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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

July 20, 2022 - 9:04 a.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: DE 22-039
PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE d/b/a EVERSOURCE ENERGY:
Petition for Adjustment to 2022-2023
Stranded Cost Recovery Charge.

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

Tracey Russo, Clerk

APPEARANCES: **Reptg. Public Service Company of New**
Hampshire d/b/a Eversource Energy:
Jessica B. Ralston, Esq. (*Keegan Werlin*)

Reptg. New Hampshire Dept. of Energy:
David K. Wiesner, Esq.
Matthew C. Young, Esq.
Stephen Eckberg, Electric Group
(*Regulatory Support Division*)

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

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 BRYANT K. ROBINSON

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Petition for Adjustment to 2021-2022 Stranded Cost Recovery Charge, including pre-filed Testimony of Marisa B. Paruta, together with supporting attachments (06-23-22)	<i>premarked</i>

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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning. Sorry for the late start. I'm Commissioner Goldner. I joined today by Commissioner Chattopadhyay.

We're here today for a hearing in Docket 22-039 regarding Eversource Energy's Petition for Adjustment to the 2022-2023 Stranded Cost Recovery Charge.

Let's take appearances, beginning with the Company.

MS. RALSTON: Good morning. Jessica Ralston, from the law firm Keegan Werlin, on behalf of Public Service Company of New Hampshire, doing business as Eversource Energy.

CHAIRMAN GOLDNER: Okay. Thank you. And the New Hampshire Department of Energy?

MR. WIESNER: Good morning, Commissioners. Dave Wiesner, representing the Department of Energy. And with me at the table here are Steve Eckberg, an Electric Analyst in our Regulatory Support Division, and Matt Young, a Hearings Examiner and co-counsel for this matter.

[WITNESS PANEL: Horton|Robinson]

1 CHAIRMAN GOLDNER: Okay.

2 I have, for preliminary matters,
3 Exhibit 1 has been prefiled and premarked for
4 identification.

5 Is there anything else that we need to
6 discuss before we have the witnesses sworn in?

7 *[No verbal response.]*

8 CHAIRMAN GOLDNER: No? Okay. Very
9 good. Let's proceed with the witnesses.
10 Mr. Patnaude, would you please swear them in.

11 (Whereupon **Douglas P. Horton** and
12 **Bryant K. Robinson** were duly sworn by
13 the Court Reporter.)

14 CHAIRMAN GOLDNER: Thank you. We'll
15 begin with direct examination, and Attorney
16 Ralston.

17 MS. RALSTON: Thank you.

18 **DOUGLAS P. HORTON, SWORN**

19 **BRYANT K. ROBINSON, SWORN**

20 **DIRECT EXAMINATION**

21 BY MS. RALSTON:

22 Q Mr. Horton, can you please state your full name,
23 Company position, and responsibilities?

24 A (Horton) Yes. Good morning. My name is Doug

[WITNESS PANEL: Horton|Robinson]

1 Horton. I'm the Vice President of Distribution
2 Rates and Regulatory Requirements for Eversource
3 Energy. My responsibilities include the
4 oversight of all of our state regulatory filings
5 before the Commission in New Hampshire,
6 Connecticut, and in Massachusetts.

7 Q And are you familiar with the exhibit that has
8 been marked as "Exhibit 1", which is the prefiled
9 testimony and supporting attachments of Marisa B.
10 Paruta?

11 A (Horton) Yes.

12 Q And do you have any corrections or amendments to
13 Exhibit 1?

14 A (Horton) No.

15 Q And are you adopting Exhibit 1, together with
16 Mr. Robinson, as part of your sworn testimony
17 today?

18 A (Horton) Yes, I am.

19 Q Thank you. Mr. Robinson, would you please state
20 your full name, Company position, and
21 responsibilities?

22 A (Robinson) Yes. My name is Bryant Robinson. I'm
23 a Team Leader in the New Hampshire Revenue
24 Requirements group, and an employee of Eversource

[WITNESS PANEL: Horton|Robinson]

1 Energy Service Company. And my primary
2 responsibilities are to support Ms. Paruta and
3 Mr. Horton in the rates that we seek recovery for
4 through the Commissions. And those rates being
5 the Transmission Cost Adjustment Mechanism, the
6 Energy Service rate, the Regulatory
7 Reconciliation Adjustment rate, distribution
8 rates, and the rate that we are talking about
9 here, the Stranded Cost Recovery Charge rate.

10 Q And are you also familiar with the exhibit that
11 has been marked as "Exhibit 1", which is the
12 prefiled testimony of Ms. Paruta, including the
13 supporting attachments?

14 A (Robinson) Yes, I am.

15 Q And do you have any corrections or amendments to
16 that exhibit?

17 A (Robinson) No, I do not. However, I note that,
18 in response to Record Request 2-2, issued by the
19 Commission, the Company filed a revised version,
20 Attachment MBP-11. Attachment MBP-11 provides a
21 total bill impact to customers associated with
22 rate changes effective August 1st, 2022. On
23 July 7th of 2022, after the Company's initial
24 filing in this proceeding, the Commission issued

[WITNESS PANEL: Horton|Robinson]

1 an order delaying the hearing and rate effective
2 date for the Company's third step adjustment, in
3 Docket Number DE 22-030. The revisions in
4 Attachment MBP-11 submitted on July 18th, 2022,
5 in this proceeding, therefore removed the
6 distribution rate impact of the third step
7 adjustment.

8 Q Thank you. And are you adopting Exhibit 1,
9 together with Mr. Horton, as part of your sworn
10 testimony today?

11 A (Robinson) Yes, I am.

12 Q Mr. Robinson, could you please provide an
13 explanation of what the Stranded Cost Recovery
14 Charge, or SCRC, is, and an overview of the
15 structure?

16 A (Robinson) Yes. The Stranded Cost Recovery
17 Charge, or SCRC, is a rate that was established
18 at the time of restructuring, excuse me, to
19 recover certain stranded asset costs. This is
20 Eversource's only true non-bypassable rate that
21 is applied to all customers, and not avoided by
22 net metering.

23 The base SCR [sic] rate is made up of
24 Part 1, Part 2, and Part 3 costs. In general

[WITNESS PANEL: Horton|Robinson]

1 terms, Part 1 recovers costs associated with the
2 securitized rate reduction bonds; Part 2 recovers
3 ongoing stranded costs, primarily related to the
4 over-market value of energy purchased from
5 independent power producers, as well as some
6 residual generation-related and ISO-New England
7 market-related costs; Part 3 is related to the
8 amortization of non-securitized costs, which have
9 been fully recovered as of June 2006, and are,
10 therefore, no longer included.

11 Part 2 costs are allocated to customer
12 rates based on the prescribed allocation
13 percentages, as defined in the 2015 Generation
14 Divestiture Settlement Agreement.

15 There are several other components that
16 make up the SCRC rate, and they're known as
17 "adders".

18 The adders consist of a RGGI refund to
19 rebate customers for any RGGI proceeds received
20 over the \$1.00 allocated to energy efficiency
21 programs.

22 The second adder is Chapter 340 costs,
23 which collect costs related to the legislative
24 extension of the \$100 million cap of the Burgess

[WITNESS PANEL: Horton|Robinson]

1 BioPower purchased power agreement over-market
2 energy payments.

3 The third adder, environmental
4 remediation costs, associated with a former
5 manufactured gas plant environmental remediation
6 commitments.

7 And the fourth adder is the net
8 metering adder, that seeks recovery of the
9 purchase of energy from net metering customers.

10 Q Thank you. Can you please refer to Exhibit 1, at
11 Bates 012. The table at the bottom of that page
12 shows that the proposed August 1st SCRC rates
13 result in a decrease from current SCRC rates, is
14 that correct?

15 A (Robinson) Yes.

16 Q And can you please explain the key drivers for
17 this decrease?

18 A (Robinson) Change in the SCR rate -- SCRC rate,
19 Stranded Cost Recovery Charge rate, is the result
20 of a combination of changes, including a decrease
21 in Part 2 above-market IPP, independent power
22 producer, and PPA, purchase power agreement
23 costs, and a decrease in other Part 2 costs, such
24 as residual generation O&M, REC sale proceeds,

[WITNESS PANEL: Horton|Robinson]

1 and Energy Service REC revenue transfers.

2 These decreases are offset, in part, by
3 increases in Part 1 costs, and an over-recovery
4 during the prior period -- over the prior rate
5 period.

6 The table in Exhibit 1, at Bates
7 Page 014, provides the details of these
8 underlying costs, resulting in a decrease in
9 overall SCRC rates.

10 Q Could you please reiterate what the Company's
11 request is, in terms of what we're asking the
12 Commission to approve today?

13 A (Robinson) The Company is requesting that the
14 Commission review and approve the updated average
15 SCRC rates, including the RGGI refund adder, the
16 Chapter 340 adder, the Environmental Remediation
17 adder, and the Net Metering adder, for effect on
18 August 1st, 2022, as set forth in Exhibit 1, at
19 Bates Pages 012 and 013.

20 Q Is it the Company's position that the updated
21 SCRC rates are just and reasonable?

22 A (Robinson) Yes, it is.

23 MS. RALSTON: Thank you. The witnesses
24 are available for cross-examination.

[WITNESS PANEL: Horton|Robinson]

1 CHAIRMAN GOLDNER: Thank you. We'll
2 move to the Department of Energy, and Attorney
3 Wiesner.

4 MR. WIESNER: I really just have one
5 clarifying question. And then, I will describe
6 the review that the Department did during our
7 closing statement. We have, essentially, done an
8 extensive review and analysis of the Company's
9 filing. And all of our questions were answered
10 during the technical session that we recently had
11 with the Company.

12 **CROSS-EXAMINATION**

13 BY MR. WIESNER:

14 Q So, just for the record, I will ask a question
15 regarding the Petition, at Pages 4 and 5. And
16 this is in Exhibit 1.

17 There are tables here which are
18 provided showing the current SCRC rate and the
19 proposed rate for effect August 1st. And, in
20 those tables, the Company labels the proposed
21 rate as the "Preliminary Rate". I think we
22 understand that that labeling is really just a
23 holdover from prior filings, where the Company
24 initially made a "preliminary rate" filing, and

[WITNESS PANEL: Horton|Robinson]

1 then, closer to the time of hearing, made a
2 "final rate", which would reflect some usually
3 minor adjustments based on new information, often
4 reflective of the RRB Advice letter, is that
5 correct?

6 A (Robinson) That is correct.

7 Q So, in fact, the rates that were included in the
8 initial filing are the final rates that the
9 Company proposes for adoption?

10 A (Robinson) Yes, Mr. Wiesner.

11 *[Court reporter interruption.]*

12 **BY THE WITNESS:**

13 A (Robinson) Yes. The column labeled "Preliminary
14 Rate" should have read "Proposed Rate".

15 MR. WIESNER: Okay. Thank you. No
16 further questions.

17 CHAIRMAN GOLDNER: Maybe just in the
18 spirit of moving the hearing along as quickly as
19 possible, I think, Mr. Wiesner, if you're okay
20 with it, maybe moving your -- that portion of
21 your close forward would be helpful to the
22 Commission? It might eliminate or minimize the
23 Commissioner questions.

24 MR. WIESNER: Okay. I will do that.

[WITNESS PANEL: Horton|Robinson]

1 CHAIRMAN GOLDNER: Thank you.

2 MR. WIESNER: So, I'll sort of run
3 through at a high level the issues that we
4 focused on with the Company, and the results of
5 that review.

6 So, in particular, we reviewed the
7 Company's filing and the calculations related to
8 the Part 2 cost components, including the Burgess
9 BioPower costs and REC transfer revenues. We
10 asked for additional details from the Company on
11 several of those cost elements, such as the
12 residual generation O&M, which is currently a
13 significant credit to ratepayers.

14 We appreciate the additional details
15 and explanations that were provided by Eversource
16 during our technical session, and as a follow-up
17 to that session.

18 We also reviewed the Company's
19 calculations of the SCRC rate adders, which are
20 part of the proposed rate adjustment. Those
21 include the Chapter 340 adder, also related to
22 Burgess BioPower PPA costs; the RGGI refund;
23 environmental remediation costs; both the
24 approved amortization of prior costs and the new

[WITNESS PANEL: Horton|Robinson]

1 costs which may occur; and the net metering
2 costs, which are a relatively new addition to the
3 SCRC rate components.

4 And as by way of a specific example,
5 with respect to the RGGI rebate calculation, we
6 compared the amounts that the Company included in
7 its calculation of that rebate, to ensure that
8 both prior allocated auction proceeds amounts and
9 forecasted amounts were accurate and reasonable,
10 as shown on Attachment MBP-3.

11 As the Commission's aware, the RGGI
12 rebate amounts are the result of quarterly RGGI
13 auctions, held in March, June, September, and
14 December of each year. The New Hampshire portion
15 of auction proceeds come to the State Treasury,
16 the Department administers the allocation of
17 those funds back out to the utilities and
18 municipal electric companies, which are then
19 ultimately returned to all ratepayers under RSA
20 125-0:23.

21 So, that's a summary of the issues that
22 we had focused on in our review. And I intended
23 to cover that during the closing, but perfectly
24 comfortable having addressed it now.

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[WITNESS PANEL: Horton|Robinson]

1 CHAIRMAN GOLDNER: Thank you. And
2 maybe just one follow-on question, and I know
3 you're not giving testimony, but I just want to
4 understand the Department's review.

5 Does the Department have any concerns
6 about overlap between, for example, the step
7 adjustment, 22-030, the TCAM, 22-034, and this
8 docket, is there a comfort that the mathematics
9 are pretty complex in the docket. And, from a
10 Commission perspective, we just want to make sure
11 that the Department is comfortable with the
12 calculations?

13 MR. WIESNER: Each of those are
14 separate rate components. And I don't believe
15 that our review of this rate component, in
16 particular, disclosed any potential overlap with
17 other matters.

18 I mean, the step adjustment, as I
19 understand it, is really additional
20 infrastructure that is added to the base rates,
21 as opposed to these, which are reconciling rate
22 mechanisms that pass through costs to ratepayers.

23 And, you know, the SCRC has become
24 something of a "grab bag", you know, certainly,

{DE 22-039} {07-20-22}

[WITNESS PANEL: Horton|Robinson]

1 the RRA and the TCAM. We don't always have the
2 same people working on them, but Steve is usually
3 involved. And, to my knowledge, we've not
4 identified any overlap or double-counting, if you
5 will.

6 CHAIRMAN GOLDNER: Okay. Thank you
7 very much.

8 Okay. We'll move to Commissioner
9 questions, beginning with Commissioner
10 Chattopadhyay.

11 CMSR. CHATTOPADHYAY: Good morning.

12 WITNESS ROBINSON: Good morning.

13 CMSR. CHATTOPADHYAY: I don't have too
14 many questions. But I have some questions that
15 are in the nature of making sure I have a good
16 understanding of the conceptual underpinnings.

17 BY CMSR. CHATTOPADHYAY:

18 Q So, the first thing I want to know about is, in
19 your testimony, you have stated that the
20 transition to an annual adjustment would be more
21 appropriate off February 1st, 2023. Can you give
22 me a sense of what reasons you have to support,
23 why is it appropriate to do it in February,
24 rather than doing it in I guess it was August?

[WITNESS PANEL: Horton|Robinson]

1 A (Robinson) Yes. As far as the February date
2 versus August, as far as the SCRC goes, the new
3 rate year runs from February to next year. In
4 December's filing, the new rate year will run
5 from February 2022 -- February 2023 to
6 January 2024.

7 So, if we had an annual filing, it just
8 seems to make sense that we'd want to capture
9 that full new rate year, and assume an annual
10 filing based on that new rate year, rather than
11 breaking it up, like we -- this year, we've had
12 to break it up somewhat, because, obviously, we
13 have actuals now for, you know, February through
14 May.

15 And, so, for going forward, if we can,
16 an annual filing, it would seem appropriate that
17 it would run from -- it would seem to be most
18 efficient for a date in December or January
19 filing for rates effective February 1.

20 Q Also connect the dots for me. So the true-up
21 letter that you mentioned in your testimony,
22 there will be a need for that coming in later,
23 like in February, or, you know, how does that
24 work?

[WITNESS PANEL: Horton|Robinson]

1 A (Robinson) The true-up letter is done at least
2 annually. And that's done in January of each
3 year.

4 Q Okay.

5 A (Robinson) So, that roles in nicely for our
6 February 1st rate effective date for SCRC. It's
7 just where we -- going forward, if there was any
8 need that we would have to adjust the RRB rate,
9 for whatever reason, whether we have another
10 pandemic, where sales are affected tremendously,
11 therefore revenues would not be adequate to
12 necessarily meet the requirements for us to honor
13 the principal and interest obligations that we
14 have.

15 Does that answer your question?

16 Q Yes.

17 A (Horton) I could briefly add, just to clarify.
18 And, if we were to move to an annual filing, and
19 have it be on February 1st, at least from
20 Bryant's and my perspective, we don't see major
21 obstacles, except that, for the RRB, there may
22 still be a need, and there may not, but there may
23 be a need to have an interim filing, even if we
24 were to, you know, fall to an annual cadence, in

[WITNESS PANEL: Horton|Robinson]

1 order to adjust that, that component of the SCRC.
2 Q Thank you. So, if you go down to Exhibit 1, Page
3 Number 4, let's go there, that would be better, I
4 think. I'm just -- can you give me a sense of
5 why the net metering, the current rate being
6 0.117 cents per kilowatt-hour is doubling almost,
7 like -- so, just provide an explanation why that
8 is happening?

9 A (Robinson) I think, as energy prices rise,
10 because I believe a lot of net metering
11 customers, the payments to net metering customers
12 would be based on Energy Service rates, maybe not
13 all, but a large portion would be based on Energy
14 Service rates.

15 And, given that we forecast net
16 metering expenses based on historicals, so our
17 forecast was understated from what the actual
18 expenses have been for February, March, April,
19 and May of this year. And our Energy Service
20 rate went to, roughly, I think it was 10.7 cents
21 effective February 1st. So, I believe that would
22 be the biggest driver for the increase in net
23 metering costs. And one of the things about --
24 one of the nuances about this mid-year rate

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[WITNESS PANEL: Horton|Robinson]

1 correction is that, whatever the projected
2 over/under is through the end of January is
3 recovered over a shorter period, a six-month
4 period. So, by using a six-month denominator,
5 where -- the rate is going to be higher, by
6 nature, versus an annual rate setting.

7 Q Thank you. And I should know more about the
8 Chapter 340 rates. But, you know, that will
9 require quite a bit of research at my end. So,
10 I'm just -- this is purely out of curiosity. So,
11 the current rate is "0.062", and then the
12 proposed rate is "0.000". Just, again, provide
13 an explanation? I mean "0.000" is kind of an odd
14 number. So, just --

15 A (Robinson) I agree with you wholeheartedly,
16 Commissioner. Because, when I looked at it,
17 three times, I just like -- my life doesn't work
18 this way. I don't get to zero very easily. But
19 it's just, again, one of the nuances of I think
20 this mid-year rate setting, is that, and,
21 obviously, energy prices where they are right
22 now, the energy markets, the excess energy is,
23 when the rates are high, it's making the Burgess
24 results more in line, or even where they're a

[WITNESS PANEL: Horton|Robinson]

1 benefit to customers. But, then, that can turn
2 around, and it does turn around in just a month,
3 where all of a sudden it's back above-market in
4 excess.

5 So, similar thing that we just talked
6 about about net metering, is that our projected
7 over/under, at the end of January, spread over
8 six months, in this case, it's just coincidence,
9 where it resulted in the exact rate, although the
10 opposite side of our current rate, to net to a
11 rate of -- a proposed rate of zero.

12 CMSR. CHATTOPADHYAY: Okay. Thank you.
13 I think that's all I have.

14 CHAIRMAN GOLDNER: Okay. I just have
15 one topic, and it's that same Chapter 340.

16 BY CHAIRMAN GOLDNER:

17 Q Did the Company take into account all the changes
18 in legislation in this proposal here?

19 A (Robinson) No, Commissioner, because -- because
20 of the uncertainty when we prepared the forecast,
21 is this forecast was prepared last
22 November/December timeframe. And there was a lot
23 of uncertainty going forward for legislative
24 action. So, our forecast for the Burgess power,

[WITNESS PANEL: Horton|Robinson]

1 basic energy and capacity, was based on just,
2 basically, a status quo, if you will. You know,
3 it's "normal operation" scenario. Because we
4 weren't sure if, basically, the extension period
5 was going to expire, and Burgess wouldn't provide
6 us any payments that would get credited to
7 customers or flowed back to customers.

8 Q Okay. No problem. If you were to, this morning,
9 if you were to have calculated it this morning,
10 do you have any idea of what sign, would you be
11 in a positive zone or a negative zone? I'm not
12 asking for a quantification, just what side of
13 zero would you be on?

14 A (Robinson) You mean the rate itself?

15 Q Yeah. Yes.

16 A (Horton) May we confer just for one moment?

17 CHAIRMAN GOLDNER: Sure. Of course.

18 *[Witness Horton and Witness Robinson*
19 *conferring.]*

20 **BY THE WITNESS:**

21 A (Robinson) Commissioner, if I understood your
22 question correctly, is that, as far as the
23 extension period goes, we did not assume that
24 terminated. And we did not assume it would be

[WITNESS PANEL: Horton|Robinson]

1 extended. And, in our forecast, we did not
2 include an assumption that there would be a
3 payment coming to the Company.

4 Therefore, even if I did that today, I
5 would still assume there was no payment coming to
6 the Company that would be then flowed back to
7 customers. So, I believe we would still be at or
8 near the zero that we presently are, that we
9 proposed here.

10 BY CHAIRMAN GOLDNER:

11 Q The reason I ask is that I would have assumed
12 that, with energy costs increasing, that the
13 facility would be either more profitable or less
14 unprofitable. And, so, the needle would move in
15 the favorable direction. That's the reason I'm
16 asking.

17 A (Robinson) Yes. I mean, again, I haven't looked
18 at June actuals. But at least the actuals, you
19 know, you're right, early February, we were --
20 customers benefited. But, then, I think that
21 turned around in March, and I think it's still,
22 basically, a cost to customers in April and May,
23 maybe a smaller cost to customers in April and
24 May. But it did turn around from February to

[WITNESS PANEL: Horton|Robinson]

1 where, basically, the market conditions resulted
2 in a benefit to customers, but, then, subsequent
3 months, just it reversed itself again to where
4 customers were paying.

5 Q And I think, in generally what I'm -- in general,
6 what I'm missing, as Commissioner Chattopadhyay
7 was alluding to, is the current rate is -- I read
8 that as favorable to customers.

9 A *(Witness Robinson indicating in the affirmative).*

10 Q And it's moving to neutral to customers. So,
11 with rising energy prices, it's counterintuitive
12 that it would be moving in that direction?

13 And I might be missing something. I'm
14 just trying to understand what I'm missing.

15 A (Horton) May we confer for one moment again
16 please?

17 CHAIRMAN GOLDNER: Sure. Of course.

18 *[Witness Horton and Witness Robinson*
19 *conferring.]*

20 **BY THE WITNESS:**

21 A Commissioner, to your question about, you know,
22 current energy prices -- or, current energy
23 conditions, is that, as part of this, we did not
24 update our forecast going forward for the -- for

[WITNESS PANEL: Horton|Robinson]

1 the new market, if you will, of the current
2 conditions. So, whatever the assumptions we had
3 made back in November/December for energy prices
4 is what we have reflected in the result, in that
5 0.000 rate for Chapter 340.

6 BY CHAIRMAN GOLDNER:

7 Q Okay. And that was why I was asking, if you
8 would expect that, if you had done the
9 calculation this morning, that's why I was asking
10 you if you would expect it to be moving in a
11 favorable direction to customers, as opposed to
12 an unfavorable direction? That's was why I asked
13 the prior question.

14 A (Robinson) Right. And, without seeing,
15 basically, an updated forecast that I could
16 actually run through the model, I can't conclude
17 "yes" or "no". I mean, I think what you're
18 suggesting is logical. It's just I don't know
19 what -- I just don't know what the inputs would
20 be on -- I don't definitively know what those
21 inputs would be.

22 Q Okay. No, fair enough. And, so, in your true-up
23 process, when you file for the February -- when
24 you make the February filing, then you will

[WITNESS PANEL: Horton|Robinson]

1 have -- you'll go back, you'll get the actuals,
2 you'll true it up for that February filing, and
3 then we'll see the actual number?

4 A (Robinson) Yes. That's correct.

5 CHAIRMAN GOLDNER: Okay. Okay. Very
6 good. Thank you.

7 Okay. Very good. Any additional
8 questions, Commissioner Chattopadhyay?

9 CMSR. CHATTOPADHYAY: No, I don't.

10 CHAIRMAN GOLDNER: Okay. Thank you.
11 We'll move to redirect, and Attorney Ralston.

12 MS. RALSTON: I do not have any
13 redirect.

14 CHAIRMAN GOLDNER: Okay. Very good.
15 So, the witnesses are released. You can feel
16 free to stay in your chairs, or move to the room,
17 whichever is more comfortable. And the witnesses
18 are released.

19 Without objection, we'll strike ID on
20 Exhibit 1 and admit it as a full exhibit.

21 And we'll move to the closing
22 arguments, beginning with Attorney Wiesner. And
23 I'm sorry for stealing your thunder.

24 MR. WIESNER: Well, I still have more

1 to say.

2 And, first, we do want to express our
3 appreciation for the Company's willingness to
4 meet with us in a virtual technical session last
5 week, in order to clarify many aspects of the
6 filing in this accelerated process, as I
7 described earlier.

8 The SCRC, as you've heard this morning,
9 covers many different costs and credits. And it
10 was very helpful to us to have that session in
11 order to walk through the various components that
12 comprise that rate with the Company's experts in
13 those areas.

14 I will speak briefly about the
15 potential change to an annual, rather than
16 semi-annual, SCRC rate adjustment. As I believe
17 noted in the Company's Petition, that is
18 inconsistent with the terms of the Restructuring
19 Settlement, that provided for reconciliation and
20 do forecasts every six months. But,
21 notwithstanding that provision of the
22 Restructuring Agreement, and the related PUC
23 orders that approved that Agreement, the
24 Department is generally supportive, and would be

1 willing to consider a proposal to move to an
2 annual SCRC rate adjustment, in lieu of the
3 current semi-annual adjustment, for the reasons
4 outlined by the Company this morning.

5 And we also agree that, if that move to
6 an annual is to occur, that it makes sense to
7 have the annual adjustment made on February 1st,
8 rather than August 1st. And that's primarily due
9 to the RRB Advice letter, which, as you've heard,
10 is received annually in January, January of each
11 year, and is a critical element in setting the
12 Part 1 rate, to ensure proper rate-setting for
13 collection of funds to pay for those securitized
14 costs.

15 So, with that said, based on our review
16 and analysis, the Department supports the
17 Company's request to set the Stranded Cost
18 Recovery Charge as shown in its exhibits. We
19 believe that the relevant costs have been
20 correctly calculated, and the related rates
21 appropriately developed, and that those costs
22 result in just and reasonable rates.

23 The components included and the
24 relevant calculations appear to be consistent

1 with prior practice and precedent. And we,
2 therefore, encourage the Commission to approve
3 the costs and resulting rates as filed by the
4 Company in this proceeding.

5 Thank you.

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

9 MS. RALSTON: Thank you. The Company
10 just wanted to thank the Department of Energy for
11 accommodating schedules last week to have a
12 virtual tech session and resolved a lot of their
13 questions ahead of time, and also for their
14 statement of support this morning.

15 The proposed SCRC has been calculated
16 consistently with prior adjustments that have
17 been approved by the Commission. And, therefore,
18 the Company requests approval, as set forth in
19 Exhibit 1, for effect August 1st.

20 The Company has demonstrated, through
21 its filing and its testimony this morning, that
22 the proposed rate adjustment has been calculated
23 accurately, and will result in just and
24 reasonable rates.

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Thank you.

CHAIRMAN GOLDNER: Okay. Thank you.

Anything else we need to cover today?

[No verbal response.]

CHAIRMAN GOLDNER: Seeing none. We'll take the matter under advisement, and issue an order. We are adjourned. Thank you.

(Whereupon the hearing was adjourned at 9:36 a.m.)