

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3 **July 7, 2022** - 9:05 a.m.
4 21 South Fruit Street
5 Suite 10
6 Concord, NH

7 RE: **DE 22-034**
8 **PUBLIC SERVICE COMPANY OF NEW**
9 **HAMPSHIRE d/b/a EVERSOURCE ENERGY:**
10 2022 Transmission Cost Adjustment
11 Mechanism (TCAM).

12 **PRESENT:** Cmsr. Carleton B. Simpson, Presiding
13 Cmsr. Pradip K. Chattopadhyay
14 Tracey Russo, Clerk

15
16 **APPEARANCES:** **Reptg. Public Service Company of**
17 **New Hampshire d/b/a Eversource Energy:**
18 Jessica A. Chiavara, Esq.

19 **Reptg. New Hampshire Dept. of Energy:**
20 David K. Wiesner, Esq.
21 Matthew C. Young, Esq.
22 Jay Dudley, Electric Group
23 *(Regulatory Support Division)*

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

I N D E X**PAGE NO.****WITNESS PANEL:**

**MARISA B. PARUTA
JAMES E. MATTHEWS
EDWARD A. DAVIS
DAVID J. BURNHAM**

Direct examination by Ms. Chiavara	6
Cross-examination by Mr. Wiesner	26
Interrogatories by Cmsr. Chattopadhyay	33, 71
Interrogatories by Cmsr. Simpson	45
Redirect examination by Ms. Chiavara	76

*** * ***

CLOSING ARGUMENTS BY:

Ms. Chiavara	80
Mr. Wiesner	83

E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Petition for Approval of Change in Transmission Cost Adjustment Mechanism Rate, including Testimony of Marisa B. Paruta & James E. Matthews, with Attachments, the Testimony of Edward A. Davis, with Attachments, and the Testimony of David James Burnham, with Attachments (06-20-22)	<i>premarked</i>
2	RESERVED FOR RECORD REQUEST <i>(In calculating the TCAM rates, the Company relies on forecasting what the load would be in a particular year. Please provide the applicable forecasts over the prior decade and the resulting actual load over that time period)</i>	79
3	RESERVED FOR RECORD REQUEST <i>(Elaborate on how the rolling 12-month coincident peak is calculated. Please provide the details on what information is gathered in a month and how that value is derived)</i>	79
4	RESERVED FOR RECORD REQUEST <i>(Provide briefing with respect to changes to the TCAM effective date of August 1 for future TCAM proceedings)</i>	82

P R O C E E D I N G

CMSR. SIMPSON: So, good morning,
everyone. I'm Commissioner Simpson. I'll be
presiding over today's proceeding, as
Commissioner Goldner is unavailable. I'm joined
by Commissioner Chattopadhyay.

We're here this morning in Docket DE
22-034 for a hearing regarding Public Service
Company of New Hampshire d/b/a Eversource
Energy's 2022 Transmission Cost Adjustment
Mechanism, or "TCAM". On May 26th, 2022,
Eversource filed a letter requesting that the
Commission open a docket pertaining to the review
of the 2022 TCAM. The Commission issued an order
commencing this adjudicative proceeding in Docket
DE 22-034 on June 22nd, 2022. On June 20th,
2022, Eversource filed its Petition for the 2022
TCAM, accompanied by testimony from Company
witnesses.

Let's take appearances, starting with
the Company.

MS. CHIAVARA: Good morning,
Commissioners. Jessica Chiavara, counsel for
Public Service Company of New Hampshire, doing

1 business as Eversource Energy.

2 CMSR. SIMPSON: Thank you. How are you
3 doing?

4 MS. CHIAVARA: Fantastic. Thanks.

5 CMSR. SIMPSON: Good to hear it. New
6 Hampshire Department of Energy.

7 MR. WIESNER: Dave Wiesner, for the
8 Department of Energy. With me today is Jay
9 Dudley, an Electric Analyst in the Regulatory
10 Support Division, and also co-counsel Matt Young.

11 CMSR. SIMPSON: Thank you, Attorney
12 Wiesner. Good to see you, Mr. Dudley. And
13 welcome, Attorney Young.

14 MR. WIESNER: We're doing well, too.

15 CMSR. SIMPSON: Glad to hear it.
16 Everybody looks great.

17 Let's start with preliminary matters.
18 Exhibit 1 has been prefiled and premarked for
19 identification. Is there anything else we need
20 to cover regarding exhibits?

21 *[No verbal response.]*

22 CMSR. SIMPSON: Any other preliminary
23 matters, before we have the witnesses sworn in?

24 *[No verbal response.]*

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 CMSR. SIMPSON: Any objections to the
2 witnesses and the prefiled testimony?

3 *[Atty. Wiesner indicating in the*
4 *negative.]*

5 CMSR. SIMPSON: Okay. Let's proceed
6 with witnesses. Nice to see everybody here in
7 person today.

8 If you would, Mr. Patnaude, swear in
9 the panel of witnesses, that would be great.

10 (Whereupon **Marisa B. Paruta,**
11 **James E. Matthews, Edward A. Davis,** and
12 **David J. Burnham** were duly sworn by the
13 Court Reporter.)

14 CMSR. SIMPSON: Thank you. All right.
15 I'll recognize Attorney Chiavara, for Eversource.

16 MS. CHIAVARA: Thank you very much,
17 Commissioner Simpson.

18 **MARISA B. PARUTA, SWORN**

19 **JAMES E. MATTHEWS, SWORN**

20 **EDWARD A. DAVIS, SWORN**

21 **DAVID J. BURNHAM, SWORN**

22 **DIRECT EXAMINATION**

23 BY MS. CHIAVARA:

24 Q I'm going to begin with Ms. Paruta. Ms. Paruta,

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 will you please state your name and title of your
2 role at Eversource?

3 A (Paruta) Good morning, Commissioners. My name is
4 Marisa Paruta. And I am the Director of
5 Regulatory and Revenue Requirements for both
6 Connecticut and New Hampshire's electric and gas
7 service -- electric and gas utility companies.
8 And I am responsible for all of the revenue
9 requirements and cost of service studies
10 necessary to be completed and filed in front of
11 the Commissioners.

12 Q And have you ever testified before this
13 Commission?

14 A (Paruta) Yes, I have.

15 Q And did you file testimony and supporting
16 attachments as part of the filing on June 20th,
17 2022, marked as "Exhibit 1"?

18 A (Paruta) Yes, I did.

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

21 A (Paruta) Yes.

22 Q Do you have any changes or updates to make at
23 this time?

24 A (Paruta) No, I do not.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

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

3 A (Paruta) Yes, I do.

4 Q Thank you very much. Turning to Mr. Matthews.
5 Mr. Matthews, can you please state your name and
6 the title of your role at Eversource?

7 A (Matthews) Yes. My name is James Matthews. I'm
8 Manager of Transmission Rates and Revenue
9 Requirements for Eversource Energy Service
10 Company.

11 Q And what are the responsibilities of your role at
12 Eversource?

13 A (Matthews) I'm responsible for coordination and
14 implementation of transmission rate and revenue
15 requirement calculations for Eversource. And I
16 have responsibility related to transmission rate
17 filings before Eversource's affiliated companies'
18 three state utility commissions, as well as the
19 Federal Energy Regulatory Commission.

20 Q Have you ever testified before this Commission?

21 A (Matthews) Yes.

22 Q And did you file testimony and supporting
23 attachments as part of the filing on June 20th,
24 2022, marked as "Exhibit 1"?

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 A (Matthews) Yes.

2 Q Were the testimony and supporting materials
3 prepared by you or at your direction?

4 A (Matthews) Yes.

5 Q And do you have any changes or updates to make at
6 this time?

7 A (Matthews) No, I do not.

8 Q So, do you adopt that testimony today as it was
9 written and filed?

10 A (Matthews) I do. Yes.

11 Q Thank you. Turning to Mr. Davis. Mr. Davis,
12 will you please state your name and the title of
13 your role at Eversource?

14 A (Davis) Good morning. My name is Edward Davis.
15 I am the Director of Rates for Eversource Energy
16 Service Company.

17 Q And what are the responsibilities of your role at
18 Eversource?

19 A (Davis) My responsibilities include all rates,
20 tariff, and related matters for the operating
21 companies of both electric and gas for the NU
22 subsidiary -- the Eversource subsidiaries.

23 Q And have you ever testified before this
24 Commission?

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 A (Davis) Yes, I have.

2 Q Did you file testimony and supporting attachments
3 as part of the filing made on June 20th, 2022,
4 that's marked as "Exhibit 1"?

5 A (Davis) Yes, I did.

6 Q And were the testimony and supporting attachments
7 prepared by you or at your direction?

8 A (Davis) Yes.

9 Q Do you have any changes or updates to make at
10 this time?

11 A (Davis) I do not.

12 Q So, do you adopt your testimony today as it was
13 written and filed?

14 A (Davis) Yes.

15 Q Fantastic. Lastly, Mr. Burnham. Mr. Burnham,
16 will you please state your name and the title of
17 your role at Eversource?

18 A (Burnham) My name is David Burnham. I am the
19 Director of Transmission Policy for Eversource
20 Energy.

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

23 A (Burnham) I am responsible for advising
24 Eversource transmission project teams on

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 stakeholder process and reporting requirements.
2 More specifically, I oversee the preparation and
3 submission of Transmission Cost Allocation
4 filings with ISO-New England. And I coordinate
5 Eversource's responses to policy and tariff
6 changes that are developed by ISO-New England and
7 vetted through the NEPOOL stakeholder processes.

8 Q Have you ever testified before this Commission?

9 A (Burnham) Yes. I testify annually at this
10 hearing.

11 Q Okay. Great. And did you file testimony and
12 corresponding attachments as part of the filing
13 made on June 20th, 2022, marked as "Exhibit 1"?

14 A (Burnham) Yes, I did.

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

17 A (Burnham) Yes.

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

20 A (Burnham) No, I do not.

21 Q So, do you adopt your testimony today as it was
22 written and filed?

23 A (Burnham) Yes, I do.

24 Q Thank you very much. I'm going to return to

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Ms. Paruta.

2 Ms. Paruta, by way of background, could
3 you provide some context for the Transaction Cost
4 Adjustment Mechanism, or "TCAM", rate, the
5 adjustment of which the Company is asking for
6 today?

7 A (Paruta) Sure. The TCAM rate that we use and is
8 existence today was established as part of a 2006
9 distribution rate case, and it recovers the cost
10 of transmission expenses from distribution
11 customers. The TCAM established an annual rate,
12 which is reconciled on an annual basis. The
13 transmission expenses that are being recovered
14 consist of wholesale transmission costs from
15 ISO-New England, including Regional Network
16 Service, which is referred to as "RNS", Local
17 Network Service, referred to as "LNS",
18 Reliability and Scheduling and Dispatch costs,
19 and, in particular, being the majority of it are
20 your RNS and LNS, essentially, the lion's share.
21 These are based on FERC-approved tariffs. And,
22 in addition to wholesale transmission costs, the
23 TCAM also includes costs and revenues that are
24 associated with the Hydro-Quebec High-Voltage DC

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 line contract and an allowance for working
2 capital, which is calculated based on a lead/lag
3 study, and that is also updated annually.

4 The TCAM rate is established on an
5 annual basis, and it includes both forecasted
6 transmission costs for the upcoming year, as well
7 as adjustments to actual transmission rates from
8 the past annual period that's wrapping up now.
9 The over- or under-recoveries that are associated
10 with the previous rate set is also incorporated
11 into the annual rate, and then the rate is
12 implemented every year on August 1st.

13 Q Thank you very much. Mr. Davis, could you please
14 highlight the transmission rate impacts for the
15 rate classes?

16 A (Davis) Certainly. As shown in Exhibit 1,
17 Attachment EAD-5, on Bates Page 60, Line 33, the
18 impact of the transmission rate change for a
19 typical 550 kilowatt-hour residential Rate R
20 customer is a decrease of \$3.77 per month. The
21 impacts for a residential 600 kilowatt-hour and
22 650 kilowatt-hour customers are also shown on
23 that same page. The Company has also included
24 the overall impact of all other rate changes

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 being proposed for August 1st as Attachment
2 EAD-7, which is provided on Bates Pages 061 and
3 062.

4 Q Thank you very much. Mr. Matthews, there was a
5 significant over-collection for this upcoming
6 year. Last year the Commission expressed a
7 concern about overly conservative forecasting.
8 Was this over-collection a result of conservative
9 forecasting or are there other relevant factors
10 that have led to this result?

11 A (Matthews) No, the over-recovery is not due to
12 conservative forecasting. Rather, the primary
13 driver of the over-recovery is lower than
14 projected net wholesale LNS costs that were
15 experienced during the reconciliation period.
16 These net costs were lower than projected due to
17 substantially higher RNS revenue credits that
18 resulted from higher, weather-driven loads. So,
19 this weather-driven impact on loads is really
20 impossible to predict. So, while the Company
21 relies on a number of factors that inform it, in
22 terms of its forecasting, forecasting, by nature,
23 has a degree of inaccuracy, and weather would be
24 one of those components of that.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Q Thank you. And, Ms. Paruta, are Eversource
2 customers ever put at a permanent disadvantage
3 due to impacts from over-collections created by
4 forecasted sales?

5 A (Paruta) No, they are not. When the Company has
6 such over-collections, the customers are always
7 made whole. And this is done through the
8 carrying charges within the revenue -- the
9 revenue rate mechanisms, the reconciling
10 mechanisms. And those are proportionate,
11 essentially, to the time value of money that the
12 Company may have as a result of any
13 over-collection.

14 Q And is there a way to navigate this issue through
15 a modification to the Company's approach in
16 forecasting?

17 A (Paruta) No. What we would say is you can either
18 forecast, or can you use prior year actuals. And
19 forecasting is inherently going to give you an
20 over- or under-recovery because just of its
21 nature. Prior year actuals also come with risk
22 of over- or under-recovery as well, just because
23 of the unpredictability of what's going to happen
24 in the following year.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 So, one example would be like what the
2 pandemic did. And, really, we saw the massive
3 fluctuation there, and how you really can't rely
4 on your prior period, and even forecasting, in
5 that example, because it was an incredibly unique
6 set of circumstances. So, this actually has a
7 probability of greater over or under-collection
8 when using prior year actuals, because
9 forecasting, at least from what we believe, could
10 provide some form of expectations in what we're
11 seeing in the transmission side.

12 So, there really is no way to fully
13 mitigate over- or under-recovery, either through
14 forecasting or using the prior year actuals.

15 Q Thank you very much. That's very help.
16 Mr. Matthews, Exhibit 1, Bates Page 029, Line 21,
17 shows Eversource wholesale transmission suspended
18 the billing of LNS costs to its wholesale LNS
19 customers in the months of October through
20 December, due to a growing over-recovery of
21 wholesale LNS costs in 2021.

22 Additionally, on Line 23 of Bates Page
23 029, it shows Eversource's wholesale transmission
24 company issued as refund to its wholesale

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 transmission customers of approximately \$7.9
2 million in November.

3 Can you please explain why this
4 anomalous action was taken, and do you envision
5 that this would be a recurring event?

6 A (Matthews) Sure. Yes, I can expand on that.

7 First, I think it's important to make
8 it clear that the suspended billing related to
9 the billing of wholesale LNS costs by
10 Eversource's wholesale transmission business,
11 which is a FERC-regulated entity that is
12 operating under the FERC-approved tariffs, to the
13 wholesale LNS customers of Eversource's
14 transmission business. And those wholesale LNS
15 customers include Eversource's distribution
16 companies, such as PSNH, but also seven other
17 customers in New Hampshire would include New
18 Hampshire Electric Co-op, and Unitil as well.

19 So, the decision to suspend the
20 billings of wholesale LNS costs was a decision
21 made by Eversource's transmission business, and
22 the decision allowed the wholesale LNS customers
23 in Connecticut, Massachusetts, and New Hampshire
24 to retain the cash that they would have otherwise

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 paid out for LNS service during those months, and
2 then subsequently had just simply refunded back
3 at a later date.

4 However, due to the impacts of the
5 carrying charges on over-recoveries, there was no
6 net benefit to the earlier refund, other than to
7 provide them with the cash at that time.

8 And a little more on the carrying
9 charges. The associated carrying charges
10 compensate both the wholesale LNS customer and
11 the Company for the time value of money
12 associated with either an over-recovery or
13 under-recovery. And, in this case, if the
14 billings had been suspended -- had not been
15 suspended, the carrying charges would have been
16 applied accordingly, and that would have made
17 customers equally whole, as compared to the
18 action that was taken, that resulted in fewer
19 carrying charges.

20 And, if you'll bear with me just a
21 little bit more on this, importantly, under the
22 Settled Formula Rate that became effective
23 January 1st, 2022, LNS costs are billed monthly
24 based on a calculated LNS rate that's filed at

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 FERC, times the wholesale LNS customer's load
2 each month, not through revenue crediting, RNS
3 revenue crediting is no longer utilized to
4 determine wholesale LNS costs. So, under -- and,
5 also, under- and over-recoveries will be a
6 component of the going-forward LNS rate.

7 So, under the new rate structure, while
8 there still can be under- and over-recoveries,
9 with the absence of revenue crediting and
10 lump-sum true-ups, the Company will not engage in
11 future suspensions of billing and refund --
12 suspensions of billings and refunding of
13 collections to wholesale customers. And we
14 expect this to result in greater LNS rate
15 stability going forward.

16 Q Thank you. And, Mr. Matthews, did this impact
17 PSNH distribution customers at all?

18 A (Matthews) No, it did not. The TCAM
19 reconciliation mechanism ensured that PSNH's
20 retail customers paid for only the transmission
21 costs that are billed to PSNH distribution during
22 the reconciliation period. So, what occurred, in
23 terms of suspended billing to the wholesale LNS
24 customers mid-year, did not alter the way the

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 TCAM functions, that is, the TCAM rate remained
2 constant.

3 Q Thank you very much. Ms. Paruta, I'd like to
4 turn to the Lead/Lag Study. I was wondering, how
5 do the net days for cash working capital for this
6 year compare with last year? And can you speak a
7 bit specifically to the change in revenue lag
8 days?

9 A (Paruta) Sure. When looking at the cash working
10 capital days analysis, revenue lag days went from
11 43.9 days in 2020, to 47.8 days in 2021. And,
12 taking a deeper dive, the cost lead days went
13 from 84.8 days in 2020, to 66.8 days in 2021.
14 When looking at the revenue lag days, the
15 increase from 2020 relates to the average
16 accounts receivable balance increasing from 13.6
17 million to 18.5 million, which is a 37 percent
18 increase. The increase in our TCAM receivable
19 balance was driven primarily by the increase in
20 the average TCAM rates across that period of
21 time.

22 And, again, breaking that down a little
23 bit further, in 2020, the average TCAM rate was
24 2.051 cents a kilowatt-hour from January to July

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 of that year, and 2.758 cents a kilowatt-hour
2 from August to December of that year. In 2021,
3 the average TCAM rate was 2.758 cents a
4 kilowatt-hour from January to July, and 2.785
5 cents a kilowatt-hour from August to December.

6 So, although the associated
7 transmission revenues increased year-over-year by
8 20 percent, the average accounts receivable
9 balance increased 37 percent year-over-year.

10 Q Thank you very much. Switching to New
11 Hampshire's load share, Mr. Matthews, how is New
12 Hampshire's load share changing or trending over
13 time?

14 A (Matthews) New Hampshire's load ratio share,
15 which is the basis for allocation of wholesale
16 regional costs by ISO-New England to the regional
17 customers, has been trending upward slightly over
18 the past few years. For instance, if we went
19 back to 2006, 2006, and went back 2006 through
20 2019, we'd see that New Hampshire -- the State of
21 New Hampshire's load share increased
22 approximately 0.4 percent over that period of
23 time. There was a bit of an additional spike in
24 2020 and 2021, however those are a little

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 difficult to call a trend, in the way that we
2 looked at 2016 through 2019, given that most of
3 that spike is probably, and most certainly, due
4 to COVID-19 impacts.

5 Q Thank you. And turning to Mr. Burnham, hello.
6 Can you tell us what is attributable to New
7 Hampshire's load share trend?

8 A (Burnham) So, overall, there are three major
9 factors that generally impact loads. The first
10 driver, and probably the largest driver, is the
11 year-to-year variations in weather. That does
12 tend to be more of a year-to-year thing. It
13 tends not to impact load ratio shares over the
14 longer term. And, as Mr. Matthews mentioned,
15 there was also likely a impact over the last two
16 years, probably -- well, maybe anomalous, maybe
17 not, impacts from COVID.

18 The other two factors that affect load
19 ratio shares more over the longer term are
20 economic development and population growth, which
21 tends to put upward pressure on load and/or load
22 ratio. And that likely led to some of the
23 increase in New Hampshire's load ratio share, as
24 more people have moved to New Hampshire, say,

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 over the past decade, and New Hampshire has had
2 greater economic growth and development relative
3 to some of the other states in the region.

4 The final factor that affects load
5 ratio share is energy efficiency and demand
6 reduction programs, including things like
7 behind-the-meter generation. Across the region,
8 other states have invested more heavily and
9 implemented larger energy efficiency type
10 programs, and through that have been able to
11 usually hold their load ratio share more constant
12 as they have experienced economic growth.

13 Q Thank you very much. Ms. Paruta, what have been
14 the Company's recent efforts to reduce the share
15 of New Hampshire's load to remain competitive
16 with other regional states?

17 A (Paruta) Yes. So, through the energy efficiency
18 programs, Eversource initiated some pilot
19 programs in the 2017 through 2020 plan that have
20 continued into the 2021 through 2023 plan to
21 reduce overall demand, which can help to reduce
22 the New Hampshire load share ratio. Energy
23 efficiency program results and their impact on
24 reducing peak demand are described in detail in

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 the testimony on Bates Page 014 through 018.

2 In 2021, the Active Demand Reduction
3 reduced the peak summer load by 8.4 megawatts.
4 For 2022 through 2023, the Active Demand
5 Reduction planned measures are expected to reduce
6 summer peak by an additional 17.3 megawatts.

7 Q Thank you very much. Turning back to Mr.
8 Burnham, this is about line loss. Has the
9 Company conducted a business process evaluation
10 of a comprehensive line loss program for improved
11 system efficiency?

12 A (Burnham) Yes. In our experience, the most
13 cost-effective way to reduce transmission line
14 losses is essentially to take advantage of
15 projects that are being initiated for other
16 reasons, such as reliability upgrades,
17 replacement of aging infrastructure, and at that
18 time select lower-loss, more efficient equipment
19 when we are already performing equipment
20 replacement.

21 So, a few examples of these are in my
22 exhibit, which is Bates Page 069 and looking
23 specifically at Lines 15 and 17. Those projects
24 relate to reconstructions of transmission lines

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 that were built approximately 50 years ago with a
2 relatively small line conductor or cable with
3 higher losses. As we are reconstructing those
4 facilities, we use the opportunity, when we're
5 already replacing the conductor, to select a
6 modern conductor with much lower losses.

7 Q And this process results in a more cost-efficient
8 way of lowering line losses?

9 A (Burnham) Yes. That is the most -- in our view,
10 the most cost-effective way to reduce line
11 losses, when we are already replacing the
12 equipment, to select more efficient equipment at
13 that time.

14 Q Thank you. And this last question is for all of
15 the witnesses. Is it your and the Company's
16 position that the TCAM rate proposed for the
17 period of August 2022 through July 2023, as
18 described in Exhibit 1, is just, reasonable, and
19 consistent with the public interest?

20 A (Paruta) Yes.

21 A (Matthews) Yes.

22 A (Davis) Yes.

23 A (Burnham) Yes.

24 MS. CHIAVARA: Great. Thank you.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Those are all the questions I have.

2 CMSR. SIMPSON: Thank you, Attorney
3 Chiavara. I'll recognize Attorneys Wiesner and
4 Young, for the Department of Energy.

5 MR. WIESNER: Well, I want to thank the
6 Company for doing a fine job on direct testimony
7 of addressing many of the issues that we had
8 identified through our review, and as a result of
9 the tech session that we had with the Company.

10 I only have a few follow-up, clarifying
11 questions.

12 **CROSS-EXAMINATION**

13 BY MR. WIESNER:

14 Q I think, first, I'd like to hear a little bit
15 more about the recently effective FERC Settlement
16 that resulted in a change in how LNS charges are
17 billed to the Company's wholesale customers, in
18 particular, what drove that change, and what the
19 effects might be on retail customers in the
20 state?

21 A (Matthews) I think that would be me. So, in
22 terms of what drove that change, I believe, and
23 this is likely before I joined the Transmission
24 group, back in the 2015 or 2016 timeframe there

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 was a challenge brought against the New England
2 transmission owners regarding the structure of
3 their rates, in the sense that parties were
4 looking for additional transparency and assurance
5 that the mechanics of the rate didn't allow for
6 over-recoveries and things of that sort.

7 So, as a result of that very extensive
8 negotiations, with multiple parties, a new rate
9 structure was arrived at. The FERC decision came
10 in December of 2020, for rates effective January
11 1, 2022.

12 And, with respect to LNS costs, the
13 most impactful differences in the new rate
14 structure were no longer would LNS costs be
15 determined based upon calculating a total revenue
16 requirement, and then netting revenues received
17 from other sources, primarily RNS revenues,
18 against that revenue requirement, to determine
19 what the local customer pays. Rather, we moved
20 towards a process where a total revenue
21 requirement will be calculated and allocated to
22 each of the rates, RNS and LNS, based upon gross
23 plant ratios. So, the percentage of non-PTF, or
24 Local Network Service, supported plant, divided

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 by total transmission plant, would be a
2 percentage, and that would be a percentage of
3 base costs that would flow to LNS. So, it's much
4 more representative of the investments that are
5 made at the local transmission space.

6 The second change was, no longer would
7 be do lump-sum true-ups for over- and
8 under-recoveries in that May or June timeframe.
9 Rather, the under- or over-recoveries would be
10 treated very much like the RNS rate has been
11 historically, where an over-recovery or
12 under-recovery would be carried forward to the
13 next LNS rate, and spread over those twelve
14 months.

15 And then, the final item of
16 significance for LNS was, in the prior rate
17 structure, we had a combined revenue requirement
18 for CL&P, PSNH, and NSTAR-West, which was then
19 allocated to each of the entities based upon
20 their load ratio share. New Hampshire,
21 typically, was 20 percent of that pie -- or, PSNH
22 customers were 20 percent of that pie. So,
23 that's been removed. And, now, we have
24 state-by-state local rates. So, we develop an

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 actual LNS rate, a unit rate per kilowatt-hour
2 for each of the states, and it gets charged times
3 the customer's load within that state.

4 So, put another way, PSNH's LNS costs
5 are only charged now to New Hampshire customers,
6 and New Hampshire customers don't pay for a share
7 of Connecticut or NSTAR-West's LNS costs.

8 Q And that FERC Settlement was not specific to
9 Eversource, it included the other transmission
10 owning-utilities in the region?

11 A (Matthews) Sure.

12 Q Is that correct?

13 A (Matthews) Yes, it did. That's correct.

14 Q And the new treatment of LNS charges affects not
15 just PSNH, as an affiliate of Eversource, but
16 also other wholesale customers in the state?

17 A (Matthew) Right.

18 Q As you noted the Co-op and others?

19 A (Matthews) Right.

20 Q And, so, the net effect is a more state-specific
21 allocation of LNS charges, is that fair to say?

22 A (Matthews) That would be accurate. Yes.

23 Q And this transition period, the period we're
24 looking at now for reconciliation as sort of a

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 split in methodology between the two, but going
2 forward would just have the state-specific
3 allocations based on the FERC Settlement?

4 A (Matthews) Correct.

5 Q Thank you. And this may also be for you, Mr.
6 Matthews. This is just a follow-up on the
7 billing suspensions and one-time refund credit
8 that were applied to the Company's wholesale
9 customers for the period in question. The
10 one-time approximately 7.9 million refund amount,
11 that was issued in November of last year, is that
12 right?

13 A (Matthews) That's right.

14 Q Why was November chosen, as opposed to any other
15 month?

16 A (Matthews) I think, as the Billing group assessed
17 the proper timing for that, November made sense
18 from a couple of perspectives.

19 One, things can change. The billing
20 group was monitoring the over-recovery over time,
21 but didn't want to pull the trigger, so to speak,
22 too early, and then have something happen with
23 loads, where RNS revenue credits dropped below
24 the forecasted level, and we didn't end up on

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 track for the same over-recovery that we had
2 expected. So, there was a bit of -- a bit of
3 that.

4 Then, I think, once we got into the
5 fourth quarter, you know, it certainly did appear
6 that we were going to see a very significant
7 over-recovery. Now, why the credit was issued in
8 November, again, makes sense, from the
9 perspective of there's customer communications
10 that need to be issued -- calculations to be made
11 first, customer communications, and things of
12 that sort, and then the accounting for it as
13 well, with year-end activities right around the
14 corner. So, it was an opportunity there to
15 execute all the necessary procedural issues
16 associated with it, and somehow also keep it out
17 of year-end activities, to ensure that things
18 were done accurately and efficiently.

19 Q Thank you. Appreciate that clarification.
20 Follow up on the load ratio share trends. And
21 Mr. Burnham addressed this, so maybe I'll direct
22 this question his way. But whoever is best able
23 to answer it should chime in.

24 You know, that at least the short-term

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 trend that we observe, where there's an increase
2 in New Hampshire's load ratio share relative to
3 other states, do we expect that to continue,
4 notwithstanding some of the initiatives that Ms.
5 Paruta described? A higher trend, I should say?

6 A (Burnham) I think that the short-term trend from
7 the past two years, essentially 2020 and 2021, in
8 my view, is too hard to predict right now whether
9 it will continue. It was an increase of a few
10 more tenths of a percent to New Hampshire load
11 ratio share. But, like we mentioned before, we
12 believe at least a portion of that is associated
13 with the COVID-19 pandemic impacts. And I think,
14 today, it's -- we really don't have a projection
15 of to what extent those impacts will continue
16 over time or dissipate.

17 Q And the relevant measure for RNS and LNS is the
18 monthly coincident system peak, is that correct?

19 A (Burnham) That is correct. It's the average of
20 the twelve monthly peaks.

21 Q Okay. So, even if there's an overall reduction
22 in energy usage, if it's not at the "right time",
23 it may not impact that transmission billing?

24 A (Burnham) Correct.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 MR. WIESNER: Thank you. I have no
2 further questions for these witnesses.

3 CMSR. SIMPSON: Thank you, Attorney
4 Wiesner.

5 I will recognize Commissioner
6 Chattopadhyay.

7 CMSR. CHATTOPADHYAY: Thank you.

8 BY CMSR. CHATTOPADHYAY:

9 Q Before I lose the thread, you were talking about
10 forecasting, and how COVID might have impacted
11 New Hampshire. Why would COVID impact New
12 Hampshire differently than other parts of the,
13 you know, for other states, for example? Why do
14 think that it's important in explaining the
15 uptick in the load share?

16 A (Burnham) During 2020, for example, there was a
17 shift to much greater working from home, and
18 likely a degree of shifting from, say,
19 Massachusetts, or people that had been, perhaps,
20 living in New Hampshire, or had vacation homes in
21 New Hampshire, but had been working in
22 Massachusetts, say, moving to New Hampshire full
23 time, and that causes a load increase.

24 We saw some of this as well between

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 different customer classes during the early
2 months of the pandemic, when residential usage
3 was generally much higher, relative to what we
4 would have expected, again, from the
5 work-from-home. And that's -- I think, still the
6 open question is "to what degree will those more
7 widespread work-from-home practices continue, and
8 lead to greater flexibility of where people live,
9 and kind of more working from home, say,
10 happening in New Hampshire, versus more of a
11 return to normal pre-pandemic practices?"

12 Q Do you have readily available data to support
13 that assertion?

14 A (Burnham) I have not seen an analysis that really
15 nails -- attempts to nail down the extent to
16 which population shifts did happen and how it
17 impacted load. I know that we saw it anecdotally
18 through shifts in customer classes.

19 But, as for a state -- a state-specific
20 analysis, I don't have that available.

21 Q Okay. So, do you -- the Company started off by
22 explaining some of the issues that were raised
23 previously about, you know, the over-recovery and
24 all of that, what the forecasting trend is. So,

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 I'm -- I would benefit from, first of all, just
2 let me know when the TCAM process went into
3 place, was it 2007? In its full effect?
4 Meaning, there are these reconciliations and
5 other things that also come in. So, was it 2007
6 or 2008?

7 A (Paruta) I believe it was part of the Settlement,
8 and it's in the testimony, so, I apologize, I
9 believe it was settled and agreed upon in 2010.
10 But let me just confirm that.

11 Q You said "2010"?

12 A (Paruta) Correct.

13 Q Okay.

14 A (Paruta) So, there were certain costs that were
15 previously recovered in distribution rates, but
16 those were transferred to the TCAM in 2010. So,
17 the actual TCAM may be even earlier than that.
18 So, I apologize, I was getting my two dates
19 confused. We'll get that information.

20 Q Yes. I am less concerned about when it started.
21 Just wanted to get that information to help me to
22 ask the Company, really, when the TCAM process
23 got fully settled, meaning it was mature enough
24 that it continued the way it has. I want to get

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 a sense of, over those years, --

2 A (Paruta) Yes.

3 Q -- what load was forecasted and what the load
4 actually ended up being. So, it would be helpful
5 to get that information. And I'm not sure
6 whether I can pinpoint which year that started.
7 So, that's why I was asking the questions. And,
8 so, if it's 2011, so, maybe let's make it simple.
9 Can you provide that information, the one that
10 I'm asking for, for the last ten years?

11 A (Paruta) Tens years.

12 A (Matthews) Yes.

13 CMSR. CHATTOPADHYAY: So, that would be
14 a record request.

15 CMSR. SIMPSON: Can you please
16 articulate the request for me, Commissioner?

17 CMSR. CHATTOPADHYAY: Yes. Just give
18 me a second, I'm going to phrase --

19 CMSR. SIMPSON: Take your time. Yes.

20 CMSR. CHATTOPADHYAY: -- my question
21 appropriately.

22 In calculating the TCAM rates, the
23 Company relies on forecasting what the load would
24 be in a particular year. I would be -- sorry,

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 let me just -- I'm interested in knowing what
2 those forecasts were over the last ten years, and
3 what the actual loads turned out to be over those
4 ten years?

5 WITNESS PARUTA: And just to reconfirm.
6 It is in the testimony that the TCAM was
7 established in 2007. But, also, to add to that,
8 the forecasting load, and I'll ask Mr. Matthews
9 to confirm, is a New England-based forecast load.
10 It is not something that is specifically
11 calculated by Eversource.

12 But I'll go ahead and let Mr. Matthews
13 confirm that.

14 WITNESS MATTHEWS: Before I confirm it,
15 I think I'm going to ask a clarifying question.

16 CMSR. CHATTOPADHYAY: Sure.

17 WITNESS MATTHEWS: When you're
18 referring to "load forecasts", for instance, in
19 estimating the TCAM expenses, and I'll pick RNS
20 expense, and it would apply to LNS and Scheduling
21 and Dispatch costs this year as well. The
22 Company knows the LNS, S&D, and RNS rates, and
23 multiply them times an internal load forecast for
24 the next -- for the forecast period, to derive

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 the estimated costs.

2 When you're asking for "historical load
3 information", are you tying it more into the
4 revenue credit issue that we have discussed?

5 CMSR. CHATTOPADHYAY: No, I haven't
6 thought through that yet. But you used the word
7 "internal load forecast". So, you had some
8 internal load forecast, right? And then, you
9 would know what the actual load turned out to be
10 compared to that. That's what I'm interested in
11 knowing. Over, and I'm still not sure how many
12 years the TCAM has, you know, been in place in
13 its mature form, but I think ten years would be a
14 good period to take a look at.

15 WITNESS MATTHEWS: I think my
16 clarifying question gets at the change in
17 methodologies that we've seen, especially on the
18 LNS side, with no more revenue crediting. So,
19 we'll have to go back and look at what the
20 relevant load forecasts are that are involved in
21 determining the TCAM cost, and get you the best
22 data that we can, comparative data.

23 CMSR. CHATTOPADHYAY: Yes. And the
24 change that you're talking about, it only

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 happened recently?

2 WITNESS MATTHEWS: Right.

3 CMSR. CHATTOPADHYAY: Right? So, it's
4 still, you know, it's not about the cost itself.
5 I'm just trying to get a sense of how would the
6 Company, and in terms of internally forecasting
7 the load that is relevant for the calculations.
8 So, that's what I'm trying to get at.

9 WITNESS MATTHEWS: Okay. Thank you.

10 CMSR. CHATTOPADHYAY: Okay?

11 WITNESS MATTHEWS: Thank you.

12 CMSR. SIMPSON: Okay. Before we move
13 away from this, I just want to reiterate the
14 request, so I'm positive that it's captured
15 appropriately.

16 CMSR. CHATTOPADHYAY: Yes.

17 CMSR. SIMPSON: So, in calculating the
18 TCAM rates, the Company relies on internal
19 forecasting what the load would be in a
20 particular year. Please provide the prior ten
21 years of applicable internal forecasts and the
22 resulting load over that ten-year period.

23 CMSR. CHATTOPADHYAY: I would say the
24 "resulting actual loads" or --

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 WITNESS MATTHEWS: The only amendment I
2 might suggest is the word "internal".

3 CMSR. SIMPSON: Okay.

4 WITNESS MATTHEWS: Because we're going
5 back before a period, to a period before, prior
6 to my involvement. So, I'm not sure if it was
7 always an internal forecast. So, if we just say
8 "the forecast" --

9 CMSR. SIMPSON: Okay.

10 WITNESS MATTHEWS: -- that was used, I
11 think we might cover the bases better that way.

12 CMSR. SIMPSON: Okay. And, then, I'm
13 mindful of the pendency of the deadline upon
14 which the Company has requested approval of these
15 rates. Do you feel that ten years is a
16 reasonable period of time, that the Company can
17 provide a request or provide a response to this
18 request in, I mean, the next week?

19 WITNESS MATTHEWS: We'll certainly
20 endeavor to do that. And we have folks that will
21 fully dig in. I'd hesitate to say "one hundred
22 percent" that that, you know, not knowing what
23 we'll face when we dig into that information.

24 So, if we find challenges with that,

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 but were to determine that five years of data was
2 available, would that be --

3 CMSR. CHATTOPADHYAY: Yes. I was --
4 sorry. Yes. I was going to suggest that. So,
5 that would be fair.

6 I mean, it's more important for us to
7 also get the information soon enough that we are
8 staying within the timelines expected.

9 WITNESS MATTHEWS: Sure. Okay. And
10 our response will be very forthright, in terms of
11 any challenges that were met with that.

12 CMSR. CHATTOPADHYAY: Yes.

13 WITNESS MATTHEWS: Okay.

14 CMSR. SIMPSON: Okay. So, then, I'm
15 just going to reiterate, I made a couple of
16 changes here.

17 In calculating the TCAM rates, the
18 Company relies on forecasting what the load would
19 be in a particular year. Please provide the
20 applicable forecasts over the prior decade and
21 the resulting actual load over that time period.

22 Does that work for you, Commissioner?

23 CMSR. CHATTOPADHYAY: Yes. It does.

24 CMSR. SIMPSON: Great.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 CMSR. CHATTOPADHYAY: Thank you.

2 BY CMSR. CHATTOPADHYAY:

3 Q So, I have a general question. If you go to -- I
4 need to figure out the Bates page, just a moment.
5 Just bear with me.

6 So, if you go to Bates Page 035, that's
7 MBP-2, Page 4 of 13, Exhibit 1, of course.

8 A (Paruta) Yes.

9 Q And then, so, you have numbers for RNS, S&D, LNS,
10 and Reliability, you know, that are for the net
11 lags, the percentages. And, if you go back up to
12 Bates Page 033, I'm assuming the lags do appear
13 here for the different categories. Those are the
14 actual, right? Those in Bates Page 033?

15 A (Paruta) In terms of what ultimately flows
16 through the rates?

17 Q Yes.

18 A (Paruta) Correct.

19 Q That's what flows through the rates? Okay.

20 A (Paruta) Yes. That, and also Page 1 of 13 as
21 well, yes. Those two. Your 1 of 13 is going
22 into your forecast period for the rate that will
23 become effective, correct.

24 Q Okay.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 A (Paruta) And what you just pointed to was the
2 actuals, correct.

3 Q Okay. So, what does Bates Page 035 pick up then?
4 Just give me a quick sense. You know, --

5 A (Paruta) In terms of?

6 Q Sticking to what we just talked about, Bates 033,
7 and --

8 A (Paruta) How does it flow in?

9 Q Yes.

10 A (Paruta) Yes. Let me walk you through it. One
11 second, I'm just going to pull up --

12 Q Yes.

13 A (Paruta) -- my Excel workbook here so that I can
14 follow it through for you.

15 Okay. So, your net lag percentage,
16 that's determined based on year-end 2021 before.
17 So, if we can just work with the "RNS", which is
18 Line 1, --

19 Q Yes.

20 A -- in your Column (D), I'll say, the "negative
21 4.15 percent".

22 Q Yes.

23 A (Paruta) That flows up to your RNS calculation,
24 on Page --

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Q Thirty-two?

2 A (Paruta) Yes.

3 Q Okay.

4 A (Paruta) Bates Page 032, yes. Correct.

5 Q Okay. Good. I just wanted to confirm what's
6 going on. So, those numbers get picked up by
7 Bates -- those, meaning the numbers that appear
8 in Bates Page 032 are picked up in Bates
9 Page 035.

10 A *[Witness Paruta indicating in the affirmative].*

11 CMSR. CHATTOPADHYAY: So, anyway, that
12 was helpful. I think that's all I have for now.

13 CMSR. SIMPSON: Great.

14 CMSR. CHATTOPADHYAY: Thank you.

15 CMSR. SIMPSON: Thank you. So, first
16 off, I want to commend the Department of Energy
17 for the tech session work, and the rigor that
18 they have used in going through the filing, as
19 always, so much appreciated there.

20 Appreciate, as I said, the Company
21 having the witnesses here available in person
22 today. And the clarity in which they presented
23 this filing.

24 I have a few questions for all of the

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 witnesses. And I'll start with Ms. Paruta and
2 Matthews.

3 BY CMSR. SIMPSON:

4 Q We have several rate change proceedings that
5 currently happen on August 1st, and this creates
6 some significant administrative burden for the
7 Commission. Moving forward, would there be an
8 objection to moving some of these rate changes to
9 different dates, and not applicable to this
10 filing, but as a general matter?

11 A (Paruta) Yes. The Company would not object to
12 that.

13 Q Okay. So, there's a burden as well for the
14 Company in handling everything on August 1st?

15 A (Paruta) Correct.

16 Q Okay. Very good. Thank you. So, how is the
17 Eversource load share calculated? I'm looking at
18 Page 6, Bates Page 006 of the testimony -- excuse
19 me, Bates Page 007. And it's "calculated using a
20 rolling 12-month coincident peak (12 CP)." And I
21 think you said that's the "average" of the peak.
22 Is that a monthly peak or am I misinterpreting
23 what you had testified to earlier?

24 A (Burnham) I'll just say it again. I think you

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 have it right. But the "12 CP" is an average of
2 the 12 monthly peak values. So, the monthly peak
3 from January, the monthly peak from January, all
4 averaged together.

5 Q So, whatever that instantaneous peak was from
6 each respective month?

7 A (Burnham) I would say it's an -- I believe it's
8 an hourly peak, not "instantaneous". And, so,
9 hourly average values, yes, as compared to, say,
10 an instantaneous peak load value.

11 Q Okay. Okay. So, then, over that hour, the peak
12 that's recognized? Or is it an average over that
13 hour?

14 A (Burnham) It's the average load over the hour --

15 Q Okay.

16 A (Burnham) -- is considered the monthly peaks.

17 Q And what's the interval for metering that you
18 have available to you at this level?

19 A (Burnham) For Settlement purposes?

20 Q Yes.

21 A (Burnham) This is a Settlement number. It would
22 be calculated using revenue quality metering. I
23 don't know the interval for those meters off the
24 top of my head. But the interval for revenue

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 quality metering is, I'll say, more coarse than,
2 say, real-time telemetry that we use for
3 operations, which might be on a, you know,
4 several second basis. Revenue quality metering
5 will be potentially an hour, something along
6 those lines.

7 Q But not on the magnitude of, like, five- or
8 fifteen-minute?

9 A (Burnham) I am not sure. And it, ultimately, the
10 Settlement data all needs to be reconciled on a
11 consistent basis.

12 Q Uh-huh.

13 A (Burnham) So, even if -- even if more granular
14 data was available from some meters, --

15 Q Uh-huh.

16 A (Burnham) -- the Settlement still could only be
17 calculated kind of based on whatever the coarsest
18 quality data was.

19 Q Uh-huh. And that's standardized across the
20 region, the standard for the interval of metering
21 for all transmission companies to capture?

22 A (Burnham) I am not sure what, you know, what the
23 practices are from all of the other companies.

24 Q Okay. So, part of the costs within your

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 wholesale transmission rate are Hydro-Quebec
2 Phase I and Phase II lines. Can any of the
3 witnesses comment on current operation of those
4 lines, capacity limitations, availability of
5 those lines, relative to constraints?

6 A (Burnham) So, the Hydro-Quebec Phase I and Phase
7 II lines, it's really, you know, we say "lines",
8 it's a single facility that runs from Northern
9 Quebec to the Sandy Pond Converter Station, in
10 Ayer, Massachusetts. Most of the New England
11 utilities have entitlements to shares of the line
12 from when it was constructed. And we usually
13 remarket our entitlements, which generates the
14 revenue credit that we talk about in this
15 proceeding.

16 The facility has a maximum operating
17 capacity of approximately 2,000 megawatts. It
18 generally operates on a day-to-day basis at a
19 lower capacity, anywhere between 1,200 megawatts
20 and, typically, 1,600 megawatts. The primary
21 limitation that New England has to respect when
22 operating that facility is not creating a
23 contingency that is so large that it would have
24 an adverse impact on our neighbors in the eastern

{DE 22-034} {07-07-22}

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 interconnection, such as New York and PJM.

2 The limit does vary day-to-day, in
3 part, due to system conditions in those regions.
4 There are periods of time when we are allowed to
5 operate the facility at a higher capacity when
6 their systems can accommodate it.

7 Q And when you say "we operate", you mean the
8 Company's transmission affiliate?

9 A (Burnham) I should have said it's -- I should not
10 have said "we". I should have said "ISO-New
11 England", and the operator of the Hydro-Quebec
12 facility is actually an affiliate of National
13 Grid.

14 Q Oh, okay. A question for Mr. Davis, Page 48 of
15 the testimony. The question on Line 12, "How do
16 you forecast the data to perform the calculation
17 above?" And you explain "contribution to monthly
18 system peaks, historical data was used as a proxy
19 that will occur in the prospective period because
20 there's no reliable way to forecast Rate B
21 contributions to peak."

22 I'm interested in the process that you
23 use, the assumptions that you make, understanding
24 that you're trying to balance and predict what's

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 going to happen in the future, based on real
2 information that you have from the past?

3 A (Davis) Correct. So, these represent Backup
4 Service to customers that are either pure
5 generators, and may be operating, you know, on
6 various schedules, depending on the resource and
7 their individual operations, or customers who
8 have self-generation behind the meter, such as a
9 cogen facility. So, the unpredictability,
10 particularly for generators that make that up,
11 what may happen historically may not necessarily
12 be exactly what's going to happen in the future.

13 So, processwise, to the extent we do
14 have something, for example, one of our customers
15 is a very large nuclear plant, and they have
16 backup load requirements. And, to the extent
17 they're off line, and we know there's a scheduled
18 maintenance, for example, we might try to factor
19 that in to what we expect for their load in the
20 future.

21 But, short of information like that, we
22 rely on the operational history for the prior
23 period as a predictor of what they may require
24 for Backup Service and, ultimately, their loads

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 in the future. And this does tie into that 12
2 CP, because what we're trying to do is identify
3 the probability that these customers will be off
4 line and drive load requirements at the time of
5 the system peaks. So, that's an important set of
6 assumptions.

7 To the extent, as I said a minute ago,
8 that we have some information, or we can make a
9 reasonable prediction, with better than just
10 using history as a predictor of the future, we
11 will do that. And that's kind of the general
12 process.

13 So, the baseline really is looking at
14 history, and seeing what these customers' loads
15 are at the time of the various peaks. And that's
16 really with -- against that, we'll overlay any
17 known or scheduled changes that we can predict,
18 even a maintenance schedule might say a customer
19 may be off line during a particular period.
20 Whether that's actually what happens in the
21 future, at least we have that information to rely
22 on. So, that's the general process.

23 Q And I'm aware that ISO-New England performs some
24 studies, such as there's a recent Solutions Study

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 for New Hampshire, and I believe they do that for
2 every state. And I recognize that there's some
3 protected information in those studies. So, I'm
4 not interested in specifics from those studies.

5 But can you explain how and if that
6 study, or other studies, inform the analyses that
7 the Company performs in the work that leads to
8 these rates? What are the outside analyses that
9 the Company leverages, in addition to your own
10 data that you go through?

11 A (Davis) Yes. I'm not familiar with those
12 analyses. And I'm generally aware of them, but
13 we don't rely on them explicitly.

14 To the extent those analyses reflect
15 input from the individual customers and their
16 operations, we typically would hear that, expect
17 to hear that, more from the individual customers
18 directly.

19 But I'm not aware of any direct
20 correlation. We don't necessarily use that,
21 although it's something that we should consider
22 as additional information like that becomes
23 available.

24 I would say it's probably most likely

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 to be beneficial when looking at the larger
2 facilities. Many of these facilities can be very
3 small, in terms of their backup requirements. A
4 nuclear plant, on the other case, might have, you
5 know, maybe 1,200, or whatever, a 600 to 1,200
6 megawatts of output, but their off-line load
7 might be on the order of 25 to 50 megawatts. So,
8 that's pretty substantial when they're off line.
9 And that's really what we're talking about here,
10 is when they're taking load when they're off
11 line.

12 So, studies like that that show, that
13 might provide additional insight, and if it does
14 identify individual units, we can certainly tap
15 into that.

16 Q So, that's the order of magnitude that you're
17 talking about for service requirement is 5
18 percent, approximately 5 to 10 percent of the
19 output in operation of a generation facility?

20 A (Davis) That's atypical. It's really for the one
21 unit.

22 Q Okay.

23 A (Davis) I kind of did it for impact, because
24 that's the one where -- that's the type of

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 facility that will operate many, many hours, and
2 typically have a scheduled outage, which can be
3 extensive. And that's the period we want to know
4 about.

5 Q Uh-huh.

6 A (Davis) Because that plays into our analysis on
7 what's going to happen in a future period. But
8 many of the other facilities don't have that kind
9 of information. Perhaps some of the fossil --
10 larger fossil, hydro-type facilities might, in
11 fact, have a schedule as well, typically, for
12 scheduled maintenance.

13 Q And do you have any awareness, in terms of the
14 coordination between generation facilities and
15 transmission entities, with respect to timing
16 those scheduled outages during periods of lower
17 predicted system load?

18 A (Davis) I don't. I think that's more of a --
19 sort of an operational and planning issue.

20 Q Uh-huh.

21 A (Davis) I mean, I'm aware that, in the past, from
22 prior positions I've had, that those kinds of
23 considerations might come into play for planning,
24 but I'm not aware of anything specifically in

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 this context.

2 Q Okay. Thank you. Mr. Burnham, on Pages 65 and
3 66 of Exhibit 1, you state that there's a broad
4 "stakeholder process to identify the various
5 needs of the electrical system and potential
6 solutions."

7 Can you explain who those stakeholders
8 are, and the respective positions that they
9 advocate for within that process?

10 A (Burnham) The stakeholder process I'm referring
11 to in that portion of my prefiled testimony is
12 what's known as the "ISO-New England Regional
13 System Plan Process. The specific stakeholder
14 group is known as the "Planning Advisory
15 Committee". It's a group that is established by
16 ISO-New England. It's a requirement under
17 Attachment K to the Open Access Transmission
18 Tariff.

19 Attendance at the Planning Advisory
20 Committee, or the "PAC", P-A-C, is open to
21 actually all interested stakeholders and members
22 of the public, subject to, in some cases, signing
23 an NDA, if there will be critical energy
24 infrastructure information discussed. Typical

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 attendance, in my experience at a PAC meeting,
2 are representatives of the transmission owners in
3 the New England states, consumer advocates,
4 municipal/utility representatives, as well as
5 representatives of generators and competitive
6 suppliers.

7 Q And just generally speaking, what are the issues
8 or maybe major issue that has to be balanced in
9 that stakeholder process?

10 A (Burnham) There are -- let me ask a clarifying
11 question. I think you're asking about kind of
12 the issues and the discussions around
13 transmission planning, and the selection of
14 transmission solutions, correct?

15 Q Correct.

16 A (Burnham) Okay. When ISO-New England is
17 performing a regional planning study, and, more
18 specifically, when they're presenting recommended
19 solutions to the PAC for input, they are looking
20 to balance a variety of factors. They're
21 actually laid out in Attachment K. The key
22 factors are usually system performance, having a
23 solution that meets the identified need,
24 cost-effectiveness, which usually boils down to

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 looking for the cheapest solution to meet the
2 identified need, as well as other factors, such
3 as future system expandability, operations, or
4 ease of operations and things like that.

5 And what they're looking for from
6 stakeholders is input on potentially tradeoffs
7 between cost and maybe additional -- additional
8 features that a particular solution might
9 provide.

10 Q And, in your view, are their contributions that
11 the State of New Hampshire could make that would
12 provide stronger advocacy for New Hampshire in
13 that process?

14 A (Burnham) I think I'll say the state
15 representatives, either from the state agencies
16 themselves, or working through the New England
17 States Committee on Electricity, --

18 Q Uh-huh.

19 A (Burnham) -- have provided valuable input in the
20 past. I can't think of a specific recommendation
21 for New Hampshire. Frankly, the last time we had
22 a -- there is a portfolio of solutions from a
23 prior study under development now in New
24 Hampshire. We are developing most of those

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Eversource/Public Service Company of New
2 Hampshire is developing most of those. But the
3 study process to get to that was several years
4 ago.

5 Q Uh-huh.

6 A (Burnham) And I am not familiar with the details
7 of the stakeholder discussions at that time.

8 Q Okay. Thank you. Then, looking at Page 67 of
9 Exhibit 1, can you explain why Eversource does
10 not estimate line losses associated with New
11 Hampshire transmission? And what are the
12 assumptions that lead to the estimated line loss
13 calculation of "1.6 percent"?

14 And I'm really curious in going a step
15 further than that. Because I would presume that,
16 in the Company's asset management portfolio, you
17 would know the discrete elements that make up the
18 transmission system that you own in New
19 Hampshire, and you would know the respective
20 conductor sizes.

21 And just like you perform planning
22 studies, why would you not be able to rely on
23 that information, and then perform a more
24 accurate calculation of line losses?

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 A (Burnham) I think I'll take maybe the last part
2 first.

3 We do, of course, know, have available
4 lots of information, about our specific
5 facilities. However, when we are performing
6 planning studies, we are typically looking at a
7 single system condition, a single load level, a
8 single dispatch. The actual losses on the
9 transmission system depend on flows that change
10 significantly over the course of the year.

11 Q Uh-huh.

12 A (Burnham) So, it's not possible to extrapolate
13 from a single slice of time that was probably
14 selected, perhaps, because it was a peak load
15 day, for example. It's not possible to
16 extrapolate from that single slice of time to
17 what the flows would have been over the full
18 duration of the year and what the losses
19 associated with those flows would have been.

20 The other thing that we do not have is
21 we do not necessarily have revenue quality
22 metering, or we certainly don't have it on every
23 transmission line. We have it, for example, on
24 the tie lines between our system -- our

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 facilities and neighboring companies. But we do
2 not have revenue quality metering on every
3 internal transmission line. And that's one of
4 the barriers to calculating an actual --
5 calculating the actual losses for our New
6 Hampshire transmission facilities.

7 Q So, I just want to make sure I understand that,
8 in your view, it's not possible to look back and
9 have your engineers run a load flow based on all
10 of the system parameters that you know, and the
11 metering information that you have from that
12 prior year, for instance, and determine what your
13 losses were from the transmission of energy
14 across the system?

15 A (Burnham) I believe it would be labor-intensive
16 to the point where it would likely be infeasible,
17 because of the need to model. For example, there
18 are 8,760 hours in a year. We would need to
19 attempt to reconstruct the dispatch and load
20 pattern from every single hour in order to do
21 that.

22 Q Uh-huh.

23 A (Burnham) Which would involve a lot of data, a
24 lot of reconstruction, and there would likely

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 still be data that we wouldn't have access to,
2 such as temperature and wind speed and things
3 which could affect the real-time losses, and are
4 not incorporated into the system models.

5 Q Okay. And I notice from your testimony that,
6 prior to working for the Company, you worked at
7 the FERC Office of Electric Reliability, is that
8 correct?

9 A (Burnham) That is correct.

10 Q So, that type of analysis that I'm asking about,
11 in your experience, that's not done even outside
12 of New Hampshire, in that level of discrete
13 detail?

14 A (Burnham) I have not seen it done in that level
15 of discrete detail. Typically, when losses are
16 calculated, it's more of a sales -- receipts and
17 sales addition and subtraction sort of
18 calculation, which is tied more to things that
19 have been metered, and not necessarily to what
20 was happening on individual transmission
21 facilities over the course of the year.

22 Q Hmm. Interesting. Thank you. So, then, some
23 general questions for anyone on the panel.

24 Any suggestions for types of investment

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 that Public Service Company of New Hampshire
2 could provide -- could make to provide rate
3 suppression effects on transmission-allocated
4 costs? I'm looking at the upward trend for New
5 Hampshire. I know you mentioned "energy
6 efficiency". Any other suggestions?

7 It's not intended to be a trick
8 question, just for --

9 A (Burnham) I did mention "energy efficiency".
10 There's a lot --

11 Q Uh-huh.

12 A (Burnham) There's a lot of different flavors of
13 energy efficiency.

14 Q Uh-huh.

15 A (Burnham) And I will have to say I am not an
16 energy efficiency/demand response expert. So,
17 within that category, there's a lot there. My
18 knowledge is more about how it impacts the --
19 how, in aggregate, it impacts the relative load
20 ratio shares.

21 Q Okay. And, then, what about the rate-setting
22 process at FERC? I asked about the ISO-New
23 England stakeholder process. Are there
24 strategies that New Hampshire could endeavor on

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 to advocate for stronger positions from the state
2 at FERC in that formula rate methodology?

3 A (Burnham) There have been several FERC
4 proceedings over the past five to ten years that
5 have looked at transmission rates, transmission
6 formula rates, various components of them. In my
7 experience, the New England states have worked
8 through NESCOE, --

9 Q Uh-huh.

10 A (Burnham) -- the New England States Committee on
11 Electricity, and been very actively engaged, for
12 example, in the Settlement that was referred to
13 earlier. I believe all of the states were
14 involved, but NESCOE also played a very active
15 role and representing the states' interests and
16 bringing that to a successful conclusion.

17 NESCOE is also a common intervenor on
18 behalf of the states in many FERC proceedings.

19 Q Okay. Thank you. I'm very interested in
20 advanced metering. And I'm curious to get your
21 perspective on positive outcomes that rolled up
22 at the distribution level through data enabled
23 through advanced metering. How we could reduce
24 New Hampshire's share of the charges associated

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 with regional transmission?

2 A (Davis) I'm just thinking, you asked about
3 investments earlier. So, you mentioned AMI as an
4 investment, you know, and that -- it opens up
5 doors for information for sure, and how we manage
6 and use that.

7 Speaking more from the rates -- retail
8 rates perspective, --

9 Q Uh-huh.

10 A (Davis) -- obviously, advanced rate design, you
11 know, as we're seeing, we're sort of working our
12 way through various evolution of rate changes
13 right now with time-of-use rates, for example.
14 But, if that leads to more efficient use, I mean
15 we might have increased load, you know,
16 electrification, for example, --

17 Q Uh-huh.

18 A (Davis) -- you know, whatever it might be. But
19 anything that leads to more efficient management
20 of demand, if you will, you know, particularly
21 information that can be used to provide -- to
22 make decisions about how a customer individually,
23 and then collectively uses electric service. I
24 think that's one dimension, and probably many

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 facets that AMI brings to the table.

2 But, certainly, from a rates
3 perspective, I think those are the kinds of
4 things that will evolve, and can be recognized as
5 not just for transmission, obviously, for any use
6 of the system, locally or at a system level. And
7 I think also there are probably a host of other
8 solutions, there's technologies that are
9 emerging, how those are managed and operated.
10 Managed charging for electric vehicles comes to
11 mind. I mean, those are different things.

12 But, if they tie to what they
13 contribute to the share of load that you were
14 asking about, I think, you know, we can use that
15 prism to focus on whether it's an investment in
16 AMI or different types of rate designs or
17 processes and systems that either control or
18 manage, or at least provide information customers
19 can respond to, I think those are all kind of the
20 general category of types of things that such an
21 investment could, you know, ensure that we're
22 taking advantage of that.

23 Q Uh-huh.

24 A (Davis) And I know that's evolving and being

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 explored, certainly, for Eversource in the
2 various states, and here in New Hampshire, as
3 we're doing rate design for emerging
4 technologies, it brings to light "well, what do
5 customers see and how do they respond?" And we
6 have time-differentiated demand charges for our
7 medium and large C&I customers that you would
8 presume customers pay attention to that and find
9 the best way to manage their operations.
10 Recognizing that can have an impact on those
11 demands, and to the extent those demands include
12 transmission demands, and, you know, you're
13 reverse-engineering your way back to "What are
14 the underlying costs?" And they rely on load
15 share use of, you know, or a share of
16 contributions to overall system costs, i.e., or
17 aka, through the RNS charge, I think that will
18 have an ultimate direct impact on the cost and
19 the rates that we set for the recovery of those
20 costs for transmission service.
21 I think there's a lot there. But it
22 all kind of threads its way through, either back
23 to what drives the cost, what New Hampshire's
24 share is, what each customer and collective

{DE 22-034} {07-07-22}

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 groups of customers what their share is, and how
2 can they manage their load differently? And, if
3 these investments in their other technologies are
4 solutions contribute to that, I think that kind
5 of helps with that general goal.

6 Q Uh-huh. And that's really a continuation of some
7 of my earlier questions, with respect to the
8 frequency at which the regional transmission
9 system measures peak load and demand. Because,
10 as I think about advanced metering, I would like
11 to see New Hampshire and the region get to a
12 point where the paradigm is that all of the
13 metering has some level of alignment where, in
14 maybe not real-time, as an initial point, but at
15 some frequency we can align with what is being
16 measured at the transmission system to more
17 accurately reflect the impact that distribution
18 loads are having as well.

19 A (Davis) So, yes. I mean, there's probably a lot
20 of possibilities with more complex metering and,
21 you know, more granularity of the data. If I
22 kind of get grounded on where we are today, I
23 mean, in the Settlement context for transmission
24 or measurement, the Settlement context is hourly

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 loads for transmission load. I think, as Mr.
2 Burnham kind of indicated, there's multiple, I
3 mean, kind of different types of metering and
4 levels of granularity of data, that make that --
5 make up our determination. So, there's probably
6 a lot to review and understand just where we're
7 at today. That maybe not perfectly 100 percent,
8 because you don't have the instantaneous data, or
9 even three- or five-minute intervals for every
10 customer, and every contributing load, at least
11 we'd have a mix of those, which may include some
12 of that.

13 But, at the end of the day, I think the
14 context still settles on an hourly basis. And,
15 if that's the kind of bellwether, you know, use
16 to see, well, what can we do within that context,
17 and, to the extent more, for example, granular
18 meter data becomes available, and it's available
19 in, you know, in sort of the real-time where
20 actions can be taken, that can enhance or help
21 further contribute to managing that load, I'd
22 say, more efficiently.

23 Then, there's a whole bunch of other
24 factors. You know, the load changes for lots of

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 reasons. But, to the extent, given all those
2 other factors, you have this additional
3 information, and it becomes more granular and
4 more available for customers to respond to, or
5 for a process to be put in place to better manage
6 that demand, that can lead to, certainly, more
7 efficient, and I presume a better determination
8 of the things we can do to reduce that load
9 share, if you will.

10 I mean, at the end of the day, we're
11 designing, I mean, I look at these costs as the
12 cost to provide transmission service. And we, as
13 a distribution company, are customers of the
14 transportation tariff, you know, we take
15 transmission service. So, you know, if you look
16 across all the components, the metering, as an
17 example, is probably one of many, many things
18 that we could not only further contingent of, you
19 know, review and evaluate, but, then, as we move
20 forward with additional things we might -- that
21 might occur, for example, AMI investment.

22 The values that such an investment can
23 bring should include some of the things I
24 mentioned, and maybe ideas and concepts that we

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 can put in place to help achieve that goal.

2 Q And am I correct in understanding that New
3 Hampshire is viewed as a single load zone with
4 respect to the setting of these transmission
5 rates at a regional level?

6 A (Davis) And I'm not an expert on load zones. And
7 I typically look at load zones as for energy, you
8 know, --

9 Q Uh-huh.

10 A (Davis) -- the energy market, market demand.

11 Q I look at ISO-New England Express, and I see New
12 Hampshire as a single load zone.

13 A (Davis) But perhaps a little more insight into
14 how New Hampshire fits in the context of overall
15 transmission load.

16 Q Uh-huh.

17 A (Davis) Maybe one of my colleagues can further
18 opine.

19 A (Burnham) The transmission load is calculated
20 for, generally, for the transmission companies.
21 So, for New Hampshire, that would mean that
22 Public Service Company of New Hampshire is the
23 transmission company for most of New Hampshire.

24 Q Uh-huh.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 A (Burnham) However, there is some load in New
2 Hampshire that is served by the transmission
3 system of New England Power Company, doing
4 business as National Grid.

5 Q So, when public looks and goes to ISO-New England
6 Express, you see New Hampshire as a load zone,
7 that's a rolled-up extraction of a more granular
8 analysis that's done per transmission company?

9 A (Burnham) The load zone at the ISO-New England
10 level is intended to represent the approximate
11 load served from the ISO-New England wholesale
12 energy market for the state.

13 Q Uh-huh.

14 A So, it is a roll-up. It's also, because it's
15 focused on the energy market, it may have some
16 nuances or differences between what it's trying
17 to represent and the transmission -- the
18 transmission load that's used for RNS and LNS.

19 CMSR. SIMPSON: Okay. Thank you. I
20 think that's all I had for questions. Thank you.

21 Commissioner Chattopadhyay?

22 BY CMSR. CHATTOPADHYAY:

23 Q First, I'm going to go back to the question of
24 "CP 12", I think it was Bates Page 006 or 007.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 CMSR. SIMPSON: Yes. That's correct.

2 CMSR. CHATTOPADHYAY: So, let me go
3 there.

4 CMSR. SIMPSON: Line 6.

5 BY CMSR. CHATTOPADHYAY:

6 Q Yes. Line 6 of Bates Page 007. So, I just,
7 because we talked about it, I'm kind of curious
8 now. So, the settlement is done hourly, right?
9 Is that what you were trying to indicate? And
10 then, when you're figuring out what the CP 12 --
11 12 CP is, for each month you figure out what the
12 coincident peak was, and, for each month, that
13 information is based on one hour?

14 A (Burnham) Yes. So, the calculation of the
15 transmission charges for each month is based on
16 the monthly coincident peak, which is based on a
17 single hour. I should just elaborate a little
18 and clarify that for Settlement encompasses other
19 charges as well, as a real energy market
20 settlement.

21 Q Yes.

22 A (Burnham) I am not sure what the current practice
23 is in New England for energy market settlement.

24 Q Okay. Thank you for clarifying it. I think it's

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 been a while, but I kind of worked on regional
2 electric matters a lot. So, my recollection is
3 that, for interconnections with other grids,
4 meaning not New England, I may have read that
5 some of the meters are even capable of handling
6 fifteen minutes. And, so, I'm just curious, if
7 you can find out a little bit more about what
8 kind of information is used to figure out those
9 monthly peaks, I would benefit from it.

10 CMSR. SIMPSON: You're making a record
11 request?

12 CMSR. CHATTOPADHYAY: I think I am.

13 CMSR. SIMPSON: Okay.

14 CMSR. CHATTOPADHYAY: So, let's keep
15 it -- I'll try to keep it simple. And I'm not a
16 native-born speaker. So, bear with me. So, what
17 I would say --

18 CMSR. SIMPSON: I never would have
19 guessed that.

20 CMSR. CHATTOPADHYAY: So, what I would
21 say is, please elaborate on how the rolling
22 12-month coincident peak is calculated, provide
23 the details on what specific information is
24 gathered from a month, and how it is -- how that

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 monthly number is derived. So, that would help.

2 The other -- is that good? Do you want
3 to repeat it, so that you --

4 CMSR. SIMPSON: I will at the end.

5 CMSR. CHATTOPADHYAY: Okay.

6 CMSR. SIMPSON: I think I've captured
7 it. Thank you.

8 CMSR. CHATTOPADHYAY: Yes.

9 BY CMSR. CHATTOPADHYAY:

10 Q The other point I would make is this. That when
11 you think about the New England regional, you
12 kind of mentioned how the load share for New
13 Hampshire is going up, you provided some
14 plausible reasons why it's happening. If you
15 were assuming that every region is undergoing the
16 same kind of economic development, and if you
17 assume that the COVID factors of those do not
18 impact, you know, the work-from-home environment
19 differently, then, and everybody is using the
20 state-of-the-art technology, then I would assume
21 that the share wouldn't change for different
22 regions too much, okay? New England would -- New
23 Hampshire would remain at whatever the number is.
24 So, but you kind of talked about how

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 energy efficiency matters, right? Do you have
2 any other factors in mind that might -- that
3 might be more about New Hampshire catching up to
4 other states, and giving us a better load share,
5 of course, a lower one?

6 So, and if you do not, that's okay, but
7 I'm just curious. I mean, it might also be about
8 how the companies have taken more steps in other
9 regions, and they haven't done so here. And, so,
10 I'm just -- can you provide some thoughts on
11 that?

12 A (Burnham) I don't have any other thoughts to
13 offer. I think the factors I described before, I
14 believe, are the biggest drivers.

15 The one thing I do want to point back
16 to from before is that on, for year-to-year
17 changes, the weather is also a significant
18 factor. For example, --

19 Q Yes.

20 A (Burnham) -- lines of thunderstorms hit different
21 parts of the regions at different times, and can
22 drive, maybe not significant, but certainly
23 noticeable year-to-year variability.

24 CMSR. CHATTOPADHYAY: Thank you. That

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 is all.

2 CMSR. SIMPSON: Great. Thank you.

3 Attorney Chiavara, do you have any
4 redirect for your witnesses?

5 MS. CHIAVARA: I do just have a couple
6 of questions, both for Mr. Burnham. And I know
7 he's been kind of the star of the show. So, I'm
8 sorry, bear with me.

9 **REDIRECT EXAMINATION**

10 BY MS. CHIAVARA:

11 Q Mr. Burnham, is it possible, even if New
12 Hampshire specific line loss values were known
13 with substantial granularity, that the quantity
14 of these line losses would ever rise to the level
15 where it would support a cost-effective policy of
16 upgrading to more efficient equipment solely for
17 the purpose of reducing line losses?

18 A (Burnham) I do not believe that it would.
19 Transmission upgrades that involve replacing line
20 conductor, which is essentially the only option
21 for reducing line losses, are relatively costly,
22 and can only be justified based on reliability
23 needs or addressing aging infrastructure issues,
24 for example.

[WITNESS PANEL: Paruta|Matthews|Davis|Burnham|

1 Q Thank you. And then, understanding that you are
2 not an energy efficiency expert, in your
3 experience, is there anything more effective that
4 we know of now to reducing load share, New
5 Hampshire's load share ratio than energy
6 efficiency?

7 A (Burnham) Not that I can think of.

8 MS. CHIAVARA: Okay. Fair enough.
9 That's all I have. Thank you.

10 CMSR. SIMPSON: Great. Thank you.

11 So, without objection, we'll strike ID
12 on Exhibit 1 and admit it as a full exhibit.
13 We'll hold the record open for Exhibits 2 and 3,
14 pertaining to the record requests propounded by
15 the Commission, which are, for the second
16 exhibit, "In calculating the TCAM rates, the
17 Company relies on forecasting what the load would
18 be in a particular year. Please provide the
19 applicable forecasts over the prior decade and
20 the resulting actual load over that time period."
21 Exhibit 3: "Please elaborate on how the rolling
22 12-month coincident peak is calculated. Please
23 provide the details on what information is
24 gathered in a month, and how that value is

1 derived."

2 MS. CHIAVARA: Excuse me. Commissioner
3 Simpson, can you give that once more, but a
4 little more slowly?

5 CMSR. SIMPSON: Of course.

6 MS. CHIAVARA: Thanks.

7 CMSR. SIMPSON: The third, Exhibit 3?

8 MS. CHIAVARA: Yes. Please.

9 CMSR. SIMPSON: "Please elaborate on
10 how the rolling 12-month coincident peak is
11 calculated. Please provide the details on what
12 information is gathered in a month, and how that
13 value is derived."

14 MS. CHIAVARA: And thank you. So, in
15 regards to Exhibit 3, I'm wondering, first, I
16 would like to know, from the witnesses, how heavy
17 a lift producing that record request is? And if
18 it's necessary for this particular decision, or
19 if we can leave the record open for -- maybe, if
20 the order can come out, and we can provide it at
21 our earliest convenience?

22 But I wanted to ask the witnesses
23 first, if they know what level of effort is
24 required, how long it would take to come up with

1 a response for this?

2 WITNESS BURNHAM: This is the --
3 right, number 3 is on metering and Settlement,
4 right?

5 MS. CHIAVARA: On the "12-month
6 coincident peak, details of what information is
7 gathered in a month, and how that value is
8 derived?"

9 WITNESS MATTHEWS: I don't view that
10 one as tremendously cumbersome.

11 MS. CHIAVARA: Okay. So, a week for
12 that as well?

13 WITNESS MATTHEWS: Yes.

14 CMSR. SIMPSON: I think, if we gave the
15 Company until Friday, July 15th, would that be
16 sufficient?

17 MS. CHIAVARA: That should be fine.
18 Thank you.

19 CMSR. SIMPSON: Okay. Great.

20 (**Exhibit 2** and **Exhibit 3** reserved for
21 record requests as described above.)

22 CMSR. SIMPSON: Okay. We'll move to
23 closing. And I'll recognize Attorney Chiavara,
24 for the Company.

1 MS. CHIAVARA: Thank you very much.
2 Thanks to the Department of Energy for working
3 with us in the tech session, and for their
4 thoughtful questions. And thank you to the
5 Commissioners for their thoughtful questions as
6 well.

7 The Company supports the proposed TCAM
8 rate and the methods by which it was calculated
9 as both accurate and consistent with relevant
10 authorities and entities that govern such
11 calculations, beginning with Commission Order
12 Number 24,750, which approved the settlement
13 agreement in Docket Number 06-028, which
14 established the TCAM, and the relevant FERC
15 tariffs that govern the costs that are pulled to
16 Eversource by ISO-New England. And the Company
17 also notes that the transmission costs for Rate B
18 were also calculated consistent with the
19 governing formula that was also established in
20 the settlement agreement from Docket Number
21 06-028.

22 A comment on modifying some of the rate
23 change proceedings, so that the rates are
24 effective on dates other than August 1st and

1 February 1st. The Company would just like to
2 call to the Commission's attention that the
3 Energy Service or Default Service periods were
4 selected deliberately and specifically to split
5 the months of January and February to mitigate
6 price volatility and potential rate shock for all
7 customers.

8 So, when this Commission is considering
9 possible future modification of the timing of
10 some of these rate changes -- rate change
11 effective dates, the Company would recommend that
12 Energy Service remain the same, to preserve the
13 existing six-month service periods and the timing
14 of those.

15 Eversource recommends that the
16 Commission approve the TCAM rate as it has been
17 proposed in the Company's filing, as it will
18 result in just and reasonable rates, and ask that
19 the Commission approve the proposed rate with
20 sufficient time for the Company to implement it
21 on August 1st.

22 Thank you.

23 CMSR. SIMPSON: I would encourage the
24 Company, perhaps in your cover letter when

1 submitting the responses to the record requests
2 that have been propounded by the Commission, if
3 you have further information with respect to
4 future dates, that would be helpful for us to
5 understand.

6 We're not intending to change course
7 within this proceeding, but we're considering a
8 path forward. So, if the Company has suggestions
9 on what might be amenable, that would be helpful.

10 MS. CHIAVARA: Sure. And just in
11 regards to Energy Service specifically, or to
12 all?

13 CMSR. SIMPSON: Not to Energy Service,
14 to the TCAM.

15 MS. CHIAVARA: Okay. And should we do
16 that as a separate -- a separate narrative
17 response?

18 CMSR. SIMPSON: Why don't we do that.

19 MS. CHIAVARA: Okay.

20 CMSR. SIMPSON: So, then, let's back
21 up. We'll hold the record open for Exhibits 2
22 through 4.

23 (**Exhibit 4** also reserved for record
24 request as described above.)

1 CMSR. SIMPSON: And just a moment.

2 *[Short pause.]*

3 CMSR. SIMPSON: So, Exhibit 4 would be
4 "Please provide briefing with respect to changes
5 to the TCAM effective date of August 1st for
6 future TCAM proceedings."

7 MS. CHIAVARA: Thank you.

8 CMSR. SIMPSON: Thank you. And I will
9 now recognize Attorneys Wiesner and Young, for
10 the New Hampshire Department of Energy.

11 MR. WIESNER: Thank you, Commissioner
12 Simpson. We'd also like to express our
13 appreciation for the Company's willingness to
14 participate in the tech session we had last
15 Friday, and to provide additional information we
16 requested to clarify certain material points
17 related to this filing. We found that most
18 helpful and instructive. And, again, very much
19 appreciate the Company's willingness to
20 coordinate with us, and their good interaction
21 and timely response to the questions that we had,
22 which made this hearing more efficient, from our
23 perspective.

24 So, the Department has reviewed in

1 detail the Company's filing in this docket. And
2 we support approval of the proposed 2022
3 Transmission Cost Adjustment to customer rates as
4 proposed in the filing, and as described here by
5 the witnesses this morning.

6 We also reviewed the Lead/Lag Study
7 included in the filing, and discussed by the
8 witnesses' testimony, both prefiled and this
9 morning. The Department has determined that the
10 Lead/Lag Study has been prepared in a manner
11 consistent with past practice, and is appropriate
12 for determining its working capital requirements.

13 So, we therefore support Eversource's
14 filing. And we urge the Commission to grant the
15 Petition, make the findings requested by the
16 Company, and approve the proposed TCAM rate
17 adjustment to rates in this proceeding to be in
18 effect for service rendered on and after
19 August 1st.

20 And we do believe that the answers to
21 the record requests that have been issued this
22 morning, as important as they may be, if there's
23 any delay in providing them should not defer the
24 Commission's approval of those rates for

1 August 1st effectiveness.

2 CMSR. SIMPSON: Thank you, Attorney
3 Wiesner. And thank you, everyone.

4 We'll take the matter under advisement
5 and issue an order. We're adjourned. Off the
6 record.

7 ***(Whereupon the hearing was adjourned***
8 ***at 10:48 a.m.)***