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I N D E X

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WITNESS: MARISA B. PARUTA

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EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
2	Corrected Petition for Adjustment of Stranded Cost Recovery Charge for Effect on February 1, 2023, including Pre-Filed Testimony of Marisa B. Paruta, with Attachments	<i>premarked</i>
3	Updated Petition for Adjustment of Stranded Cost Recovery Charge for Effect on February 1, 2023, including Updated Direct Testimony of Marisa B. Paruta, with Attachments	<i>premarked</i>
4	RESERVED FOR RECORD REQUEST (Provide reconciliation in narrative form and with illustrative calculations the figures presented in Exhibit 3, Attachment MBP-13, Bates Page 30, with the figures presented in Attachment MBP-1, Bates Page 66 <i>[Ref. Procedural Order Re: Record Requests issued on 01-18-23]</i>)	43
5	RESERVED FOR RECORD REQUEST (Provide total of all-in forecast for the annual REC expenses paid by Eversource ratepayers for the February 1, 2023 - January 31, 2024 SCRC rate period, how much of the REC expense counts toward Eversource REC requirements in New Hampshire) <i>[Ref. Procedural Order Re: Record Requests issued on 01-18-23]</i>)	43

P R O C E E D I N G

1
2 CHAIRMAN GOLDNER: Okay. Good
3 afternoon. I'm Commissioner Goldner. I'm joined
4 today by Commissioners Simpson and Chattopadhyay.
5 We're here today for a hearing in Docket 22-039,
6 regarding Eversource Energy's latest adjustment
7 to the 2022-2023 Stranded Cost Recovery Charge.

8 Let's take appearances, beginning with
9 the Company.

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

14 CHAIRMAN GOLDNER: Thank you. And the
15 New Hampshire Department of Energy.

16 MS. AMIDON: Good afternoon. Suzanne
17 Amidon, for the Department of Energy Electric
18 Division. And with me today is Steve Eckberg and
19 Scott Balise, both analysts in that Division.

20 CHAIRMAN GOLDNER: Very good. For
21 preliminary matters, I note that Exhibits 2 and 3
22 have been prefiled and premarked for
23 identification.

24 Is there anything else that we need to

[WITNESS: Paruta]

1 discuss, before having the witness sworn in?

2 [No verbal response.]

3 CHAIRMAN GOLDNER: No? Very good.

4 Mr. Patnaude, would you please swear in the
5 witness.

6 (Whereupon **Marisa B. Paruta** was duly
7 sworn by the Court Reporter.)

8 CHAIRMAN GOLDNER: Thank you. We'll
9 begin with direct examination by the Company.

10 MS. RALSTON: Thank you.

11 **MARISA B. PARUTA, SWORN**

12 **DIRECT EXAMINATION**

13 BY MS. RALSTON:

14 Q Ms. Paruta, would you please state your full
15 name, Company position, and responsibilities?

16 A Yes. Good afternoon, everybody. My name is
17 Marisa Paruta, and I am the Director of Revenue
18 Requirements at Eversource Energy. And in that
19 responsibility -- in that role, excuse me, my
20 responsibilities include all of the revenue
21 requirements and rate impacts for the New
22 Hampshire customers, as well as those in
23 Connecticut, for our natural gas and electric
24 utility companies.

[WITNESS: Paruta]

1 Q Thank you. And are you familiar with the
2 exhibits that have been marked as "Exhibits 2"
3 and "3", which are your prefiled testimony and
4 supporting attachments?

5 A Yes, I am.

6 Q And do you have any corrections or amendments to
7 Exhibit 2?

8 A I do not. But I do want to note that the
9 information presented in Exhibit 2 represents
10 estimated rates, based on the information that
11 was available at the time, in December 2022. And
12 this information has now been updated with
13 Exhibit 3. Exhibit 3 reflects the annual Rate
14 Reduction Bond true-up letter, and the additional
15 actual data for the November '22 month-end close.
16 And that was not available at the time of our
17 last filing, which was on December 16, 2022.

18 So, the Company's specific SCRC rates
19 and the adders requested for approval are set
20 forth in Exhibit 3.

21 Q Thank you. And do you have any corrections or
22 amendments to Exhibit 3?

23 A I do not. But I would like to point out that we
24 made the decision to shade portions of the

[WITNESS: Paruta]

1 attachments in yellow highlight. And those
2 yellow highlights represent any updates that were
3 made to the filing, when you compare it to our
4 Exhibit 2 that was filed in December. So, the
5 January 11, 2023, highlights represent any
6 updates on those pages, and this was done really
7 for ease of review.

8 Q And are you adopting Exhibits 2 and 3 as part of
9 your sworn testimony today?

10 A Yes, I am.

11 Q Thank you. Could you just provide a brief
12 explanation of what the SCRC is and an overview
13 of its structure?

14 A Sure. So, our Stranded Cost Recovery Charge, or
15 the SCRC rate, is a rate that was established at
16 the time of restructuring to recover certain
17 stranded costs. This is Eversource's only true
18 nonbypassable rate here in New Hampshire that is
19 applied to all customer rates, and is not avoided
20 by net metering.

21 The base SCRC is made up of what is
22 left of Part 1 and Part 2, primarily, the base.
23 And, in general terms, Part 1 recovers the costs
24 associated with the securitized Rate Reduction

[WITNESS: Paruta]

1 Bonds that we recently issued as part of the
2 Company's divestiture of our generation
3 facilities, back in the 2017-2018 timeframe. The
4 Part 2 costs recover ongoing stranded costs and
5 benefits that primarily relate to over-market
6 value of energy purchased from independent power
7 producers, as well as residual -- residual
8 generation related and ISO-New England market
9 related costs and benefits.

10 Base costs are allocated to customers
11 based on a prescribed allocation methodology and
12 percentages that were defined back in the 2015
13 Generation Divestiture Settlement Agreement. And
14 those were provided in my testimony as well.

15 Q And --

16 A Oops, sorry. Let me just keep going. Sorry.
17 So, there were several other components in
18 addition to that that make up the SCRC rate, and
19 we refer to those as "adders". These consist of
20 the RGGI Refund, to rebate customers for any RGGI
21 proceeds that were received over the dollar that
22 is allocated to the energy efficiency programs;
23 the Chapter 340 cost adder, which collects the
24 excess costs related to the legislative extension

[WITNESS: Paruta]

1 of the \$100 million cap for the Burgess BioPower
2 power purchase agreement over energy payments; we
3 also have the Environmental Remediation Costs,
4 those are associated with our former manufactured
5 gas plant environmental remediation commitments;
6 and recovery of the purchase of energy from our
7 net metering customers.

8 Q And could you please refer to Exhibit 3, at Bates
9 012. And the table at the top of that page shows
10 that the proposed February 1st, 2023, SCRC rate
11 will result in an increase from the current SCRC
12 rate, is that correct?

13 A That is correct.

14 Q And could you please explain the key drivers for
15 that increase?

16 A Sure. So, the change in the SCRC rates is the
17 result of, excuse me, a combination of changes.
18 It includes an increase to the Part 2
19 above-market IPP and PPA costs, totaling
20 3.9 million, approximately 3.9 million. There is
21 also an increase to other Part 2 costs that total
22 about 3.2 million. And there's an increase due
23 to the change in the prior period over-recovery,
24 as compared to the current period over-recovery.

[WITNESS: Paruta]

1 And this change in the over-recovery amount is
2 actually an increase. It represents itself as an
3 increase of 9.5 million, and is the result of the
4 Company returning a significant over-recovery
5 during the current period, ended January 1, 2023.
6 And these increases in costs are partially offset
7 by a decrease in the Part 1 costs of 5.9 million.

8 There is a table, if we go to
9 Exhibit 3, at Bates Page 014. And that table
10 does provide the details for the underlying costs
11 as I've just laid them out. And that does result
12 in an increase to the overall Part 1 and Part 2
13 SCRC rate components.

14 Q And could you reiterate Eversource's request, in
15 terms of what we are asking the Commission to
16 approve today?

17 A Sure. So, the Company is requesting that the
18 Commission review and approve the updated average
19 SCRC rates, and including the RGGI Rebate adder,
20 the Chapter 340 adder, the Environmental
21 Remediation adder, and the Net Metering adder,
22 for effect on February 1, 2023, as set forth in
23 Exhibit 3, at Bates Page 012.

24 The Company is also proposing revisions

[WITNESS: Paruta]

1 to its tariff that will be for an annual
2 adjustment to all components of the SCRC rates,
3 and that will be for effect February 1st. We'll
4 also retain the ability to be able to adjust the
5 Rate Reduction Bond charges on an interim basis.
6 And that would only be on an "as needed" basis.

7 And this proposal was made in response
8 to the Commission's Order Number 26,658.

9 Q Thank you. And is it the Company's position that
10 the updated SCRC rates are just and reasonable?

11 A Yes, it is.

12 MS. RALSTON: Thank you. Ms. Paruta is
13 available for questioning.

14 CHAIRMAN GOLDNER: All right. Then,
15 we'll move to the New Hampshire Department of
16 Energy for cross-examination.

17 MS. AMIDON: Thank you.

18 **CROSS-EXAMINATION**

19 BY MS. AMIDON:

20 Q Just to clarify on the net metering that you
21 testified to earlier, those costs, the costs are
22 incurred by the Company in connection with
23 purchases of net metered energy from their
24 customers, is that right?

[WITNESS: Paruta]

1 A That is correct.

2 Q And it doesn't include any lost base revenue due
3 to that generation?

4 A That is correct.

5 Q Okay. Thank you. I just wanted to make sure
6 that was clear. I was -- I wanted to get a
7 little bit understanding how the rate was
8 calculated. You know, the Department has
9 concluded that the amounts are calculated
10 correctly. But I wanted to just make sure to get
11 on the record, do you calculate the recovery over
12 a period of twelve months, or at any point in
13 that twelve months do you recalculate what that
14 rate might be, or is it constant for the twelve
15 months?

16 A So, within this filing -- that's a great
17 question. Within this filing, we are
18 recommending that the calculation would be over
19 the twelve-month period, with no updates made.

20 Q Okay. And, as you know, prior to this, when it
21 was done on a semiannual basis, there was a
22 recalculation, and, for example, of any
23 over/under-recovery, *et cetera*, during that
24 mid-year. But this is now going to be

[WITNESS: Paruta]

1 eliminated?

2 A That is correct.

3 Q Is there any concern of the Company that you are
4 going to experience higher levels of
5 over-recovery because of that, or is this pretty
6 much a first-time experience for you?

7 A For the SCRC, this will be a first-time run, it
8 certainly will. And, in terms of whether or not
9 we have concerns about over- or under-recoveries,
10 it's almost difficult to see what the forecast
11 will bring us.

12 Q Right. I understand. Part 1 costs are just
13 associated with the RRB. And, as I understand
14 it, those costs are allocated among customer
15 groups according to a percentage allocation
16 required by the Settlement Agreement in the
17 divestiture docket. Is that true?

18 A That is correct.

19 Q And the remainder of the costs, the Part 2 costs
20 and the miscellaneous costs or the charges, or
21 "rates" as you called them, those are recovered
22 from customers evenly across customer classes, is
23 that right?

24 A Just with the correction that the Part 2 are

[WITNESS: Paruta]

1 based on that same allocation. And then, all of
2 the other, as you indicated, are recorded -- or,
3 I should say, are collected on a flat rate across
4 all customer classes.

5 Q Okay. So, that was not clear to me. So, the
6 over-market costs associated with the PPAs are
7 recovered according to that percentage
8 allocation, as approved by the Commission in the
9 Settlement for the divestiture agreement?

10 A Except for the Chapter 340.

11 Q Right. Okay. Yes. Which you have put into that
12 separate cost bucket?

13 A That's correct. Yes.

14 Q And, as I understand it, and I'm not expecting
15 you to know the detail of this, but, in those
16 Part 2 costs, there are some outstanding PPAs
17 from a couple of hydro plants that predate
18 divestiture, in other words, they go back about
19 20 years, is that right?

20 A That is correct. Yup.

21 Q And, as I understand it, the Briar Hydro one is
22 expired, the agreement expired at the end of
23 2022?

24 A That is correct.

[WITNESS: Paruta]

1 Q And there may only be costs associated with that
2 that sort of fall out of the closure or the end
3 of that agreement, is that fair to say?

4 A Yes. Just residual catch-up true-ups, correct.

5 Q That's a good word, "residual", which escaped me
6 at that point. And the second contract, I
7 understand, is with the Errol Hydro. And that
8 contract expires at the end of 2023, the current
9 year?

10 A That is correct.

11 Q And, so, those costs all -- again would be part
12 of those Part 2 costs. But, then, and may
13 continue to be, to the extent there's any
14 residual costs, may continue to be recovered in
15 2024 for some period of time?

16 A That is correct.

17 Q Then, that will be the end of the old divestiture
18 PPAs?

19 A For those particular -- those two contracts, that
20 is correct. Yes.

21 Q Okay. Could you explain why the estimated cost
22 of -- for net metering purchases is higher than
23 the current period? Just briefly address that
24 for me?

[WITNESS: Paruta]

1 A Sure.

2 Q Thank you.

3 A Yes. So, the net metering customers, as we
4 purchase the power, and we calculate the amounts
5 to be provided to them, they're based on the
6 default energy average -- the default ES rates,
7 the average ES rates. So, as we have, and the
8 Commission has witnessed, our default ES rates
9 have significantly risen over the course of the
10 last year. So, the rates that we had in effect
11 in December of '21 were roughly about 10 and a
12 half cents. The rates we had in effect, as of
13 December of 2022, were roughly 22 and a half
14 cents. So, of course, with that significant
15 increase, the net metering costs will increase as
16 well. It's a similar trajectory for both.

17 So, as default ES rates go up, net
18 metering costs will go up, assuming that the load
19 is similar compared to prior year.

20 Q So, is this cost estimated on historic trends or
21 did you use any forecast analysis of the market
22 to determine what those costs might be?

23 A That's a great question. So, in the forecast
24 period, we took the actual 10-month average

[WITNESS: Paruta]

1 actual costs, including the actual sales, and the
2 price that was in effect at that time. And then,
3 we forecasted that out into the period that we're
4 requesting the rate on.

5 MS. AMIDON: Okay. Thank you. That
6 was -- that answers my question.

7 Just one moment please.

8 *[Atty. Amidon conferring with Mr.*
9 *Eckberg.]*

10 MS. AMIDON: That concludes our cross.
11 Thank you very much.

12 CHAIRMAN GOLDNER: Thank you. And
13 then, we'll move to Commissioner questions,
14 beginning with Commissioner Simpson.

15 CMSR. SIMPSON: Thank you, Mr.
16 Chairman.

17 BY CMSR. SIMPSON:

18 Q I know you've mentioned some of the discussion
19 that we had in the last hearing, with respect to
20 moving this to an annual reconciliation. And, in
21 your testimony, you outlined some of the factors,
22 including influence on your bond rating, SEC
23 matters. Could you just reiterate some of those
24 for us, why the Company requires some flexibility

[WITNESS: Paruta]

1 in seeking more frequent adjustments than annual?

2 A Yes. It would -- so, just taking a step back.

3 The Rate Reduction Bonds were AAA-rated, because

4 of the fact that they have this kind of interim

5 period semiannual true-up ability true-up

6 ability, as the funds that are collected from

7 customers clearly do not -- clearly do not

8 evidence a payment ability for the next payment

9 of the principal and interest, the Company has

10 the ability to adjust rates.

11 If, in the Summer of 2023, the Treasury

12 team identifies and indicates that there would be

13 no such need, then we can certainly skip the SCRC

14 rate adjustment, because there would be no

15 equivalent Part 1 RRA adjustment needed.

16 If we were to take that away, we

17 believe we would likely be in default of our

18 provisions within the agreements with our rate

19 bondholders, because we are allowed to do that,

20 and we believe it's a fiduciary responsibility

21 under the contracts of the RRB to do so.

22 Q Okay. And any other factors that come to mind

23 with respect to a necessity? I know you

24 mentioned the Settlement Agreement, in your

[WITNESS: Paruta]

1 testimony, pertaining to the Company's
2 divestiture of your generation assets. Can you
3 explain that for us as well?

4 A I'm sorry, Commissioner Simpson. Can you ask the
5 question again? Apologies.

6 Q Sure. Just a moment. Let me find the Bates
7 page.

8 A Are you looking at maybe Bates 027, where we --
9 or 026, either/or?

10 Q Just bear with me.

11 *[Short pause.]*

12 BY CMSR. SIMPSON:

13 Q I'm not coming to it. So, I'll move on.

14 If we can look at Bates Page 014, which
15 has the summary table of cost changes? Are you
16 there?

17 A Yes.

18 Q So, can you just discuss, from prior year, as
19 approved in Order Number 26,658, some of the
20 factors that led to each of these cost changes?
21 And you have a summary of increase or decrease,
22 which is helpful. So, could you just walk
23 through each of those for us?

24 A Can I limit it to the more material, is that

[WITNESS: Paruta]

1 okay?

2 Q Sure.

3 A Okay.

4 Q How about anything in the -- well, how about I
5 just identify a few? How about --

6 A Sure.

7 Q Let's go to Burgess, above-market cost of
8 Burgess. Can you explain the factors that led to
9 the increase for that Part 2 cost?

10 A Yes. So, the above-market cost for Burgess,
11 keeping in mind that it's a -- it's a forecasted,
12 so, it's based on the actuals for the current
13 period. So, in the Burgess cost, the
14 above-market Burgess costs, we have the -- let me
15 go back into the Excel, if you would just bear
16 with me one minute?

17 Q Take your time.

18 A Thank you.

19 *[Short pause.]*

20 BY CMSR. SIMPSON:

21 Q And if you have a Bates number whenever you come
22 to it, please let us know.

23 A Yes. Yup.

24 *[Short pause.]*

[WITNESS: Paruta]

1 **BY THE WITNESS:**

2 A Okay. So, for Burgess, we have, from our Energy
3 Supply team on the contract, the forecasted
4 contracts, and let me go to Bates Page -- MBP-1,
5 Page 006.

6 Okay. Most of the costs on the Burgess
7 forecast relates to the contract prices. So, we
8 had a higher forecast that was provided for the
9 period of February 2023 through January 2024 from
10 our Energy Supply team, and really our Burgess
11 experts. So, when we applied that to the
12 forecast period, and compared it to our
13 expectation from the sales forecast, we came up
14 to that increase.

15 So, when you look at MBP-1, Page 6,
16 those are the estimates based on the forecasted
17 period. And then, MBP-1 -- excuse me -- MBP-2,
18 Page 6, those are the actuals, which feed into
19 that Bates Page 014 on the above-market cost of
20 Burgess, the 22 million versus the 26 million.
21 So, you do have an approximate \$4 million
22 increase period over period.

23 MS. RALSTON: And, Ms. Paruta, when
24 you're talking about "MBP-2, at Page 6", is that

[WITNESS: Paruta]

1 Bates 042?

2 WITNESS PARUTA: Oh, apologies. Yes.
3 MBP-1, Page 6, is on Bates 035, and MBP-2,
4 Page 6, is on Bates 042.

5 BY CMSR. SIMPSON:

6 Q Okay. Thank you. That's helpful. And,
7 presumably, if we go back to Table 14 -- or,
8 Bates Page 014, and the table on that page, the
9 Lempster cost as well, which are actually a
10 decrease, but those are reflected on the same
11 MBP-1?

12 A That's correct. Yes.

13 Q Okay.

14 A On those same Bates pages. Correct.

15 Q Okay. Thank you. And then, the other one I
16 wanted to ask you about was the "REC sales
17 proceeds/RPS True-up". Can you explain that
18 difference for us as well?

19 A Yes. So, I would probably say that our support
20 that we received from the experts is along the
21 same lines. That the forecast period that they
22 provided us saw that increase in the forecast for
23 the current prices. So, it's likely that is the
24 same response. I'll just confirm, if you give me

[WITNESS: Paruta]

1 one minute in our support?

2 Q Sure.

3 *[Short pause.]*

4 **BY THE WITNESS:**

5 A Yes. That is correct.

6 BY CMSR. SIMPSON:

7 Q Okay. Thank you. And let me return to my prior
8 question that I moved away from. I had said
9 "Settlement Agreement" and I misspoke, I meant
10 "Servicing Agreement". So, the "Servicing
11 Agreement between PSNH Funding LLC 3 and PSNH
12 require adjustments as necessary", and I'm
13 reading from Bates Page 026. Can you explain the
14 entity "PSNH Funding LLC 3", and how that
15 agreement with Public Service Company of New
16 Hampshire is material to PSNH's need to come in
17 perhaps more frequently than an annual
18 adjustment?

19 A Sure. So, let me start with the first part of
20 that question. "PSNH Funding LLC 3" was a
21 special purpose entity that was created
22 specifically and solely for taking the
23 securitized assets and the decommissioned
24 stranded costs, and creating the bonds, and

[WITNESS: Paruta]

1 having the special purpose entity hold those
2 bonds and act as the -- really, the agent that
3 receives the cash collections from PSNH customers
4 and makes payments to the institutions, the
5 bondholders.

6 The second part of your question,
7 hopefully I do it justice, I'm not the expert,
8 but, based on my understanding, PSNH -- and, so,
9 PSNH Funding LLC 3 is a wholly owned subsidiary
10 of PSNH. The Servicing Agreement acts as a legal
11 binding obligation for PSNH to submit those
12 payments to PSNH Funding LLC 3. In effect, that
13 contract supports further the AAA bond rating
14 received, because it is a direct requirement of
15 PSNH customers to collect those costs on a
16 monthly basis, and include them in what we refer
17 to as "fully restricted trust fund accounts".
18 And, so, their sole purpose, once we receive
19 those customer payments through the Rate
20 Reduction Bond, including the SCRC rate, those
21 are transferred immediately to this fund to,
22 really, almost acting as an escrow, like for a
23 mortgage, and then that, obviously, is turned
24 over to the subsidiary, PSNH Funding LLC 3.

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[WITNESS: Paruta]

1 CMSR. SIMPSON: Okay. Thank you, Ms.
2 Paruta. Those are the only questions I have, Mr.
3 Chairman. Thank you.

4 CHAIRMAN GOLDNER: Thank you,
5 Commissioner. We'll move to Commissioner
6 Chattopadhyay.

7 CMSR. CHATTOPADHYAY: Good afternoon.

8 BY CMSR. CHATTOPADHYAY:

9 Q Let's begin with the RRB. You mentioned there's
10 a contract with respect to the RRB. You also
11 mentioned that -- you said something about
12 "biyearly [sic] you have to do a different rate
13 for RRB". Is that in the contract?

14 A Annually, the Treasury Department does reconcile
15 and determine whether or not the Rate Reduction
16 Bond rates need to be updated. There could be a
17 situation, Commissioner, and we have not seen one
18 yet, but there could be a situation where, even
19 in the January timeframe, there's no need to
20 update the RRB rates. That has not occurred yet.
21 But the Treasury team does reconcile it twice per
22 year, to make sure that there are enough funds,
23 and a forecasted collection of customer funds, to
24 make the principal and interest payments within

[WITNESS: Paruta]

1 that, that forecasted period.

2 Q So, the contract says that it has to be done
3 annually. But you mentioned about the Treasury,
4 like, it's done two times a year. So, I'm
5 just -- I think I'm trying to understand, you're
6 not contractually required to do it six months?

7 A There is no requirement to update the rates,
8 correct. Yes. There is a requirement to ensure
9 that the funded status is appropriate to meet the
10 principal and interest rates within the forecast
11 period.

12 Q Yes. Well, I was talking about the updating.

13 A Okay. Sorry.

14 Q No, that's my -- I should have said it right at
15 the beginning.

16 So, let's go to Bates Page 077,
17 Exhibit 3. Let me go there as well. So, are you
18 there?

19 A Bates Page 077?

20 Q Yes.

21 A Yes.

22 Q So, you have the "Total SCRC" being shown in the
23 last row there. So, you have, for example, for
24 "Residential Service", you have "0.687"?

[WITNESS: Paruta]

1 A That is correct.

2 Q And that is also -- can be confirmed by going to
3 Attachment MBP-1, Page 1 of 7. And let me go
4 there, because I'm looking at the Excel file.
5 So, I'm just going to go up and tell you what the
6 Bates page is, unless you reach there sooner than
7 I do.

8 A 030.

9 Q Okay. Thank you. So, let me go there. And
10 that -- there, too, for example, for the
11 Residential class at 0.687. So, they match. So,
12 what you have in the tariff is -- really, are
13 these rates.

14 So, if you go to MBP-13, which is, I
15 think, Bates Page 066. Let's go there. When
16 you -- are you there?

17 A Yes.

18 Q Okay. So, when you go to Column (B), those are
19 rates effective starting 1st of February. Are
20 they the same rates, because those numbers are
21 different?

22 A For February 1st?

23 Q Yes. And I'm just curious whether that, for
24 example, Residential, if you go by cents, it's

[WITNESS: Paruta]

1 0.694. And I'm trying to understand, is
2 MBP-13 -- just reconcile with me MBP-13 and
3 MBP-1? Ultimately, what you have in the tariff
4 pages, it's MBP-1.

5 A As it should be, yes. So, these are
6 calculations, and let me go into the calculation
7 for MBP-13, from the Rates team. Apologies. One
8 second.

9 Q Yes. And, subject to check, I notice that the
10 numbers in this column, Column H [?], last time
11 around, in February 2022, those were the rates
12 that, you know, subject to check, were also the
13 rates that were in the tariff pages. So, I'm
14 kind of confused about the numbers a bit.

15 A Yes. I'm looking at the calculation. I may have
16 to take a record request for this one and talk to
17 the experts. Just because I can't decipher the
18 work paper. I thought it was -- I don't see what
19 I thought I was going to see. So, I would like
20 to talk to the experts, if we could?

21 Q Absolutely.

22 A Thank you.

23 Q I just want to make sure that I'm following
24 what's going on.

[WITNESS: Paruta]

1 So, when you say "SCRC rates", the
2 proposed rates, they include everything. So, for
3 example, if you go back to Bates Page -- was it
4 077? That's -- no. It was Bates Page 030.

5 A Uh-huh.

6 Q If you go there?

7 A Yes. Yup.

8 Q That 0.687 includes all the additional adders
9 beyond, you know, technically, the SCRC -- the
10 two portions, right?

11 A That's correct.

12 Q Okay. I just wanted to make sure I follow this.
13 And then, MBP-13 is meant to be doing that?

14 A Correct.

15 Q And there is a mismatch there?

16 A Yes.

17 Q I think, so, it would be good if we have a -- the
18 record request would be "Please reconcile MBP" --
19 sorry, "Attachment MBP-13 with Attachment MBP-1."
20 I think both will be Pages 1, I believe.

21 A Thank you.

22 Q Okay. I think I just -- I should correct myself.
23 So, for MBP-13, it's "Page 1 of 7", and for --
24 and because I'm reconciling it with MBP-1, it is

[WITNESS: Paruta]

1 actually "Page 1 of 7"?

2 A Yes.

3 CMSR. CHATTOPADHYAY: So, that's all I
4 have.

5 CHAIRMAN GOLDNER: Okay. Just a few
6 topics.

7 BY CHAIRMAN GOLDNER:

8 Q If we go to Exhibit 3, Bates 014, it's back to
9 the same line that Commissioner Simpson was
10 asking about, the "Above Market Cost of Burgess".
11 In that first column, there's a number
12 "22,170,000". Does that mean that ratepayers
13 have already covered the costs of \$22,170,000 --
14 \$122,170,000, or some other number? How much has
15 already been recovered?

16 A I can give you the number that has been billed,
17 actually, because, remember, that 22,170,000
18 would actually only be a piece, because you have
19 the Chapter 340 as well. So, really, the total,
20 based on my understanding, is close to
21 approximately \$150 million.

22 Q 150, okay.

23 A Correct.

24 Q So, just to repeat that back. So, ratepayers

[WITNESS: Paruta]

1 have already pitched in 150 million?

2 A (Nodding in the affirmative).

3 Q And then, in this one-year period, we're talking
4 about adding another \$4 million, right? So, now,
5 it would be 154 total, something like that?

6 A Yes. That is correct. Yes.

7 Q Okay. Okay, very good. And, if we could go down
8 to I think it was Bates 035, which had the
9 detail. I'll give you a second to get there.

10 A Bates Page 045?

11 Q Thirty-five, sorry.

12 A Thirty-five, I'm sorry.

13 Q Yes. It's just the spreadsheet that has all the
14 details on Burgess. And there's just one
15 transaction I don't understand. So, I'll wait
16 for you to get there, and then ask the question.

17 A Yes.

18 Q Okay. So, on Line 15, there's kind of a funny
19 pattern. It's two small numbers, a big number,
20 and two small numbers, big number, goes across
21 the screen. And that's because that, on Lines
22 12, 13, and 14, talks about the RECs.

23 But what I don't understand is the
24 direction. So, it seems like, if -- are those

[WITNESS: Paruta]

1 RECs that Burgess is getting paid for? Why would
2 Burgess be paying RECs? I don't understand the
3 sign on the transaction.

4 A On Line --

5 Q Line 12, 13, and 14.

6 A Okay.

7 Q And, basically, what that's doing is it's making
8 positive numbers to add up to that 26 million?

9 A Yes.

10 Q So that, I don't understand why the RECs are
11 contributing to a higher number and not a lower
12 number?

13 A I mean, these are the total. So, to just make
14 sure, I want to answer it correctly, because we
15 do pull out the Chapter 340 above.

16 Q Yes.

17 A So, with the reduction, and this is the forecast,
18 so, let me see the actuals, since sometimes it
19 helps to look at actuals.

20 Q Yes. I think, just the spirit of the question is
21 that it seems like the RECs should be helping the
22 Burgess over/under, not hurting the Burgess
23 over/under. So, that's what I'm trying to
24 understand.

[WITNESS: Paruta]

1 A Based on my understanding, I believe, and let me
2 just check, hold on. Let me just check.

3 *[Short pause.]*

4 **BY THE WITNESS:**

5 A Based on my understanding, Chairman Goldner, the
6 total of the Burgess, so, the Company does pay
7 Burgess on the delivered RECs at the strike price
8 that is provided. So, if we look at, on MBP-2,
9 Page 6, which is the actuals of the REC prices
10 received, and that is on Bates Page 042, based on
11 my understanding, it's --

12 *[Court reporter interruption.]*

13 WITNESS PARUTA: So sorry, Steven.

14 **CONTINUED BY THE WITNESS:**

15 A Based on my understanding, it is additive. So,
16 the Company does pay Burgess for those REC
17 prices, which does increase the value that is
18 billed to customers.

19 BY CHAIRMAN GOLDNER:

20 Q And then, where does the offset occur? So, if
21 you're paying Burgess the 22 million, or whatever
22 it was, where does the offset occur? And,
23 otherwise, the Company would be making money on
24 the transaction.

[WITNESS: Paruta]

1 A I'd probably have to take a record request for
2 that, because I don't understand it well enough.
3 I would have to talk to our Energy Supply team to
4 understand the ins and outs.

5 CHAIRMAN GOLDNER: So, Attorney
6 Ralston, we'll issue a written PO with the
7 questions, because they may be kind of
8 complicated. And, if we issue that PO, if we
9 issued it tomorrow, when could the Company return
10 and get back with us?

11 MS. RALSTON: Ms. Paruta, I'll defer to
12 you. How much time do you need, recognizing that
13 we need to provide the Commission with sufficient
14 time to issue an order?

15 WITNESS PARUTA: If we could get till
16 end of day Thursday, is that okay, for both
17 record requests?

18 CHAIRMAN GOLDNER: Yes. That would be
19 great. Thank you.

20 WITNESS PARUTA: Thank you.

21 MS. RALSTON: Thank you.

22 CHAIRMAN GOLDNER: Okay. Just a couple
23 more, and I'll -- I guess I'll direct the
24 question at Attorney Ralston, just to make sure

[WITNESS: Paruta]

1 we're on the same page.

2 I think what the Company is
3 recommending is an annual process moving forward,
4 with the opportunity for a short hearing to talk
5 about the Rate Reduction Bonds every -- in the
6 interim period, in the six-month period, is that
7 correct?

8 MS. RALSTON: That is correct. But I
9 believe that we would not necessarily even need
10 that interim hearing. It would just be on an "as
11 needed" basis, is that accurate, Ms. Paruta?

12 WITNESS PARUTA: That is correct.

13 MS. RALSTON: So, we are just asking
14 for the flexibility, when needed.

15 CHAIRMAN GOLDNER: Okay. Okay, very
16 good. But, if you did come back with a need to
17 adjust the Rate Reduction Bond numbers, we would
18 have to have a hearing, because it's an
19 adjustment to rates?

20 MS. RALSTON: Correct.

21 CHAIRMAN GOLDNER: Okay. Okay, very
22 good. And then, just the last question for Ms.
23 Paruta.

24 BY CHAIRMAN GOLDNER:

[WITNESS: Paruta]

1 Q If we go to the --

2 WITNESS PARUTA: Chairman Goldner?

3 CHAIRMAN GOLDNER: Yes.

4 WITNESS PARUTA: Could I just say one
5 quick thing on what you asked?

6 CHAIRMAN GOLDNER: Sure.

7 WITNESS PARUTA: On those RECs, I just
8 wanted to point out, if I could, on Bates Page
9 042, and we will still issue a record response,
10 on Line 40, we do have the REC sales proceeds
11 that we do turn around and give back to
12 customers, for both Burgess and Lempster. So,
13 hopefully, that wasn't your question.

14 CHAIRMAN GOLDNER: Yes. It's just,
15 those are different numbers. So, that number, if
16 I'm reading the right line, Line 40, is about
17 \$3.3 million, and the REC proceeds on the other
18 side of the transaction were like \$22 million.

19 WITNESS PARUTA: Right. So, we will
20 still get the record response. I just wanted to
21 point out Line 40, in case you had not seen it.

22 CHAIRMAN GOLDNER: Okay. Thank you.

23 WITNESS PARUTA: Thank you.

24 CHAIRMAN GOLDNER: Thank you.

{DE 22-039} {01-17-23}

[WITNESS: Paruta]

1 BY CHAIRMAN GOLDNER:

2 Q Okay. Final question is just -- I'm just making
3 sure I understand the reconciliation. So, if we
4 go to Bates Page 011, Exhibit 3. So, if you
5 could just orient me, I got a little confused
6 when I was reading the filing. So, we have rates
7 that are current rates for each of the rate
8 classes. Then, there are some adjustments.
9 Then, there's the rates that you're proposing
10 that we move forward with.

11 Can you point me to the rates as of
12 right now, which table should I be looking at?

13 A If you look at Bates Page 011, it's the very
14 first table. So, the Residential, Rate R, the
15 current rates that are in rates effective today
16 is the very first column. And then, the proposed
17 rate, which is the second column, those are the
18 rates that we are proposing today for February 1,
19 2023.

20 Q Okay. Very good. So, the first column is the
21 rates that are being charged today. The second
22 column are the rates that you're proposing. And
23 the third is, obviously, just the delta, the
24 difference between the two.

[WITNESS: Paruta]

1 And then, below that, you do some
2 calculations on Page 11 with the RGGI Refund and
3 Chapter 340, and so forth, and you do some math,
4 and you determine a proposed rate number there.

5 And then, you apply that allocation
6 from DE 14-238, 48 percent for R, and 25 percent
7 for G, *et cetera*, that was previously agreed to,
8 to split up the numbers and fold them in. Is
9 that, effectively, the -- is that the -- am I
10 summarizing the calculation correctly?

11 A I think so, yes. Yes. So, your first table on
12 Page 11 is specifically related to your Part 1
13 and Part 2, primarily, your Rate Reduction Bond
14 rates. And then, the legacy generation costs and
15 benefits that are still grandfathered in and will
16 continue. And then, your bottom table on Bates
17 Page 011, those are your adders. And then, on
18 the top of your Exhibit 3, Bates Page 012, that
19 is really the total -- total rates, as
20 Commissioner Chattopadhyay had indicated are in
21 the tariff, on Bates Page, all the way back in
22 077, I believe it was. Correct.

23 Q Yes. I'm just, I'm thinking that, for future
24 filings, it might be -- there might be a better

[WITNESS: Paruta]

1 way to summarize this. It's kind of confusing to
2 follow it.

3 Can you -- do you think, in the future,
4 you can just break out the current rate, the Part
5 1 rate, the Part 2 rate, and then the total? I
6 mean, I'm just -- it's kind of -- I spent about
7 20 minutes looking at this thing trying to
8 understand what it was trying to tell me. And
9 I'm still a little baffled, actually. But I'll
10 spend some more time with it. It's just, the
11 algebra isn't clear to me.

12 Is there a reason you didn't do that?
13 Is there a reason you just didn't say, you know,
14 "Here's our current rate, and here's our Part 1
15 rate, here's our Part 2 rate, here's the total"?
16 Is there any logic behind the way that this was
17 proposed?

18 A I mean, based on my understanding, I think this
19 was a buildup of a few years of asks --

20 Q Okay.

21 A -- to present the rates a certain way. We can
22 certainly do whatever makes most sense to the
23 Commissioners.

24 Q We can -- we can take a look at that in the PO.

[WITNESS: Paruta]

1 I mean, I'm glad that you have the RGGI Refund,
2 the Chapter 340, the Remediation, that's a nice
3 breakout.

4 A Right.

5 Q And then, there's also a nice breakout to have
6 how you allocated it. It's just hard to follow
7 the algebra from start to finish.

8 A Okay. Would it be easier if we started kind of
9 top-down?

10 Q I think so.

11 A As opposed to bottom-up approach?

12 Q I think so.

13 A Okay.

14 Q Yes.

15 A Okay. We'll take a look as well, to see how
16 better to present that.

17 CHAIRMAN GOLDNER: Thank you. I
18 appreciate that. It was a little bit hard to
19 follow.

20 Do the other Commissioners have any
21 additional questions?

22 CMSR. CHATTOPADHYAY: No.

23 CHAIRMAN GOLDNER: No? Okay. Is there
24 any redirect by the Company?

1 MS. RALSTON: No. Thank you.

2 CHAIRMAN GOLDNER: Okay. All right.

3 Very good.

4 So, now, we can take some -- a brief
5 closing statement, if desired, beginning with the
6 New Hampshire Department of Energy.

7 MS. AMIDON: Thank you. The Staff of
8 the Department has examined the filing, and has
9 determined that the calculation of the SCRC costs
10 and the associated rates are appropriate and
11 correct. And that the -- and I'm talking about
12 the ones in the update. Also, that the
13 allocation among the customers is also
14 appropriate and consistent with the prior
15 Settlement Agreement.

16 And, as such, we conclude the rates are
17 just and reasonable. And we concur with the
18 Company's request to have these rates approved
19 for effect February 1, in line with other rate
20 changes that the Company has proposed for that
21 date.

22 Thank you.

23 CHAIRMAN GOLDNER: Thank you. And,
24 now, we'll move to the Company.

1 MS. RALSTON: Thank you.

2 First, the Company would like to thank
3 the Department of Energy. They accommodated the
4 short timeline associated with the filing, and
5 held a technical session last week after the
6 updated filing was made. So, we just wanted to
7 thank them for being flexible, and also for their
8 statement of support this afternoon.

9 The Company has demonstrated this
10 afternoon, and through its filing, that the
11 proposed rate adjustment has been calculated
12 accurately, and will result in just and
13 reasonable rates.

14 Accordingly, we request that the
15 Commission issue an order approving the rate
16 adjustment as proposed.

17 Thank you.

18 CHAIRMAN GOLDNER: Thank you. Is there
19 anything else that we need to cover today?

20 MS. AMIDON: Just, excuse me for a
21 moment, did I miss the striking of the
22 identification of exhibits?

23 CHAIRMAN GOLDNER: You did not. We
24 reversed the order to see if everyone was still

1 awake.

2 MS. AMIDON: Okay.

3 CHAIRMAN GOLDNER: So, happily,
4 everyone is, and I'll strike the ID on the
5 exhibits.

6 MS. AMIDON: Very good.

7 CHAIRMAN GOLDNER: It was just a test.

8 MS. AMIDON: Well, perhaps I'm not,
9 though. One never knows. Thank you.

10 CHAIRMAN GOLDNER: All right. Yes.
11 Well, you're right, we did it in the reverse
12 order today.

13 So, we'll strike ID on Exhibits 2 and
14 3. We'll leave Exhibits 4 and 5 open for the
15 record requests. What we talked about there was
16 to -- we'll issue a PO, a procedural order, by
17 the close of business tomorrow. And we
18 appreciate the response quickly, so that we can
19 issue an order in a timely fashion by end of day
20 on Thursday.

21 (**Exhibit 4** and **Exhibit 5** reserved for
22 the record requests to be described in
23 a procedural order to be issued.)

24 CHAIRMAN GOLDNER: Okay. And, so,

1 we'll strike the ID on those exhibits, take 2 and
2 3 into evidence, and take the matter under
3 advisement.

4 I'll ask one more time just to make
5 sure, is there anything else today?

6 *[No verbal response.]*

7 CHAIRMAN GOLDNER: Sorry for reversing
8 the order. That was, all kidding aside, was on
9 me.

10 Okay. Thank you. We'll take the
11 matter under advisement, issue an order in
12 advance of February 1st. And we are adjourned.
13 Thank you.

14 ***(Whereupon the hearing was adjourned***
15 ***at 2:28 p.m.)***