning with  
17 the Company.

18 MS. CHIAVARA: Good afternoon. Jessica  
19 Chiavara, here on behalf of Public Service  
20 Company of New Hampshire, doing business as  
21 Eversource Energy.

22 CHAIRMAN GOLDNER: Very good. And the  
23 New Hampshire Department of Energy.

24 MR. YOUNG: Good afternoon, Mr.

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 Chairman. Matt Young, on behalf of the  
2 Department of Energy. And with me today is Steve  
3 Eckberg and Scott Balise, who are utility  
4 analysts working on this docket.

5 CHAIRMAN GOLDNER: Okay. Very good.  
6 If there are no other issues, we can begin with  
7 direct examination and Attorney Chiavara.

8 MS. CHIAVARA: Thank you very much,  
9 Chair Goldner.

10 I'm going to begin by just qualifying  
11 all the witnesses, beginning with Mr. Shuckerow.

12 **JAMES R. SHUCKEROW, SWORN**

13 **PARKER LITTLEHALE, SWORN**

14 **LUANN J. LaMONTAGNE, SWORN**

15 **MARISA B. PARUTA, SWORN**

16 **DIRECT EXAMINATION**

17 BY MS. CHIAVARA:

18 Q Mr. Shuckerow, can you please state your name and  
19 the title of your role at Eversource?

20 A (Shuckerow) Yes. My name is James R. Shuckerow.  
21 I'm Director of Electric Supply, at Eversource  
22 Energy.

23 Q And what are the responsibilities of your role at  
24 Eversource?

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 A (Shuckerow) Primary responsibility is to procure  
2 the power supply for customers that haven't  
3 chosen a retail competitive supplier for our  
4 affiliates in New Hampshire, Connecticut, and  
5 Massachusetts.

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

8 A (Shuckerow) I have.

9 Q Did you file testimony and corresponding  
10 attachments as part of the filing on  
11 January 12th, 2023, marked as "Exhibits 6" and  
12 "7"?

13 A (Shuckerow) I did.

14 Q And were the testimony and supporting materials  
15 prepared by you or at your direction?

16 A (Shuckerow) Yes, they were.

17 Q Do you have any changes or updates to make at  
18 this time?

19 A (Shuckerow) I do not.

20 Q And, so, do you adopt your testimony today as it  
21 was written and filed?

22 A (Shuckerow) I do.

23 Q Fantastic. Moving to Mr. Littlehale. Mr.  
24 Littlehale, will you please state your name and



[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 the title of your role at Eversource?

2 A (Littlehale) Yes. Good afternoon. My name is  
3 Parker Littlehale. I'm a Manager of Wholesale  
4 Power Supply in the Electric Supply Department at  
5 Eversource Energy.

6 Q And can you describe the responsibilities of your  
7 role at Eversource?

8 A (Littlehale) I work with a team to procure power  
9 supply for customers who have not chosen a  
10 competitive supplier in New Hampshire and  
11 Massachusetts.

12 Q And have you testified before this Commission?

13 A (Littlehale) Yes, I have.

14 Q And did you file testimony and corresponding  
15 attachments as part of the filing on  
16 January 12th, 2023, marked as "Exhibit 6" and  
17 "7"?

18 A (Littlehale) Yes.

19 Q Were the testimony and attachments prepared by  
20 you or at your direction?

21 A (Littlehale) Yes, they are.

22 Q Do you have any corrections or amendments to make  
23 at this time?

24 A (Littlehale) No.

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 Q So, do you therefore adopt your testimony as it  
2 was written and filed?

3 A (Littlehale) Yes, I do.

4 Q Fantastic. Moving to Ms. LaMontagne. Would you  
5 please state your name and the title of your role  
6 at Eversource?

7 A (LaMontagne) Good afternoon. My name is Luann  
8 LaMontagne. I'm a Senior Analyst in the Electric  
9 Supply Department of Eversource Energy.

10 Q And the responsibilities of your role at  
11 Eversource?

12 A (LaMontagne) I perform the activities required to  
13 fulfill the power supply requirement obligation  
14 of the Company, including conducting  
15 solicitations for the competitive procurement of  
16 power for energy service, and fulfilling the  
17 Renewable Portfolio Standard obligation. I am  
18 also responsible for ongoing activities  
19 associated with the independent power producers  
20 and the purchase power agreements.

21 Q And have you testified previously before this  
22 Commission?

23 A (LaMontagne) Yes.

24 Q Did you file testimony and corresponding

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1            attachments as part of the filing on  
2            January 12th, 2023, that's marked as "Exhibit 6"  
3            and "7"?

4    A        (LaMontagne) Yes.

5    Q        Were the testimony and supporting materials  
6            prepared by you or at your direction?

7    A        (LaMontagne) Yes.

8    Q        Do you have any changes to make at this time?

9    A        (LaMontagne) No.

10   Q        Do you therefore adopt your testimony as it was  
11            written and filed?

12   A        (LaMontagne) Yes.

13   Q        Thank you very much. And then, finally, Ms.  
14            Paruta, would you please state your name and your  
15            title of your role at Eversource?

16   A        (Paruta) Yes. Good afternoon everyone. My name  
17            is Marisa Paruta. And I am the Director of  
18            Revenue Requirements of Eversource Energy for  
19            both our Connecticut and New Hampshire electric  
20            and natural gas utility companies.

21   Q        And the responsibilities of your role at  
22            Eversource?

23   A        (Paruta) Yes. In that role, I am responsible for  
24            the coordination and the implementation of all

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 revenue requirement impacts associated with the  
2 rates to the customers in both Connecticut and  
3 New Hampshire.

4 Q And have you previously testified before this  
5 Commission?

6 A (Paruta) Yes, I have.

7 Q Did you file testimony and corresponding  
8 attachments as part of the filing on  
9 January 12th, 2023, that's marked as "Exhibit 6"  
10 and "7"?

11 A (Paruta) Yes, I did.

12 Q Were the testimony and corresponding materials  
13 prepared by you or at your direction?

14 A (Paruta) Yes, they were.

15 Q Do you have any changes or updates at this time?

16 A (Paruta) No, I do not.

17 Q Do you therefore adopt your testimony as it was  
18 written and filed?

19 A (Paruta) Yes, I do.

20 Q Fantastic. All right. My first question is for  
21 Mr. Littlehale. Could you please provide an  
22 overview of this second RFP process?

23 A (Littlehale) On December 16th, 2022, we released  
24 this RFP to purchase the remaining 50 percent of

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 the Large Customers' energy service load for the  
2 February 1st through July 31st, 2023 time period.  
3 Just as with our first RFP, the Company solicited  
4 offers for full-requirement energy service  
5 supply, which is load-following supply that  
6 includes energy, capacity, and ancillary  
7 services. The quantity that we were searching or  
8 looking for to procure was, again, the 50 percent  
9 tranche, which is approximately 60,000  
10 megawatt-hours.

11 The results from this RFP came in on  
12 January 10th, 2023, at approximately 10:00 a.m.  
13 From there, the Company analyzed the  
14 reasonableness of the RFP results. We presented  
15 the results and our recommendations to senior  
16 management, who approved the recommended bid that  
17 we present today. We confirmed the selected  
18 bidder's creditworthiness. We executed the  
19 Master Power Supply Agreement transaction.

20 And we're happy to take further  
21 questions, details, confidentiality, if the  
22 Commission would like to go in that direction.

23 Q Thank you. Before we dive any further into  
24 details that might be confidential, can you

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 describe the results that were received for the  
2 Large Customer Group in the second RFP?

3 A (Littlehale) Sure. The results for the Large  
4 Customer Group were indicative of where the  
5 Company assesses the market to be. The selected  
6 bid came in over our proxy price, yet we find  
7 this to be reasonable, given market conditions  
8 and the circumstances surrounding this particular  
9 load. Particularly, as we discussed previously,  
10 a high risk of load migration and load  
11 uncertainty that this Large Customer load  
12 presents.

13 Overall, this was a successful RFP, and  
14 market reflective, in our opinion. And the  
15 Company, therefore, accepted as a reasonable bid  
16 at this time.

17 Q Thank you. Now, the bid accepted on January 10th  
18 is a lower price than the bid accepted from the  
19 first RFP in December. Can you speak a bit about  
20 the difference in prices?

21 A (Littlehale) Yes. So, this is indicative of the  
22 volatility that we have been discussing in this  
23 docket since the pre-conference hearing, which  
24 was held in November of last year. So, in

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1           between the first RFP in December and the second  
2           RFP in January, forward energy prices declined  
3           approximately 30 percent. So, again, just as  
4           with the first RFP, the results of the RFP are  
5           reflective of current market conditions, which  
6           continue to be quite volatile.

7    Q    And, Mr. Littlehale, was this second RFP process  
8           and bid selection consistent with prior  
9           solicitations by the Company for default energy  
10          service, and consistent with the various  
11          Commission orders governing energy service  
12          procurement process?

13   A    (Littlehale) Yes. It was conducted consistent  
14          with past practices, and the Commission  
15          requirements from the Settlement Agreement in  
16          Docket Number DE 17-113, approved by Order  
17          Number 26,092 and Order 26,747, which authorized  
18          this second RFP process.

19   Q    Thank you. Finally, this is a group question for  
20          Ms. LaMontagne, Mr. Littlehale, and Mr.  
21          Shuckerow. Is it your position that the rate  
22          proposed for the period of February 2023 to  
23          July 2023 for the Large Customer Group, as  
24          described in Exhibit 6, is just and reasonable

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 and consistent with the public interest?

2 A (LaMontagne) Yes.

3 A (Littlehale) Yes.

4 A (Shuckerow) Yes.

5 Q Thank you very much. I'd like to turn to Ms.  
6 Paruta for the next couple of questions.

7 Ms. Paruta, can you just start by  
8 providing an overview of the proposed Energy  
9 Service rate for the Large Customer Group by  
10 month?

11 A (Paruta) Sure. Absolutely. The proposed rate  
12 for the Large Customer Group, what I will present  
13 right now is the monthly, that is also included  
14 on Exhibit 7, Bates Page -- or, Exhibit 6, Bates  
15 Page 029, at the bottom there in the table.

16 To the right, you will see that we have  
17 the proposed rates for February 2023 at "48.321  
18 cents"; the next month, March 2023, and these are  
19 per kilowatt-hours, the next month, being March  
20 2023, at "32.083 cents" per kilowatt-hour;  
21 April 2023 is "21.612 cents" per kilowatt-hour;  
22 May 2023 is "17.003 cents" per kilowatt-hour;  
23 June 2023 is "14.779 cents" per kilowatt-hour;  
24 and July of 2023 is "18.098 cents" per



[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 kilowatt-hour.

2 In addition to providing the proposed  
3 rates within the prefiled testimony, the Company  
4 also did include the current existing rates that  
5 are in effect, in the column to the left of the  
6 proposed rates on Bates Page 029, as well as the  
7 approved rates that were in effect during the  
8 same time period where we are proposing rates  
9 today in the prior year.

10 I also just wanted to quickly mention  
11 that we, consistent with our -- with the  
12 Settlement Agreement, as mentioned by Mr.  
13 Littlehale, in Docket Number DE 17-113, we did  
14 take the results of the solicitation, and we  
15 added the A&G, the RPS, and the other  
16 reconciliation costs to get to that final number  
17 for those months. And these calculations are  
18 reflected on Bates Pages -- Page 1 of 5 of  
19 Attachment MBP-7, and that is -- excuse me,  
20 that's on Bates Page 034. It's Attachment MBP-7,  
21 Page 1 of 5.

22 Q Thank you very much. And, as for the rest of the  
23 supporting calculations in MBP-7, can you give us  
24 some more information on what those calculations

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 present?

2 A (Paruta) Yes. So, if we turn to Exhibit 6, at  
3 Bates Page 035, here we start with the forecasted  
4 working capital for the upcoming service period  
5 of February 1, 2023, through July 2023. And the  
6 only changes to this particular page, since the  
7 Company's previous filing back in December, was  
8 on Line 8, where we now have the updated  
9 "Forecasted Large Customer Group Purchased Power  
10 Expense".

11 Then, if we turn to Bates Page 036,  
12 here we have the revenues and expenses for the  
13 period August 1, 2022, through July 31, 2023.  
14 And this has been updated to reflect the Large  
15 Customer Group forecasted purchased power expense  
16 and the related impacts to the working capital  
17 only.

18 If we turn to Bates Page 037, this  
19 shows the prior year reconciliation, and this  
20 applies to the Large Customer Group. This has  
21 not changed since our December filing, because  
22 this schedule shows the actual revenues and  
23 expenses as it relates to the Large Customer  
24 Group for the period of July -- excuse me --

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 August 1, 2021, through July 31, 2022. So, no  
2 changes there.

3 And then, if we turn to Bates Page 038,  
4 here we have an update. This has been updated to  
5 reflect the forecasted working capital for the  
6 Large Customer Group for the upcoming service  
7 period.

8 And then, finally, we have, on Bates  
9 Page 039, here we show the average bill impact  
10 for the Large Customer Group with the current  
11 rates. And this essentially compares the average  
12 of the total six-month period it applied to the  
13 forecasted period, assuming -- or, excuse me,  
14 looking at the forecasted period with the  
15 proposed rates as compared to the current rates  
16 in effect. And that shows, for example, on  
17 Line 21, for the "Primary General Service" rate,  
18 a reduction of 10.7 percent on average.

19 Q That is very helpful. Thank you. And do you  
20 assert that the resulting Default Service rate  
21 proposed for the Large Customer Group is just and  
22 reasonable?

23 A (Paruta) Yes.

24 MS. CHIAVARA: Thank you. That is all

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 I have for direct exam.

2 CHAIRMAN GOLDNER: Thank you. We'll  
3 move to cross-examination with the New Hampshire  
4 Department of Energy and Attorney Young.

5 MR. YOUNG: Thank you, Mr. Chairman.

6 I believe my first question is for  
7 Mr. Littlehale, but please direct me elsewhere,  
8 if needed.

9 **CROSS-EXAMINATION**

10 BY MR. YOUNG:

11 Q So, after the last hearing in December, the  
12 Company engaged services of an outside  
13 consultant, in order to forecast load  
14 requirements, should the Company need to go to  
15 the ISO market, correct?

16 A (Littlehale) That's correct.

17 Q And, so, then, just to clarify, those costs will  
18 then flow through reconciliations for the Large  
19 Customer Group only, correct?

20 A (Paruta) That is correct.

21 Q Thank you. The Department appreciates the  
22 correction the Company made last night in  
23 Attachment LJL-11, on Bates Page 023. And  
24 understanding that this -- there's confidential

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 information included. So, maybe without getting  
2 into specific figures, Mr. Littlehale, could you  
3 briefly explain why this change was necessary?

4 A (Littlehale) So, we recognize that there was an  
5 error on the spreadsheet that we submitted last  
6 week. It came up during the technical session  
7 yesterday. It was a formula error that really  
8 had no bearing on the results on our analysis,  
9 our recommendations. It was simply displaying  
10 incorrectly the six-month rate, if you were -- if  
11 you were to take the monthly rate and convert  
12 them to a fixed six-month level charge, the  
13 formula, to account for this second round RFP,  
14 was just capturing a summary incorrectly, and  
15 that is all.

16 Q Great. Thank you for that clarification. Now, I  
17 believe, turning to Ms. Paruta, regarding the RPS  
18 adder calculations on Bates Page 025, in  
19 Exhibit 6, or 7, there is no change to these  
20 numbers from the December filing, correct?

21 A (LaMontagne) Yes, I'll answer that one. Yes,  
22 there's no change.

23 Q Perfect. Thank you. And the development of this  
24 adder uses current specific statutory

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 percentages, correct?

2 A (LaMontagne) Correct.

3 Q But, I guess, just to be clear, if any of those  
4 requirements were to change, customers would only  
5 pay the actual cost associated with RPS  
6 compliance, correct?

7 A (LaMontagne) That is correct.

8 Q And this question may be for the panel. Are  
9 there alternative billing options for the Large  
10 Customer Group? Extended payment plans or  
11 anything of that nature?

12 A (Paruta) Based on my understanding, and this is  
13 subject to check, Large Customers do not have the  
14 benefits of payment plans. But that is subject  
15 to check.

16 Q So, in light of these monthly Large Customer  
17 energy rates under consideration today, could  
18 anyone just briefly talk about any outreach that  
19 has been performed by the Company or perhaps is  
20 planned for the Large Customer Group regarding  
21 these rates?

22 A (Paruta) Sure. The outreach that we have been  
23 performing with the Large Customers began back in  
24 the summertime with those rate changes. In terms

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 of the outreach that has been performed for this  
2 particular rate change, the Company has not yet  
3 performed the outreach to the customers. The  
4 account executives are on standby. As soon as  
5 the Commissioners approve a rate, and we have  
6 that in hand, the account executives, for which  
7 there is one assigned to each of the Large C&I  
8 customers, they will be at the ready to make  
9 those communications. And those will begin with  
10 immediate emails and Q&As. And that has already  
11 been teed up.

12 MR. YOUNG: Great. Thank you. Those  
13 are all the questions we had, Commissioners.

14 CHAIRMAN GOLDNER: Thank you. We'll  
15 move to Commissioner questions, beginning with  
16 Commissioner Chattopadhyay.

17 CMSR. CHATTOPADHYAY: Good afternoon.

18 BY CMSR. CHATTOPADHYAY:

19 Q So, let's look at Exhibit 7. Let me go there  
20 first. And can we go to Page Number -- Bates  
21 Page 024? Are you there?

22 A (Littlehale) Yes.

23 MS. CHIAVARA: Excuse me,  
24 Mr. Commissioner? I just wanted to note for the

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 court reporter that there is confidential  
2 information on this page. So, we may need to  
3 redact it or somehow coordinate later. No one  
4 needs to leave the room.

5 CMSR. CHATTOPADHYAY: Understood. I  
6 think you would be okay with doing that, right?

7 MS. CHIAVARA: Yes. Of course.

8 CMSR. CHATTOPADHYAY: Because in the  
9 other dockets, we followed that. If we ended up  
10 saying anything about confidential stuff, there's  
11 no public here.

12 MS. CHIAVARA: Fantastic.

13 CMSR. CHATTOPADHYAY: So, it would be  
14 okay for you to work with the --

15 MS. CHIAVARA: Absolutely.

16 CMSR. CHATTOPADHYAY: -- with Steve?

17 *[Court reporter interruption.]*

18 BY CMSR. CHATTOPADHYAY:

19 Q So, there is a "Energy Price Bid Multiplier"  
20 there. Can you tell me what the multiplier was?  
21 And, if you want to avoid speaking of a  
22 confidential number, you can just give me a sense  
23 of how that changed, compared to what it was in  
24 the -- what is it, December 6th?



[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 A (Littlehale) December 6th, yes.

2 Q Yes.

3 A (Littlehale) So, the multiplier has increased  
4 from the multiplier that was used in  
5 December 6th. And, just to, you know, ground  
6 everybody, and maybe refresh how the proxy  
7 calculation is done, is there's really three main  
8 components that builds into the proxy  
9 calculation. The first is the load-weighted  
10 forward energy price; the second is the capacity  
11 price; the third factor is the multiplier. And  
12 you put that calculation together and you get the  
13 proxy price.

14 And the forward energy price and the  
15 capacity price are known values. They can be  
16 calculated, in the case of the capacity, because  
17 the primary driver of this line item is the  
18 cleared capacity prices in the Forward Capacity  
19 Market administered by ISO-New England, which are  
20 known values. The forward energy price represent  
21 the financial forward delivered price of  
22 electricity in New England during the February  
23 through July '23 timeframe. Again, that's a --  
24 that can be publicly identified through various

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 forecasting services.

2 And then, you have the -- kind of the  
3 "unknown" bucket, if you will, that captures  
4 things, you know, like ancillary services,  
5 ISO-New England charges, it captures things like  
6 the supplier risk premium that they put into  
7 their bid. But you put those three main drivers  
8 together, and that -- you can generate the proxy  
9 price that we're showing on LJL-12.

10 Now, going into bid day, we know two of  
11 those variables. We know the energy price and we  
12 know the capacity price. What we don't know is  
13 the multiplier. But, then, once bids day  
14 arrives, you have the bid that was submitted or  
15 selected from any prospective RFP. So, because  
16 you have two of the three variables known, and  
17 you have the answer, you can solve for the one  
18 unknown using a simple algebraic formula.

19 And, through the course of the work  
20 that we do in New Hampshire running these  
21 solicitations, in Massachusetts running these  
22 solicitations, and Connecticut running these  
23 solicitations, after every RFP we calculate the  
24 risk premiums that were built into the bids. And

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1           each successive data point forms the next --  
2           helps inform the next RFP.

3                        So, in the case of the multiplier that  
4           we used in January, it really is a result of what  
5           we saw in December. So, the December results  
6           help us -- help inform what we expected last week  
7           to come in.

8                        So, the way that I think about it is,  
9           you have two of the known variables, you don't  
10          know the third. But, once bids come in, you can  
11          solve for it. And then, you take that  
12          information and help inform the model, and use  
13          that to inform the next run, in the case of what  
14          we're talking about today, on January 10th.

15                        So, in many ways, you know, what we saw  
16          in December helped inform the multiplier that we  
17          used in January.

18   Q          So, when you say "the bids come in", you're  
19          essentially still talking about the previous  
20          bids, --

21   A          (Littlehale) That's right. Right.

22   Q          -- not the ones that you --

23   A          (Littlehale) Right. Because we run the proxy the  
24          morning, call it "9:00 in the morning" on bid

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 day.

2 Q Uh-huh.

3 A (Littlehale) Bids come in at 10:00. So, we  
4 generate our internal proxy price ahead of when  
5 bids are known. And we'll use the information  
6 that came in on January 10th for future RFPs.  
7 But we didn't have that information when we  
8 generated the proxy for January 10th.

9 Q Can you give me a sense of, in percentage terms,  
10 how much more was the multiplier this time  
11 around, relative to what you had in December?

12 And, if that requires thinking about  
13 confidential information, you know, try to skirt  
14 around it. But is it possible to do that?

15 A (Littlehale) If I could just have 30 seconds to  
16 pull up that exhibit from last time?

17 *[Short pause.]*

18 **CONTINUED BY THE WITNESS:**

19 A (Littlehale) Twenty-four (24) percent higher.

20 BY CMSR. CHATTOPADHYAY:

21 Q Okay. Thank you. On the point about the Company  
22 was preparing for the possibility of going to the  
23 ISO-New England market, so you had a consultant  
24 that you were relying on or --

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 A (Littlehale) So, the consultant, their role, in  
2 the event that we need to proceed to market-based  
3 procurements, their role is to generate a  
4 day-ahead hourly load forecast, which represents  
5 the demand from these 265 customers, roughly.  
6 Which, if you translate the 60,000 megawatt-hours  
7 to an hourly average demand, it's approximately  
8 14 megawatts, you know, evenly spread across the  
9 six months.

10 Now, what they -- what this load  
11 forecasting service would do would vary that  
12 average 14 megawatts and translate it to a more  
13 granularly hourly load based upon historical  
14 consumption for this customer class. So, the  
15 consultant would be limited to helping generate  
16 an appropriate load estimate for this customer  
17 class that would be submitted to the ISO, which  
18 helps inform the regional hourly demand forecast  
19 that sets -- or, that essentially gets  
20 corresponded and known for the market  
21 participants, and that gets put against the  
22 supply, and, therefore, sets the locational  
23 marginal price on an hourly basis.

24 So, that would be the consultant's

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1           role, in the event that we proceeded to  
2           market-based procurements.

3   Q       So, they would be really active, if they were  
4           required to do so, and it could begin probably  
5           the 31st of January, that's when they would --  
6           so, that's, I mean, dates might be one day off  
7           here and there, but that's essentially what  
8           you're saying?

9   A       (Littlehale) That's right.

10   Q       And my question would however be, they have to be  
11           prepared for something, right, because that has  
12           never happened before, or at least over the last  
13           many years? So, the cost that they incur in  
14           doing that, does that show up in the adders or  
15           it's going to be picked up later?

16   A       (Littlehale) It will be picked up later.

17   Q       In the adders within this?

18   A       (Littlehale) I'm going to let Ms. Paruta answer  
19           that.

20   Q       Yes.

21   A       (Paruta) Yes. We'll pick it up in the  
22           reconciliation filing. Yes. We don't have the  
23           amount yet. Once it's billed, Commissioner, it  
24           flows through the books and records, and that's

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 at the time that our department picks it up, when  
2 we run those queries. And that's when we'll  
3 bring it through the Large Customer Group charge  
4 for the administrative and general costs.

5 Q I think this was said, but I just want to confirm  
6 again. The adders here, in this round, are the  
7 same as the ones that were in the December 6th --  
8 I shouldn't call it "December 6th round", it's  
9 really the calculations that you did later,  
10 around December 6th, or whenever. So, the same  
11 adders, right? Exactly the same adders?

12 A (Paruta) That is correct.

13 Q So, you did not try to recalculate it, because  
14 there's nothing new, there's no new information?

15 A (Paruta) The only one that changed was the  
16 working capital, --

17 Q Yes.

18 A (Paruta) -- because the forecasted for the Large  
19 Customer Group purchased power expense we now  
20 know. That was the only one that changed,  
21 correct.

22 Q But that is not reflected here?

23 A (Paruta) We did reflect it. We did. Yes.

24 Q Okay.

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 A (Paruta) Yes. It's a new rate.

2 Q That's a new rate?

3 A (Paruta) Correct.

4 CMSR. CHATTOPADHYAY: Okay. Thank you.  
5 That's all I have. Thanks.

6 WITNESS LITTLEHALE: Thank you.

7 CHAIRMAN GOLDNER: I think I only have  
8 one question, maybe a follow-up.

9 BY CHAIRMAN GOLDNER:

10 Q But did Eversource find it helpful that the  
11 bidders understood that if -- that you could  
12 directly to the market if the bid failed? Do you  
13 feel like -- did you get any feedback on that,  
14 Mr. Shuckerow?

15 A (Shuckerow) Yes. If I can reach back to, really,  
16 a solicitation I was responsible for in  
17 Connecticut. And, at that point in time, first  
18 of all, Connecticut has a substantial amount of  
19 load, and we do tranches. So, it was necessary  
20 for us to basically fill my memory is about  
21 40 percent of what we needed in October of 2022,  
22 and it would have been for the period beginning  
23 January through June of 2023.

24 The bottom line is, we got some bids



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1           that were just unreasonable. The process is a  
2           little bit different, in that there is a -- under  
3           PURA, there's a Connecticut Procurement Manager,  
4           who is responsible, essentially, for overseeing  
5           the process, and, essentially, selecting the  
6           winning bids. We had some outlier bids; two were  
7           reasonable, the others were not.

8                         What we had found subsequent to that is  
9           the bids got much more in line with what we had  
10          expected. Who knows what the reasons may be, but  
11          that was significant, because it affected,  
12          really, two sets of customers. Number one, it  
13          affected residential and small customers, which  
14          was very unique. That had never happened before.  
15          And also, with large customers, which we had no  
16          bidders.

17                        And, just like this, we had discussed  
18          previously, there was the ability to,  
19          essentially, self-supply through the ISO-New  
20          England markets. The decision was made by the  
21          Connecticut Procurement Manager to do that, and,  
22          effectively, that's what we're doing. So,  
23          beginning January 1st, for 20 percent of the  
24          residential and small C&I customers, and for

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1           100 percent of the large C&I customers, the large  
2           C&I customers just being January through  
3           March 2023.

4                         Since that time period, we've done a  
5           number of solicitations for Massachusetts. We  
6           talked about before how we serve two areas of  
7           Mass. Eastern Mass. is one load zone, western  
8           Mass. is the other load zone. We had no issues  
9           with regards to meeting the load for the  
10          residential and small C&I customers. We got  
11          adequate and reasonable bids.

12                        For the large C&I customers, we were  
13          basically unsuccessful for the -- what's called  
14          the "NEMA", the "North East Massachusetts Zone",  
15          which we, essentially, self-supplied October  
16          through December. Also, for January through  
17          March of 2023, we're self-supplying half of that  
18          load. But that's a much smaller load. It falls  
19          into the category of not a lot of customers.  
20          It's a small percentage. These customers are  
21          probably the ones that can most easily go to a  
22          third party retail competitive supplier. And, as  
23          Mr. Littlehale had described, there are  
24          significant risks about those customers basically

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 leaving either prior to or during the term of the  
2 contract.

3 But the bottom line is, we did see a  
4 response change, after our October experience in  
5 Connecticut.

6 Q And that was favorable? It was a favorable  
7 change?

8 A (Shuckerow) It was favorable, in that we had more  
9 bids, and they were more reasonable.

10 Q And, if you had to, in the next cycle, go to what  
11 you're calling "self-supply" for the residential  
12 and/or C&I customers in New Hampshire, if that  
13 were to come to pass, would Eversource have any  
14 concerns with executing that self-supply model?

15 A (Shuckerow) No. Obviously, we have gained  
16 experience. It's something we've done many years  
17 ago, first of all. It was rare. But we,  
18 obviously, have gained experience for the October  
19 through December time period for the NEMA large  
20 industrial load, as I described earlier. And  
21 right now, obviously, we're getting much  
22 experience, beginning January 1st, by serving the  
23 residential/small C&I customers for a full six  
24 months in Connecticut, and also for the large C&I

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 customers, with the three months of January  
2 through March.

3 So, effectively, it's the same tools,  
4 it's the same processes. Obviously, the only  
5 difference would be the loads respective to each  
6 service territory. But those skills exist.

7 CHAIRMAN GOLDNER: Excellent. That's  
8 very encouraging. And we're glad, here in New  
9 Hampshire, that other states are going first.  
10 So, well done, Eversource. Thank you.

11 Okay. That was all I had. Any  
12 additional questions, Commissioner Chattopadhyay?

13 CMSR. CHATTOPADHYAY: I do.

14 BY CMSR. CHATTOPADHYAY:

15 Q So, on the migration issue, I'm just curious,  
16 when the rates are set in stone after this  
17 hearing, given that the -- for example, the  
18 February rate is what it is, if there are  
19 customers that want to migrate away, what is the  
20 timeline? How quickly can they do it?

21 A (Shuckerow) It's fairly quick. Just to get us  
22 grounded, is, after we get an approved rate, I  
23 believe the account managers in New Hampshire  
24 will be contacting all these customers. And I

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1 think we have indicated in the previous hearing,  
2 there's about 265. Again, not a lot of load, but  
3 about 265 customers. They will be informed very  
4 soon. Obviously, they will have the choice to  
5 leave.

6 I believe the process is, and, again,  
7 hopefully, if I'm wrong, we'll correct it, is the  
8 change is done at the meter read. So, you need a  
9 meter reader. So, once you simply can implement  
10 that meter read, you can make that change happen.  
11 Now, the timing of the meter read may be all  
12 important. If the meter read is like the next  
13 day, that may be difficult. But, if it's, you  
14 know, prior to the next meter read, whenever that  
15 may occur, there may be a little bit more window.

16 I think the bottom line is, you're  
17 talking in the 30-day range as being maybe the  
18 expected time period.

19 Q So, some of the meter read dates might be in the  
20 middle of February?

21 A (Shuckerow) Yes. Obviously, it varies,  
22 essentially, business day by business day,  
23 reflective of all our customers. So, taking  
24 place on every business day, but it's a matter of

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1           when your cycle is occurring.

2   Q       So, they cannot migrate before that --

3                            *[Court reporter interruption.]*

4   BY CMSR. CHATTOPADHYAY:

5   Q       They cannot migrate before that date?

6   A       (Shuckerow) Correct.

7   Q       Okay. The other question I have is, going back  
8           to the "24 percent" observation, can you just  
9           give me a sense of how -- why that number is that  
10          high?

11   A       (Shuckerow) Yes.

12   Q       Do you look how far back? When you're collecting  
13          the new data, is it mostly driven by the new  
14          observations? You know, just trying to get a  
15          sense of that?

16   A       (Shuckerow) Yes. It's -- where we stand right  
17          now is, and just, again, to refresh our memories,  
18          we've been doing the proxy pricing for a long  
19          time, and in all the states, and it's the same  
20          methodology. We've talked extensively about how  
21          energy prices have become volatile and much  
22          higher, really, beginning in the Spring of 2022.  
23          What that really means is that we're now using  
24          the latest time period, really, from the Spring

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1 of 2022 to now as being the basis for helping us  
2 identify what the proxy price may be.

3 Prior to that, we look at a history of  
4 prices. Obviously, they varied, but they're  
5 essentially stable. They're within a band.  
6 We've far exceeded that band that we were  
7 accustomed to. So, we're really updating our  
8 database continually.

9 Specific to New Hampshire, we really  
10 have, and this is a six-month period, and the  
11 previous volatility is with the large C&I  
12 customers, because they can change, as we just  
13 discussed, is we essentially have had only two  
14 prior procurements. One was done in June of  
15 2022, that led to the very high prices that we've  
16 discussed. The other one, as described by  
17 Mr. Littlehale, was done in December,  
18 December 6th. So, we -- actually, we were using  
19 the most recent data as the guide of  
20 December 6th.

21 So, it's a limited dataset. And I  
22 think that's why we're having, you know, we  
23 weren't exact. Prior to this, we were extremely  
24 close, but it was in a different environment,

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 with regards to the pricing. Now, I think we  
2 just need more data to get more confidence and  
3 get closer and recognizing the bidder history.  
4 And the bidder history, I think, is also changing  
5 as a result of their own experiences, given this  
6 volatile market, the number of customers that may  
7 be leaving, and things of that nature.

8 So, I think what it really comes down  
9 to is, it's a work-in-progress. We were fairly  
10 close on this one. But, obviously, we weren't  
11 exact.

12 Q So, confirm again, because I heard this, the  
13 information that you're using to get the  
14 multiplier --

15 A (Shuckerow) Uh-huh.

16 Q -- also relies on what you've experienced in  
17 other states?

18 A (Shuckerow) We were -- for this multiplier, we  
19 actually decided to just focus on New Hampshire.

20 Q Okay.

21 A (Shuckerow) And the reason for that was really  
22 quite simple, is New Hampshire, at least with  
23 regards to Eversource, is different in the  
24 contract term for large C&I customers. It's the



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1 full six months. So, it would be the February  
2 through July time period.

3 Both for Connecticut and Massachusetts,  
4 it's only three months. So, we felt that there  
5 was greater risk with the six-month term. So, we  
6 basically reviewed all the data, and said "we  
7 think it's better just to use the New Hampshire  
8 data", because it's more indicative of the term  
9 and the time period, and we have a little more  
10 data, not a lot, as we just discussed, but a  
11 little more data. So, this was New Hampshire  
12 specific data that we relied upon.

13 Q In December, did you use other states'  
14 information?

15 A (Shuckerow) Yes.

16 Q So, this was a change?

17 A (Shuckerow) Yes.

18 Q So, this was a new thing?

19 A (Shuckerow) Right. And it was probably because  
20 we had at least two data points from two  
21 different solicitations, as --

22 Q You could even draw a line using those two  
23 points, but --

24 A (Shuckerow) No.

[WITNESSES: Shuckerow|Littlehale|LaMontagne|Paruta]

1 CMSR. CHATTOPADHYAY: Okay. I just  
2 wanted to understand where you got it from.

3 WITNESS SHUCKEROW: Yes.

4 CMSR. CHATTOPADHYAY: Thank you.

5 CHAIRMAN GOLDNER: Okay. Then, we can  
6 move to redirect, and Attorney Chiavara.

7 MS. CHIAVARA: Thanks very much.

8 **REDIRECT EXAMINATION**

9 BY MS. CHIAVARA:

10 Q Ms. Paruta, you said at the question of the DOE  
11 about "payment plans for the Large Customer  
12 Group" that that was "subject to check". Do  
13 you -- should we take that as a record request or  
14 do you know if whether or not -- did you find  
15 information that indicates whether or not we have  
16 a payment plan?

17 A (Paruta) I did, actually. So, I was able to  
18 reach out to our Customer -- our Business  
19 Customer Care Group. And they actually did  
20 confirm that the Large Customer Group does  
21 receive a flexible payment plan. So, it is  
22 available to them as well.

23 MS. CHIAVARA: Okay. Thank you.

24 That's all I have for redirect.

1 CHAIRMAN GOLDNER: Okay. Thank you.

2 So, we'll strike identification on  
3 Exhibit 6 and 7 and admit them into evidence.

4 And move to closing, beginning with the  
5 New Hampshire Department of Energy, and Attorney  
6 Young.

7 MR. YOUNG: Thank you, Mr. Chairman.

8 First, the Department wants to express  
9 our appreciation for the Company's willingness to  
10 participate in a technical session yesterday, to  
11 help clarify certain points related to their  
12 Petition before the Commission today.

13 The Department has reviewed  
14 Eversource's filing in this proceeding. And we  
15 have determined that the Company conducted this  
16 wholesale power supply solicitation and selected  
17 the winning bid to provide default energy service  
18 in compliance with Order Number 26,747, as well  
19 as the Settlement Agreement and process approved  
20 by the Commission in Docket DE 17-113 back in  
21 2017.

22 We believe that the Company's selection  
23 of the winning supplier was reasonable. And, as  
24 a result of its competitive procurement, that

1 selection was reflective of current wholesale  
2 power market conditions.

3 The Company's calculation of the rates,  
4 based on the supply bids for the Large Customer  
5 Group, prior period reconciliations, and other  
6 factors appear to be sound. As a result, we  
7 believe that the resulting energy service rates,  
8 while remaining quite high, are nonetheless just  
9 and reasonable. The price reflects the sustained  
10 volatility in the market, and the continuing high  
11 forward natural gas and electric prices.

12 The Department would also like to note  
13 that the RPS adder included in this filing is, as  
14 the Company has presented, an estimate of RPS  
15 compliance costs based on current statutory  
16 class-specific requirements. Should any of those  
17 RPS requirements change, as they did, for  
18 example, when the Commission issued Order 26,472,  
19 on April 20th, 2021, reducing the RPS Class III  
20 requirement from 8 percent to 2 percent,  
21 ratepayers will pay only the Company's actual  
22 prudently incurred costs associated with the RPS  
23 compliance.

24 In conclusion, the Department supports

1 Eversource's filing. And we urge the Commission  
2 to grant the Petition, make the findings  
3 requested by the Company, and approve the  
4 proposed Energy Service rates in this proceeding  
5 for effect on February 1st.

6 CHAIRMAN GOLDNER: Thank you. And  
7 we'll now move to the Company, and Attorney  
8 Chiavara.

9 MS. CHIAVARA: Thank you, Chair.

10 I do not have anything terribly new or  
11 different to say from what I said in my closing  
12 in December, or even that much different from  
13 what Attorney Young just said. But let's go for  
14 it anyways.

15 The Large Customer Group Energy Service  
16 rate that's proposed today does represent the  
17 results of a fair and successful solicitation.  
18 The Large Customer rates and the second RFP both  
19 conform with the Electric Restructuring Act, the  
20 Settlement Agreement in Docket Number DE 17-113  
21 that established Eversource's procurement  
22 process, and Order 26,092, which approved that  
23 Settlement, as well as Order Number 26,747  
24 authorizing this second process to secure the

1 second half of the load for the Large Customer  
2 Group.

3 This process was likewise coincident  
4 with past practices for Eversource Default Energy  
5 Service solicitations. And the RFP results and  
6 the selected bid are reflective of current market  
7 conditions.

8 The proposed Large Customer default  
9 rate, derived from the selected bids from  
10 December and January was appropriately  
11 calculated, consistent with Commission directed  
12 practices and requirements, and the rate for  
13 Eversource Large Commercial Default Energy  
14 Service customers will be just and reasonable,  
15 given market conditions.

16 Eversource respectfully recommends that  
17 the Commission approve the Large Customer rate,  
18 if possible, and I realize this is a big ask, by  
19 the end of business -- at the end of the business  
20 day tomorrow, December 20th [January 20th?], so  
21 that we could finalize the contract with the  
22 supplier, which we did enter into on  
23 January 10th. However, -- so we could finalize  
24 that contract. But we would request that, in any

1 event, that the Company receive an order by next  
2 Monday, December 23rd [January 23rd?], if at all  
3 possible.

4 Thank you.

5 CHAIRMAN GOLDNER: Okay. Thank you.  
6 Is there anything else that we need to cover  
7 today?

8 *[Atty. Young indicating in the*  
9 *negative.]*

10 CHAIRMAN GOLDNER: No? Okay. Then,  
11 we'll take the matter under advisement, issue an  
12 order no later than January 23rd, 2023, with a  
13 target of tomorrow, January 20th, as requested by  
14 the Company.

15 And this hearing is adjourned. Thank  
16 you.

17 ***(Whereupon the hearing was adjourned***  
18 ***at 2:24 p.m.)***