

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

April 18, 2024 - 9:04 a.m.

21 South Fruit Street
Suite 10
Concord, NH

RE: DE 22-043

LOW INCOME ELECTRIC ASSISTANCE PROGRAM:

2022-2023 Electric Assistance Program

Budgets. (*Hearing regarding potential*

improvements to the Electric Assistance

Program for the 2024-2025 Program Year.)

PRESENT:

Chairman Daniel C. Goldner, *Presiding*
Commissioner Pradip K. Chattopadhyay

Alexander Speidel, *Esq./PUC Legal Advisor*

Doreen Borden, *Clerk*

**APPEARANCES: Reptg. Public Service Company of New
Hampshire d/b/a Eversource Energy:**

David K. Wiesner, *Esq.*

John Braswell

**Reptg. Liberty Utilities (Granite State
Electric) Corp. d/b/a Liberty Utilities:**

Michael J. Sheehan, *Esq.*

Robert Garcia

Reptg. Unitil Energy Systems, Inc.:

Matthew C. Campbell, *Esq.*

Mark Lambert

Justin Stearns

**Reptg. New Hampshire Electric
Cooperative, Inc.:**

Susan S. Geiger, *Esq. (Orr & Reno)*

Robyn Sarette

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

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APPEARANCES: (C o n t i n u e d)

Reptg. the Community Action Agencies:
Jeanne Agri, Chief Executive Officer
Elizabeth Reynolds, State Director

Reptg. Residential Ratepayers:
Michael Crouse, Esq.
Marc H. Vatter, Dir. of Economics
Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:
Mary E. Schwarzer, Esq.
Amanda Noonan, Consumer Services Div.
Roger D. Colton, *Fisher Sheehan Colton*
(Regulatory Support Division)

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1	Colton Vitae- April 2024 (Abbreviated - 3 Pages)	<i>premarked</i>
2	Colton Vitae- April 2024 (42 Pages)	<i>premarked</i>
3	NH Electric Assistance Program (EAP): Review of Performance/ Future Directions by Roger Colton	<i>premarked</i>
4	Electric Assistance Program (EAP) Advisory Board Recommendations Regarding Consultant Report (09-28-23)	<i>premarked</i>
5	Parties' Cover Letter, Joint Filing of Consultant Report and EAP Advisory Board Recommendation (10-03-23)	<i>premarked</i>
6	NH DOE Final Audit of EAP 2021-2022 Program Year w/Cover Letter (filed 07-18-23)	<i>premarked</i>
7	DOE Letter Regarding Expenditure for Software (08-01-23)	<i>premarked</i>
8	Parties' Joint Comments Re: Scoping Matters and proposed procedural Schedule (09-22-23)	<i>premarked</i>
9	Joint Utilities Response to Question Concerning Application of FAP Funds re: Docket No. DE 23-073 (10-20-23)	<i>premarked</i>
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EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
11	Joint Utilities' Technical Statement, w/Cover Letter (03-07-24)	<i>premarked</i>
12	NH DOE Technical Statement of Amanda O. Noonan, w/attachments (03-06-24)	<i>premarked</i>

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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning. I'm Chairman Goldner. I'm here today with Commissioner Chattopadhyay.

This is the hearing on the merits for the continued phase of the Docket Number DE 22-043 proceeding. This phase relates to potential improvements to the Electric Assistance Program, or EAP, for the state's electric utilities, including the New Hampshire Electric Cooperative, for the upcoming 2024 to 2025 EAP Program Year, and beyond.

This hearing is being held pursuant to the most recent procedural orders issued by the Commission on January 5th, January 18th, February 2nd, 2024, together with the prehearing order issued by the Commission for this phase of the proceeding on August 22nd, 2023, and the Supplemental Order of Notice issued on July 17th, 2023.

We take note of the Department of Energy's presentation of the proposed Witness and Exhibit List filed on April 11th, 2024, with the support of all the parties.

1 The Exhibit List proposes Hearing
2 Exhibits 1 through 12. We take special note of
3 the Colton Report prepared by Mr. Roger Colton
4 and filed in this proceeding at the behest of the
5 Commission on October 3rd, 2022, proposed Hearing
6 Exhibit 3. We also take note of the Joint
7 Utilities' Technical Statement, filed on
8 March 7th, 2024, proposed Hearing Exhibit 11, and
9 proposed Hearing Exhibit 12, the Department of
10 Energy Technical Statement, with attachments,
11 filed on April 11th, 2024.

12 The sole witness is to be Mr. Roger
13 Colton, the author of the Colton Report. We see
14 an extensive list of DOE, CAA, and utility
15 representative names also presented for potential
16 questioning today, with the substitution of Mr.
17 John Braswell, Hardship Program and Protections
18 Consultant, for Ms. Theresa Washington, on behalf
19 of Eversource. We welcome these representatives
20 here today.

21 So, at this time, in the interest of
22 time, we will take simple appearances from the
23 parties. Then, we will invite the DOE to open
24 with limited direct questioning of Mr. Colton, as

1 one of the parties supporting the Colton Report.
2 The Commission will then engage in Bench
3 questioning of Mr. Colton, followed by a brief
4 recess.

5 Following this, we will open Mr.
6 Colton -- we will open Mr. Colton to questions
7 from the parties. We will see where we are at
8 this point. We anticipate scope for brief
9 closing statements by the parties at the
10 conclusion of today's proceeding.

11 Are there any other issues requiring
12 our attention here today?

13 *[No verbal response.]*

14 CHAIRMAN GOLDNER: Okay. Seeing none.

15 We'll now take appearances, in
16 alphabetical order, starting with the Community
17 Action Agencies.

18 MS. AGRI: Yes. Good morning. Jeanne
19 Agri, CEO, from the Community Action Program
20 Belknap-Merrimack, representing the Community
21 Action Agency network.

22 CHAIRMAN GOLDNER: Thank you. The New
23 Hampshire Department of Energy?

24 MS. SCHWARZER: Good morning, Mr.

1 Chairman. Mary Schwarzer, Staff Attorney with
2 the Department of Energy.

3 CHAIRMAN GOLDNER: Very good.
4 Eversource?

5 MR. WIESNER: Good morning,
6 Commissioners. David Wiesner, representing
7 Public Service Company of New Hampshire, doing
8 business as Eversource Energy. And with me, as
9 you noted, is Mr. John Braswell.

10 CHAIRMAN GOLDNER: Thank you. Liberty?

11 MR. SHEEHAN: Good morning,
12 Commissioners. Mike Sheehan, for Liberty
13 Utilities (Granite State Electric) Corp.

14 CHAIRMAN GOLDNER: Thank you. LISTEN
15 Community Services?

16 *[No indication given.]*

17 CHAIRMAN GOLDNER: Okay. LISTEN is not
18 here today. The New Hampshire Electric
19 Cooperative?

20 MS. GEIGER: Good morning. Susan
21 Geiger, from the law firm of Orr & Reno,
22 representing New Hampshire Electric Cooperative.
23 And with me this morning is Robyn Sarette, from
24 the Co-op.

1 CHAIRMAN GOLDNER: Thank you. The
2 Office of the Consumer Advocate?

3 MR. CROUSE: Good morning,
4 Commissioners. My name is Michael Crouse, Staff
5 Attorney for the Office of the Consumer Advocate,
6 joining me today is our Director of Economics,
7 Marc Vatter, representing residential customers
8 in this matter.

9 Thank you.

10 CHAIRMAN GOLDNER: Thank you. And
11 Unutil Energy Systems?

12 MR. CAMPBELL: Good morning. Matt
13 Campbell, for Unutil Energy Systems,
14 Incorporated. I have a couple folks with me
15 today. On my right is Mark Lambert, he's the
16 Vice President of Customer Operations at Unutil.
17 And directly behind me is Justin Stearns, he's a
18 Manager in our Credit and Collections Department.

19 CHAIRMAN GOLDNER: Okay. Thank you,
20 Attorney Campbell.

21 Are there any other persons wishing to
22 speak today?

23 MS. AGRI: There is another person from
24 Community Action. I must have missed introducing

[WITNESS: Colton]

1 her.

2 CHAIRMAN GOLDNER: Okay.

3 MS. REYNOLDS: Hi. I'm Elizabeth
4 Reynolds. I'm the State Director for the
5 Electric Assistance Program.

6 CHAIRMAN GOLDNER: Thank you.

7 Okay. Very good. We'll now invite Mr.
8 Colton to the stand. Mr. Patnaude, would you
9 please swear in the witness.

10 *(Whereupon **ROGER D. COLTON** was duly*
11 *sworn by the Court Reporter.)*

12 CHAIRMAN GOLDNER: Thank you. So,
13 we'll now invite direct questioning by the DOE of
14 Mr. Colton.

15 MS. SCHWARZER: Thank you.

16 **ROGER D. COLTON, SWORN**

17 **DIRECT EXAMINATION**

18 BY MS. SCHWARZER:

19 Q Mr. Colton, would you please state your name and
20 address for the record?

21 A My name is Roger D. Colton, C-o-l-t-o-n. My
22 address is Fisher, Sheehan & Colton, 34 Warwick,
23 W-a-r-w-i-c-k, Road, in Belmont, Massachusetts.

24 Q And by whom are you employed and in what

[WITNESS: Colton]

1 position?

2 A I'm the owner of the firm, Fisher, Sheehan &
3 Colton.

4 Q And what's the general nature of your work?

5 A The general nature of my work is to work on
6 affordability issues involving natural gas,
7 electricity, and water utilities, both municipal
8 utilities and regulated utilities.

9 Q Who commissioned the Report that you authored on
10 the New Hampshire Electric Assistance Program?

11 A There is an organization called the "New
12 Hampshire EAP Advisory Group". And I work for
13 them. They commissioned the Report.

14 Q If I suggested it was the "EAP Advisory Board",
15 would you agree with me?

16 A The "Advisory Board"?

17 Q Yes.

18 A Yes.

19 Q Could you please describe your professional
20 background? Briefly.

21 A I've been doing work on affordability issues for
22 just over 40 years at this point. I tend to work
23 for what are called "NASUCA" offices, the
24 National Association of State Utility Consumer

[WITNESS: Colton]

1 Advocates. But I do work for both industry
2 clients, and for nonprofit clients as well.

3 Q Is your primary focus on low-income utility
4 issues?

5 A It is.

6 Q And what does that involve generally?

7 A It involves a lot of ratemaking work. It
8 involves research, such as that which I did in
9 New Hampshire. I have designed affordability
10 programs. I have worked with clients to help
11 implement programs. I have worked with
12 government and nonprofit and utility clients to
13 evaluate affordability programs that have been
14 adopted.

15 Q And, if you were to estimate the number of states
16 that you've worked for, what would your answer
17 be?

18 A The number of states? More than 40. And, then,
19 I've worked throughout the United States and
20 Canada. Right now, I'm working in both British
21 Columbia and Nova Scotia to develop programs.

22 Q And could you please describe your educational
23 background briefly?

24 A I have a Bachelor's Degree from Iowa State

[WITNESS: Colton]

1 University. I have a Law degree from the
2 University of Florida. And I have a Master's in
3 Regulatory Economics from the McGregor School, at
4 Antioch University.

5 Q Have you ever published on public utility
6 regulatory issues?

7 A Many times. I have published both in scholarly
8 and trade journals, maybe 80 or 100 law review
9 articles, and other articles in trade journals.
10 And I probably have two times that many reports
11 that I've done for clients, but weren't done for
12 publication.

13 Q What's your most recent publication, would you
14 say?

15 A I wrote a chapter in a book called -- the chapter
16 was called "The Equities of Efficiency", and the
17 title of the book I actually don't remember. It
18 was global perspectives on clean energy or some
19 such thing. But that chapter considered the --
20 it proposed an objective way to measure the
21 equitable distribution of energy efficiency
22 dollars. So, arguments over equity weren't
23 simply political arguments, but they were
24 empirical arguments.

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[WITNESS: Colton]

1 Q And, if I suggested that the title of that book
2 was "*Energy Justice: US and International*
3 *Perspectives*", published by London-based Edward
4 Elgar Publishing, will you agree with me?

5 A I would agree with you, yes.

6 Q Have you ever testified before other utility
7 commissions?

8 A Many times. The last time I counted, and I
9 haven't counted for awhile, somebody asked me a
10 discovery question about that, but I've testified
11 around 330 times over the last 40 years.

12 Q Okay. I would like to direct your attention to
13 Exhibit 1 and 2. I don't know if you have copies
14 of them, but I would be happy to hand them to
15 you?

16 MS. SCHWARZER: Could I?

17 CHAIRMAN GOLDNER: Yes. You may
18 approach the bench.

19 MS. SCHWARZER: Thank you. And if I
20 could save time and bring up Exhibit 3 as well?
21 Thank you.

22 [*Atty. Schwarzer handing documents to*
23 *the witness.*]

24 BY MS. SCHWARZER:

[WITNESS: Colton]

1 Q Could you please identify Exhibit 1 and 2?

2 A Exhibit -- if I could start with Exhibit 2 first?

3 Q Sure.

4 A Exhibit 2 is a copy of my full professional
5 *curriculum vitae*. And, when I say it's a "full
6 copy", it includes a list of all my publications,
7 and all of the instances in which I've been
8 retained to provide expert witnesses. It is
9 40-some pages long.

10 Exhibit 1 is my effort to shorten that
11 *curriculum vitae*. So, it provides essentially
12 the same information, but it doesn't list all of
13 my publications. It lists the three books that
14 I've written, and the full chapter. And it lists
15 the jurisdictions in which I have testified, but
16 it doesn't go through and list all of the
17 publications and all of the dockets.

18 CHAIRMAN GOLDNER: Attorney Schwarzer,
19 I'm just going to jump in.

20 I think the qualifications of the
21 witness are well-established. If you can -- you
22 can move on to the next line of questioning.

23 MS. SCHWARZER: Certainly. I was about
24 to.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Thank you.

2 MS. SCHWARZER: Sure.

3 BY MS. SCHWARZER:

4 Q And, Mr. Colton, are those -- are Exhibit 1 and 2
5 current as of April 2024?

6 A Yes.

7 Q Great. I'd like to direct your attention to your
8 Report, which has been marked "Exhibit 3". Is
9 there a date on that Report?

10 A The Report is dated "September 2022".

11 Q I just want to highlight that, as an exhibit,
12 this was filed by the Department on October 3rd,
13 2022. So, you see that date in the upper
14 right-hand corner. When you say, at the bottom,
15 it was dated "September 2022", do you have a more
16 specific date or a memory about when it was first
17 submitted to the Advisory Board and put in final
18 form?

19 A Well, to say "final form" has a couple of
20 different implications. I provided the final
21 Report to the Advisory Committee in late August
22 of 2022. I then met with the Advisory Board in
23 early September, shortly after Labor Day, in
24 2022, to obtain their feedback. And, then, I

[WITNESS: Colton]

1 incorporated their feedback, and made
2 typographical corrections and the like, but later
3 in September '22.

4 Q Okay. And do you have any changes or corrections
5 to make to this Report?

6 A I do not.

7 Q Can you briefly describe the work that you did in
8 conducting this analysis and writing the Report?
9 What was involved?

10 A Sure. There were a couple of different steps
11 involved with this Report. The primary step was
12 to merge databases that I received from different
13 stakeholders that were part of the Advisory
14 group.

15 So, the utilities gave me a database
16 with individual account data over a period of
17 time, over almost two years, for recipients of
18 EAP. The State gave me a database on EAP
19 recipients or participants. And the Community
20 Action Agencies gave me a database on the same
21 people. And I had to merge all of those
22 databases into a single spreadsheet. And my
23 analysis was based on that combination of
24 demographic data from the State and the Community

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[WITNESS: Colton]

1 Action Agencies, and billing and payment data and
2 usage data from the utilities.

3 In addition to that, the Report -- the
4 scope of work asked me to look at other New
5 England affordability programs. And, so, I did
6 that by contacting the various states.

7 Q Fair to say that, for a period of about two to
8 three months, you were working up to ten hours a
9 day?

10 A Yes.

11 Q Have you --

12 A On this Report.

13 Q On this Report. Have you updated the Report
14 since it was filed?

15 A No.

16 Q Is your substantive analysis reflected in
17 Exhibit 3 in any particular location?

18 A I would say that there are -- there are summaries
19 of my substantive analysis in two different
20 places. The "Summary of Essential Findings",
21 that starts on Page 84 of the Report.

22 Q Is it Bates Page 084 or 087?

23 A No. Page 84 of the Report. I'm told that it's
24 Bates Pages 087 through 099.

[WITNESS: Colton]

1 Q Thank you.

2 A The "Summary of Essential Findings" sets forth
3 the factual analysis -- or, the empirical
4 analysis.

5 And, then, the "Summary of
6 Recommendations" begins at Page 93 of the Report.
7 And I'm told that that is Bates Pages 100
8 through 105.

9 Q Thank you. And, today, do you adopt Exhibit 1,
10 2, and 3 as your sworn testimony, accurate as of,
11 Exhibit 3, September 2022, and Exhibit 1 and 2,
12 April 2024?

13 A Yes.

14 MS. SCHWARZER: Thank you. I have no
15 further questions.

16 CHAIRMAN GOLDNER: Thank you. We'll
17 turn now to Commissioner questions, beginning
18 with Commissioner Chattopadhyay.

19 CMSR. CHATTOPADHYAY: Good morning.

20 WITNESS COLTON: Good morning, sir.

21 CMSR. CHATTOPADHYAY: Before I begin, I
22 want to clarify that I have questions that
23 probably would be better answered by the other
24 parties as well. So, I'm going to go through the

[WITNESS: Colton]

1 ones that I believe are better answered by the
2 witness right now. And, then, I'll go to the
3 others, hoping that the witness has something to
4 speak to, but others in the room are also
5 encouraged to respond at that time.

6 BY CMSR. CHATTOPADHYAY:

7 Q So, let's begin with --

8 CHAIRMAN GOLDNER: Commissioner
9 Chattopadhyay, if I could, I'll just remind
10 anyone in the room, we're not planning to swear
11 in any other witnesses today. I know that
12 there's folks who can help out technically.
13 We'll invite everyone to stay in their chairs.

14 We all know there's a duty of candor.
15 And, so, we'll rely on that during the proceeding
16 today, as opposed to having additional witnesses.

17 So, please proceed, Commissioner
18 Chattopadhyay.

19 CMSR. CHATTOPADHYAY: Thank you.

20 BY CMSR. CHATTOPADHYAY:

21 Q So, let's go to Bates Page 052, or I think it
22 would be -- the Report would be Bates Page 49,
23 I'm guessing, just a moment. Yes. And, once
24 you're there, we can start talking.

[WITNESS: Colton]

1 A I'm there.

2 Q Okay. So, as I understand it, that the EAP tiers
3 and the current discount rates that provisionally
4 is in place is "Realignment Option 3B", right?

5 A That's correct.

6 Q And, so, as I look at it, the burden is lower for
7 Tier 2 than the burden for Tier 6?

8 A *[Witness Colton indicating in the affirmative]*.

9 Q And, so, I'm -- are there ways to improve these
10 percentages, assuming that, you know, it sort of
11 looks kind of regressive the way it is. So, if
12 you were moving to a more progressive approach,
13 are there other things that can be done?

14 So, I'm just going to qualify that a
15 little bit. For example, I've thought about, we
16 are applying the same kilowatt-hour cap for all
17 customers. Can it be changed for, let's say,
18 Tier 2? And even otherwise, just give me a
19 general sense why you think this was good enough,
20 and, you know, why we shouldn't consider some
21 changes at least in the future?

22 A If I may, I can speak both from the Report and
23 simply from my professional experience?

24 Q Please do. Thank you.

[WITNESS: Colton]

1 A If you look at the far right column, what's
2 marked "Realignment Option 3B", I felt that those
3 burdens were reasonably related, when they range
4 from 4. -- a net for the population as a whole of
5 4.9 percent, up to 5.1 for a couple of tiers, and
6 4.5 percent for Tier 2.

7 I think it's important to understand,
8 particularly when we're dealing with a tiered
9 rate discount, that there isn't more precision --
10 we don't want to seek more precision than really
11 exists. And we're dealing with an average
12 discount, average consumption. And, so, I took
13 this out to a tenth of a percent. But we don't
14 want to overstate the precision. That's my first
15 observation.

16 My second observation is that it's
17 difficult at the two extremes, and I don't say
18 "extreme" as a pejorative, but, at Tier 2 and
19 Tier 6, to really change those percentages.
20 Because, at Tier 2, they have a lower percentage
21 because the income is substantively higher, but
22 we're only providing a 5 percent discount. So,
23 it would be difficult to reduce that 5 percent,
24 as I talk about in here, to bring that percentage

[WITNESS: Colton]

1 up.

2 On the other hand, with Tier 6, the
3 modified burden is 4.9 percent, and we could
4 perhaps reduce that. But we're already providing
5 and 86 percent discount. And it would be tough
6 to reduce it even more by increasing the discount
7 even more.

8 So, one of my jobs was to, and it's
9 been two years, so I don't remember the
10 specifics, but was to balance the cost of doing
11 things with what the impact of moving from 5
12 percent to 4 percent, or moving from 86 percent
13 to 88 percent. And I remember deciding that that
14 balancing resulted in my recommendation here.

15 And I didn't look at the question of
16 providing different usage levels for different
17 tiers. There are other ways, other ways to
18 address the percentages, but those go beyond
19 anything that's been discussed in New Hampshire
20 to date.

21 Q The way -- excuse me. The way I look at the
22 table, it's not necessarily about moving dollars
23 from EAP Tier 2 to EAP Tier 6 for the currently
24 existing customers. I can also think about it in

[WITNESS: Colton]

1 terms of what you have said in your Report. And
2 I think it's somewhere -- in the Report, it's
3 somewhere in like Page 89 and Page 90, that you
4 talk about that overall, in New Hampshire, the
5 folks who are in Tier 6, relative to how things
6 are with the EAP customers, there's a lot more
7 people there New Hampshire-wise.

8 Like it's -- so, it's possible that, if
9 there is additional money that we can squeeze
10 out, and there's a concerted effort to reach more
11 customers that are in Tier 6, that are not being
12 roped in currently. So, there might be other
13 ways to, that may be one approach. Or, you know,
14 so, you -- there's, as I said, it is about how to
15 improve the process, and I'm looking into the
16 future. So, that would allow reach out to more
17 customers that are in Tier 6. That's how I'm
18 viewing it.

19 The other thing that I'm going to ask
20 you is, I mean, yes, I understand the point
21 about, you know, it's hard to get to the level of
22 precision that perhaps might satisfy everyone.
23 But it also jumped out at me that you have the
24 number for Tier 3 through 5 also being higher

[WITNESS: Colton]

1 than the one for Tier 2, okay, so -- in terms of
2 the modified version. So, I just wanted to point
3 that out.

4 Now, having I suggest -- I indicated
5 that maybe there's a way to change the cap,
6 kilowatt-hours cap, for different tiers. You
7 mentioned, if I heard you correctly, "there are
8 other things that can be done." Can you just --
9 briefly just summarize what other things can be
10 done, and, you know, to get a more focused and
11 less regressive distribution of burden?

12 A Sure. I began with the principle that the goal
13 or the target was to hit a burden of between 4
14 and 5 percent. And, so, I was completely
15 satisfied that that objective had been achieved
16 for all five tiers. The lowest burden is with
17 Tier 2, simply because the income in that tier
18 goes higher. One way to -- one way to bring that
19 tier up would be, as I talked about in my Report,
20 would be to split Tier 2 into two tiers. So, you
21 would have a Tier 2A and Tier 2B. So, you would
22 have a Tier 2A at 150 to 200 percent of poverty
23 and Tier 2B at 200 percent of poverty to 60
24 percent of State Median Income. That would

[WITNESS: Colton]

1 probably make your Tier 2A closer to the other
2 tiers.

3 When you go up to 60 percent of State
4 Median Income, if you provide any kind of
5 discount, you're going to have a lower percentage
6 burden, simply because the income is that much
7 higher.

8 What we've worked with in other
9 jurisdictions is, and I'm not recommending this
10 for New Hampshire, I'm just informing you, is the
11 possibility of having a tiered burden, so not
12 every burden is the same, not every target burden
13 would be the same for each tier. And the belief
14 is that, you know, 5 percent of income to the
15 lowest income population is more important than
16 5 percent of income to the highest income
17 population. So, you could tier the underlying
18 burdens.

19 One way is to address the incomes. So,
20 I'm having conversations with a variety of
21 jurisdictions now about having income -- what are
22 called "income disregards", which is what the
23 Federal SNAP Program, the Food Stamp Program has.
24 So, if you have employment income, a certain

[WITNESS: Colton]

1 percentage of your employment income would be
2 disregarded, and placing you in the tier. And
3 that has a variety of implications, but it would
4 affect Tier 2 in particular.

5 Was that helpful?

6 Q That is helpful. I'm just --

7 A Okay.

8 Q -- trying to think through it. This is possibly
9 because I didn't understand the numbers fully.
10 So, if that is the case, I'll clarify. But let's
11 go to Bates Page, just a moment, 055, and it's
12 going to be Table 35. So, your Report, it should
13 be Bates Page -- I'm sorry, Page 52, and
14 Table 35, right on top.

15 A Yes. I'm there.

16 Q Okay. So, as I go to the paragraph just below
17 the table, the last sentence says: "The
18 difference between the minimum Tier 2
19 eligibility", and that's "150 percent Federal
20 Poverty Level", "and the maximum Tier 2
21 eligibility (60 percent SMI) narrows as household
22 sizes become larger."

23 So, in the table, you're going from 1
24 through 5, right? And the way I'm looking at it,

[WITNESS: Colton]

1 it's the second column and the third column, the
2 difference between them. And, if I look at that,
3 the differences actually go up, not -- they don't
4 narrow.

5 Are you simply talking about the 60
6 percent SMI FPL equivalent? So, this is not --
7 either I'm reading it wrong or it's not properly
8 characterized.

9 A No. No. I think that what you're last comment
10 was is correct. All I'm saying there is that, if
11 you set 150 percent of Federal Poverty Level as
12 the minimum, the difference between 150 percent
13 and 60 percent of State Median Income, for a
14 five-person household, is 110 percent. It's 150,
15 compared to 260, as 60 percent of State Median
16 Income. For a household with one person, the
17 difference is a little bigger. The difference is
18 between 150 percent of Federal Poverty Level and
19 287 percent of Federal Poverty Level.

20 So, the difference I was talking about
21 is in the fifth column.

22 Q The last Column?

23 A The last Column.

24 Q Yes. And, so, this was a little bit confusing

[WITNESS: Colton]

1 when I was reading it, okay.

2 Bates Page 058, and let me go there,
3 it's Page 55. Your recommendation is that "no
4 modification of Tier 2 occur at this time." But
5 you also recommend that, if the Commission wants
6 to reduce costs to allow sufficient funds be
7 available to the lowest EAP tiers, it may be
8 helpful to revisit the EAP eligibility for
9 Tier 2. You say that as well?

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

11 Q Are there any approaches, and some you may have
12 already kind of alluded to, but
13 considerations/approaches, other than the ones
14 that you discussed before, that can be
15 considered, how to get that into, you know, how
16 to implement it?

17 So, go as wide as possible in your way
18 of thinking about it.

19 A New Hampshire has -- I recommend that New
20 Hampshire keep its maximum income eligibility at
21 60 percent of State Median Income. Nonetheless,
22 60 percent of State Median Income, as we saw in
23 that previous table, is -- it's low-income, but
24 it's a very high income when you consider it from

[WITNESS: Colton]

1 the perspective of Federal Poverty Level.

2 So, if one of the goals was to provide
3 more funding for the lowest income tier, the
4 first place to look -- the first place I would
5 look would be to set the maximum income
6 eligibility at something less than 60 percent of
7 State Median Income. That would have
8 administrative implications, because having it at
9 60 percent of State Median Income means it fits
10 with the LIHEAP Program eligibility, and there
11 would need to be new administrative processes if
12 the EAP eligibility and the LIHEAP eligibility
13 were different.

14 The other -- the other way to, thinking
15 broadly, the other way to narrow the gap, if you
16 will, would be to increase the number of tiers
17 overall. So, New Hampshire has a five-tier
18 program. A program that would have seven tiers
19 would narrow the gap. A program that had nine
20 tiers would narrow the gap even more than a
21 seven-tiered program. So, the more tiers you
22 have, the narrower the gap would be, because your
23 income ranges are narrower. And, so, the
24 differences between the income ranges would be

[WITNESS: Colton]

1 narrower as well.

2 Q Okay. This discussion about, you know, the 60
3 percent of the State Median Income and all of
4 that, do you have any thoughts on the last band,
5 meaning the Tier 2 band that you're talking about
6 of income levels, how is it handled in other
7 states? Like, is it that broad?

8 A Yes. The five tiers are very common. Well, as
9 we talked about in the initial questions, I work
10 in a lot of jurisdictions. I just developed a
11 program for the three natural gas companies that
12 serve the City of Chicago. And I proposed a
13 five-tier program, and I cited New Hampshire as
14 the example for why that worked. And the lowest
15 income tier needs a higher discount, because they
16 would otherwise have higher burdens.

17 The tier that goes up to 60 percent of
18 State Median Income is needed, because, when
19 you -- when you start moving toward 60 percent of
20 State Median Income, the people who are applying
21 for the program, at those income levels, there
22 are a couple of things going on with that. One
23 is that they have moved beyond the eligibility
24 for other public assistance program. So that

[WITNESS: Colton]

1 what's called the "net household resources", the
2 income may be going up, but the net household
3 resources won't necessarily be going up, because
4 their income goes up, but they lose Food Stamps.
5 Their income goes up, but they lose health
6 insurance, publicly subsidized health insurance.

7 The other thing is that, as you move
8 into those higher income levels, you're starting
9 to find people who are employed, rather than
10 receiving public assistance. But the people who
11 are employed don't have good jobs. They're
12 hourly employees, they're temporary employees.
13 And, so, they may have a higher level of income,
14 but they have a more fragile income. Their more
15 like -- their income streams are more likely to
16 be disrupted. So, it's entirely appropriate, in
17 my opinion, to provide assistance to those
18 customers.

19 Q You talked about splitting Tier 2 into two. Is
20 that something you've seen in other states or
21 other jurisdictions?

22 A The tiered programs that I've worked with
23 generally adopt a five-tier. The five-tiered
24 program seems to have become the standard for

[WITNESS: Colton]

1 states who are adopting tiered assistance
2 programs. They may have somewhat different
3 tiers, but having a tier at zero to 50 percent of
4 poverty, 50 to 100. And, so, where they draw the
5 line on the tiers may differ. But a five-tiered
6 program, for people, for states or jurisdictions
7 that use a tiered discount, appears to be the
8 standard.

9 Q Are you aware of programs where there are more
10 than five tiers?

11 A PECO used to have a nine-tiered program. And
12 PECO Energy, which serves the Philadelphia area,
13 basically, used to have a nine-tiered program.
14 And, ultimately, PECO said that "This is crazy.
15 If we're going to have a nine-tiered program, we
16 may as well simply have a straight percentage of
17 income program, where every customer's bill is
18 individually calculated." So, it decided that,
19 if they were going to engage in administration to
20 administer nine tiers, they might as well go the
21 rest of the way and have a percentage of income
22 program.

23 But, other than PECO, I don't know of
24 any other jurisdiction that has more than five

[WITNESS: Colton]

1 tiers.

2 Q Are there jurisdictions where the highest income
3 tier goes only up to 200 percent of the Poverty
4 Level, the income?

5 A With a tiered discount program, the ones that
6 I've worked with, they tend to go higher than 200
7 percent of poverty. There are jurisdictions that
8 have programs other than a tiered discount
9 program. And, when I say "a tiered discount
10 program", I'm talking about a New Hampshire type
11 program, that limit their maximum income
12 eligibility to 175 percent of poverty or 200
13 percent of poverty.

14 But the eligibility is frequently,
15 maybe even most frequently, tied to what the
16 state is doing with LIHEAP eligibility. Because
17 the goal is to gain the efficiencies from melding
18 the utility -- the ratepayer-funded programs with
19 the publicly-funded programs, to the extent
20 possible.

21 Q So, you don't have to go to the page, but I'm
22 going to ask a question that probably can be
23 answered without going there.

24 Do you have any opinion on this whole 4

[WITNESS: Colton]

1 percent to 5 percent band being the appropriate
2 target for burden? Is there other research
3 that's been done to come up with some other
4 number?

5 I mean, you probably mentioned
6 "6 percent" somewhere in the Report. But I want
7 to glean out any useful information from you
8 that's relevant on that issue.

9 A I didn't --

10 Q And you can also talk about whether that is
11 applied in a gradient manner, meaning different
12 tiers have different percentages, and things like
13 that as well.

14 A Six percent of income has become the standard, if
15 you will. Almost, with the operative word being
16 "almost", every jurisdiction that has adopted a
17 bill-to-income ratio as affordable has used 6
18 percent.

19 Six percent, however, is for total home
20 energy. And, so, total home energy -- the
21 6 percent works for electric heating, because
22 there's not another fuel. If you have electric
23 non-heating, you need something less than
24 6 percent, because you need to have something

[WITNESS: Colton]

1 left for -- whether it's natural gas or fuel oil.
2 And the question of whether that should be
3 3 percent of 4 percent is -- is up in the air.
4 Different people have different opinions about
5 that.

6 So, New Hampshire's 4 to 5 percent may
7 be on the high end of affordability, but it's
8 certainly not unreasonably on the high end. I
9 always talk about how you can't say that "6
10 percent is affordable, but 6.5 percent isn't", or
11 "6 percent is affordable, and 7 percent isn't."
12 And there's always a budget implication. So,
13 when I work with jurisdictions, you know, there
14 was a balancing of the effort to achieve an
15 affordable burden versus not spending too much
16 money.

17 And, so, I think the 4 to 5 percent in
18 New Hampshire is certainly within the range of
19 reasonableness, either for non-heating or for
20 heating. A bit high for non-heating, but not
21 unreasonably high.

22 The biggest change would be, as you
23 suggested, which is to go to tiered burdens. So,
24 the zero to 50 percent or zero to 75 percent

[WITNESS: Colton]

1 would be set at 2 percent, 50 to 100 percent
2 would be set at 3 percent, and you just increase
3 the percentage burden as the income goes up.

4 Q This would be Bates Page 064. You talk about, I
5 hope I've noted this down correctly, you talk
6 about Pennsylvania, where they have implemented
7 credit ceilings that are higher for lower-income
8 ratepayers. And I'll admit, you know, just I
9 don't fully grasp it yet, perhaps.

10 But do you think that, you know, for
11 example, if you're applying the kilowatt-hours
12 cap differently for different tiers, that would
13 result in a very similar situation? Or, what are
14 we talking about there?

15 A No, the same principle wouldn't apply when you
16 look at caps on usage.

17 What Pennsylvania does is Pennsylvania
18 has a percentage of income program for its
19 utilities. And, so -- but Pennsylvania then
20 says, as New Hampshire has said, "we're not going
21 to pay to achieve affordability at any cost."
22 That, at some point, the subsidies stop.

23 But the reason you need to change the
24 maximum cap credit, what's called the "maximum

[WITNESS: Colton]

1 cap credit ceiling" in Pennsylvania, is because
2 they also have a -- Pennsylvania also has a
3 tiered percentage that's deemed to be affordable.
4 So, in the lowest income level, you provide a
5 lower burden, affordable burden, to a lower
6 income, which then means that your cap -- your
7 cap credit is higher. And, so, unless you tier
8 the maximum cap credit ceilings, the people at
9 the lowest incomes are going to hit those
10 ceilings more quickly.

11 Q Okay.

12 A That same principle doesn't apply when you talk
13 about usage.

14 Q Right. And I'm going to take you to, I think,
15 Bates Page 092, hopefully, I'm going to go there,
16 to the right place.

17 I understand the point you're making in
18 Point Number 10, which is your Report, Page 89,
19 okay. But you're essentially saying -- you're
20 not directly pointing it out here, but it's sort
21 of -- the Tier 6, okay, is, if you look at New
22 Hampshire, and you look at customers who are in
23 that income range, percentagewise that's a bigger
24 percentage than what it would be with the EAP,

[WITNESS: Colton]

1 correct, as it's being implemented right now?

2 A Yes.

3 Q Okay. How does it work in other states? Other
4 -- and, if you want to talk about New England
5 states, that's fine. I mean, is it more
6 targeted, that it achieves -- the help reaches
7 out to more low-income ratepayers?

8 A Well, the issue of "reaching more ratepayers" is
9 an issue in every jurisdiction, and that's not
10 even a close call. In 100 percent of the
11 jurisdictions where I've worked, the issue of
12 "how to reach more customers" is an issue.

13 It is generally not a question of where
14 you set the percentage, the target percentage,
15 the target affordability percentage. It's an
16 issue of minimizing the barriers to enrollment.

17 So, I don't think that changing --
18 well, I'm repeating myself. I don't think
19 changing the burdens, or changing the discounts,
20 which -- with the objective of changing the
21 burdens, would have an impact on how many people
22 you would attract, except at the high end, at I
23 talk about here. If your discount gets too low,
24 there will be people who just start saying "It's

[WITNESS: Colton]

1 not worth it."

2 Q Yes. So, I wasn't really asking whether you can
3 do anything with the discounts to reach out to
4 more of them. I was really asking, if you have
5 seen other ways to ensure that you're reaching
6 out to more of them? And, you know, ultimately,
7 it turns out that we have a pot of money, and
8 you're trying to use it. So, if it's -- if we
9 are able to handle the other problem that I
10 mentioned, which is trying to reach out to other
11 customers more, then, if we push the funding in a
12 way that we can squeeze out a little bit more for
13 those customers, then -- and I, you know, that's
14 where I'm trying to go.

15 So, you're essentially saying that that
16 problem is everywhere, meaning you're trying to
17 reach out to more customers, it's very difficult
18 for low-income levels. That's what you're
19 saying. Or, are you saying that some states have
20 done better? And, if you know anything about it,
21 please apprise me, if you know.

22 A Some states, if I'm following your question, and
23 I may or may not be, so I have two responses.
24 Number one is, some states do do better in

[WITNESS: Colton]

1 outreach and intake. The State of Connecticut is
2 working toward having an automatic data-sharing
3 between the State and the utilities. And, when
4 they did that, their participation went up
5 actually far further than any of us imagined when
6 they were talking about it.

7 And, not on a state level, but on a
8 municipal level, the City of Philadelphia, the
9 Philadelphia Water Department has an
10 affordability program. The Philadelphia Water &
11 Sewer Board -- it's a municipal utility. The
12 Philadelphia Water & Sewer Board told PWD that it
13 wanted PWD to begin working with the Philadelphia
14 Mayor's Office to cross-enroll people who were
15 applying for tax -- property tax abatement -- not
16 "abatements", low-income property tax assistance
17 and the Philadelphia Water Department Program.
18 And that started the first of January of 2024.
19 And, since the first of January of 2024, when
20 that cross-enrollment began, PWD has enrolled
21 35,000 new people in its program, up from 17,000.

22 Q Wow.

23 A So, they tripled their --

24 Q Tripled, yes, because you added.

[WITNESS: Colton]

1 A So, the primary way that I think we've learned to
2 increase enrollment is through the collaboration
3 between the utility programs and other state
4 programs.

5 One other response, I think, and
6 it's -- I start with the disclaimer, it's been a
7 couple years since I've worked in Rhode Island,
8 but, again, we've got Eversource here, they can
9 correct me. But Eversource, you know, for people
10 who have low enough incomes, simply provide a
11 dollar -- they don't change the burdens, but they
12 simply provide a dollar kicker, if you will, an
13 extra dollar amount to people who have incomes
14 that are sufficiently low.

15 So, that would be a way -- that would
16 be -- that would be a way to address the higher
17 burdens for that tier, and do it in an
18 administratively, relatively easy way.

19 Q That was extremely helpful, what you just
20 discussed.

21 I'm going to touch upon the issue that
22 you were dealing with in 2022, which is prices --
23 energy prices was going up crazy. I have worked
24 on, my trainingwise, I worked on regional markets

[WITNESS: Colton]

1 a long time. As an economist, I've followed
2 prices and all of that. So, it is something that
3 you can guarantee will happen again at some
4 point, okay. It's just a natural thing.

5 And, when it happened, to the extent it
6 happened, it created problems, because you don't,
7 you know, the help that low-income ratepayers
8 needed was a significant -- was significantly
9 higher than what the fund could afford.

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

11 Q So, and I'm not sure whether you're aware of how
12 the statutory scheme works here, is like, if
13 there's excess fund of a million dollars, and
14 that there's some requirement about, you know,
15 and it remains for twelve months like that, then
16 it has to be returned to the ratepayers.

17 A *[Witness Colton indicating in the affirmative].*

18 Q I'm struggling with, you know, like, is there a
19 way to solve the problem of higher prices,
20 because that is going to be episodic? It's going
21 to happen, yes, maybe every four years or five
22 years, could be even every three years, you don't
23 know.

24 So, is there something more robust that

[WITNESS: Colton]

1 can be done to address that issue? Because it's
2 really during those times they need the help even
3 more, okay. So, I'm just trying to -- or, do you
4 think, in New Hampshire, it's just we're kind of
5 stuck?

6 A Boy, I wish I had an answer to that. There would
7 be a lot of people, other than yourself, who
8 would like to have an answer to that. And last
9 year, of course, it was electricity prices. But,
10 for those of us who have been around long enough,
11 we remember, this probably didn't affect New
12 Hampshire as much, but we remember when natural
13 gas prices had that kind of spike, in the early
14 2010s maybe.

15 Q 2014 as well.

16 A Okay. But in that -- in that period. So, it's
17 happened to the natural gas industry as well.
18 And I just don't have -- I don't have a good
19 answer.

20 Q You don't. Okay.

21 A I don't have a good answer.

22 Q Okay.

23 A I wish I did.

24 Q Thank you for your candor. So, I mean, --

[WITNESS: Colton]

1 A I'd have a lot of new clients, if I had an answer
2 to that one.

3 [Laughter.]

4 BY CMSR. CHATTOPADHYAY:

5 Q Okay. Do you encounter issues with how the EAP
6 discount, and I'm using the term "EAP" very
7 loosely now, because you may have a different
8 term in other states, is playing out, in terms
9 of, let's say, customers who are on competitive
10 supply, customers who are with community power
11 aggregation? Do you have any visibility? Do you
12 have any thoughts on that?

13 And, in New Hampshire, we have
14 competitive supply for a while. We addressed the
15 one problem, but we created another problem, we
16 have a level playing field issue that was in play
17 in 2000 -- I forget which year, '17, '18 maybe,
18 we kind of addressed that. And, then, we have
19 another kind of problem now. But I'm now also
20 thinking in terms of the community power, you
21 know, customers as well.

22 Do you have any, you know, insight
23 what's going on, based on your work in other
24 states?

[WITNESS: Colton]

1 A So, I didn't address competitive supply in my
2 Report. That was beyond the scope of my Report.

3 Q Uh-huh.

4 A So, I can talk to you from my experience, but not
5 from my Report.

6 Q Please do.

7 A I do a lot of work in Pennsylvania. And we had a
8 lot of discussions, when both electricity and
9 natural gas were open to the market, and "how do
10 you layer the low-income assistance on top of
11 that?"

12 And what we found was that -- well, we
13 found a couple of things. And I say "we", the
14 discussion, and I was part of the discussion. It
15 became incredibly complex incredibly quickly to
16 try to take into account every single supplier,
17 either on the natural gas supply or on the
18 electric supply.

19 And the decision was that -- or, a
20 decision was that we didn't want the cost of the
21 remedy, if you will, to be more than the cost of
22 the problem. And the complexity was driving the
23 program in that direction, where we would be
24 spending more to solve the problem than the

[WITNESS: Colton]

1 problem was going to cost in the first place.

2 Ultimately, what Pennsylvania said was
3 "you have to make a choice." "You, customer,
4 you, low-income customer, have to make a choice.
5 You either want the low-income" -- "you want to
6 be a participant in the low-income assistance
7 program, or you want to shop for a competitive
8 supply. You can't do both."

9 So, everybody who is a participant in
10 what's called the "CAP", the Pennsylvania
11 equivalent to EAP, has to be on the utility rate.

12 Q The standard offer or --

13 A The standard offer.

14 Q -- default.

15 A Right. And there was an effort -- and tell me if
16 I'm going way far afield, please. There was an
17 effort to then say "Okay. Well, if the
18 individuals can't participate in the competitive
19 market, perhaps we can bid out the CAP
20 participants as a group to the competitive
21 market." And there was an effort to do that, but
22 there simply wasn't a competitive supplier who
23 said "Yes, the population we want to serve is the
24 low-income population who has difficulties in

[WITNESS: Colton]

1 paying their bills."

2 Q Have you looked at Exhibit 12?

3 A No. Oh.

4 Q Which is the DOE's position?

5 A Yes. I didn't know it was "Exhibit 12". But,
6 yes.

7 Q Okay. You have, okay. So, you are aware how
8 the -- what the system is in New Hampshire. So,
9 it's, for the EAP customers who are on
10 competitive supply, their discounts are also
11 still based on the default service rate, okay?

12 A Yes.

13 Q So, you're aware of it?

14 A Yes.

15 Q Have you seen any other jurisdictions where it's
16 that kind of structure?

17 A I haven't seen that, but that says more about
18 what I've seen than what exists.

19 Q Okay.

20 A So, I would have a lack of knowledge, more than a
21 knowledge of what people do or don't do.

22 CMSR. CHATTOPADHYAY: So, Chairman
23 Goldner, my remaining questions are really, I
24 think they -- everybody else can chime in.

[WITNESS: Colton]

1 So, do you want me to go with them
2 right now or do you want to first ask questions
3 that more directed to the witness, and then we
4 can do it differently later?

5 CHAIRMAN GOLDNER: What I'm thinking
6 is, we go for about ten more minutes then take a
7 break. I can start with questions directed at
8 the witness. And, then, once we have more or
9 less concluded with the witness, we can return to
10 the rest of the audience, because I do have
11 questions for others. So, --

12 CMSR. CHATTOPADHYAY: Yes, I think that
13 would be preferred.

14 CHAIRMAN GOLDNER: That's most
15 efficient. Okay.

16 CMSR. CHATTOPADHYAY: Thank you.

17 CHAIRMAN GOLDNER: Okay. So, I'll just
18 go for about ten minutes, and then we'll take a
19 break.

20 So, Mr. Colton, first, my compliments
21 on a very thorough Report. We really like the
22 tables and the thoughtfulness, and all the
23 information that went into the Report. It was
24 extremely helpful and thorough.

[WITNESS: Colton]

1 BY CHAIRMAN GOLDNER:

2 Q And I'd like to start with sort of a fundamental
3 question. And the question is somewhat
4 rhetorical, because you had actually answered it,
5 and I'll read your answer.

6 But, you know, my question is, what
7 problem is EAP programs solving?

8 And your answer, on Page 6, was "the
9 purpose of the EAP is to reduce electricity bills
10 to an affordable burden, [where] "burdens" are
11 defined as annual electricity bills as a
12 percentage of household income."

13 Do I have that right?

14 A Yes.

15 Q Okay. And, then, on Page 3, you talk, as you did
16 with Commissioner Chattopadhyay, about "the
17 commonly accepted definition of an affordable
18 percentage of income at 6 percent." And you
19 highlighted to Commissioner Chattopadhyay that
20 that's total, that's not just electric.

21 And, so, my first question is, has
22 there been any analysis to differentiate, and I
23 realize it varies house by house, but, on
24 average, what percentage of that 6 percent is

[WITNESS: Colton]

1 sort of allocated to electric versus other forms
2 of power?

3 A And your question is, whether there's been an
4 analysis in New Hampshire, or just generally?

5 Q I would say, I think the answer to New Hampshire
6 is "no". And, thus, my question will be "other
7 places"?

8 A Yes. Yes.

9 Q Because we need a climate that's similar, I
10 suppose, right?

11 A Well, it's actually a little --

12 Q More complicated?

13 A No, it's a little easier --

14 Q Oh, good .

15 A -- than that. But it's easier than that, if you
16 adopt my perspective. And I've said early on
17 that we shouldn't claim a greater precision than
18 exists. So, when I have been asked to divide the
19 6 percent, I consider there to be two choices:
20 You either divide it 3 percent/3 percent, so just
21 cut it in the middle; or you divide 4 percent for
22 electricity and 2 percent for natural gas.

23 And I say it's easy, from my
24 perspective, because I work in whole percentages.

[WITNESS: Colton]

1 I think that saying somewhere along the line
2 "Well, it should be 3.8 percent and 2.2 percent"
3 is bordering on intellectual dishonesty.

4 So, the 4 percent/2 percent simply says
5 that electricity bills are a somewhat higher
6 portion of overall home energy bills than the
7 alternative fuel. The 3 percent/3 percent
8 says -- it's got an intuitive appeal, it's easy
9 to explain.

10 But, if you stay with whole percents,
11 those are your two choices: 4 percent/2 percent
12 or 3 percent/3 percent.

13 Q Okay. Thank you. Have there been any studies in
14 the Northeast in this regard, anything that you
15 know of that sort of quantifies it a little bit
16 more?

17 A One could -- one could draw the data, I don't
18 know of anybody who has gone to do this, but one
19 could pretty easily draw the data from the --
20 what's called the "Residential Energy Consumption
21 Survey" that's done by the U.S. Department of
22 Energy's Energy Information Administration. And
23 2020 is the most recent publicly available data.
24 But it has consumption by fuel, by income. So,

[WITNESS: Colton]

1 you could -- you could do that, and that one
2 could do that analysis.

3 Q Okay. Okay. So, that could be something we
4 could ask for in the future. And, then, what is
5 your source, relative to the statement "commonly
6 accepted", the 6 percent? What's the source on
7 the "6 percent"?

8 A Oh. If you look at Commission decisions,
9 Washington State, I don't know if I can do this
10 off the top of my head, but Washington State
11 adopted the 6 percent, the State of Colorado
12 adopted the 6 percent, the State of Illinois
13 adopted the 6 percent, the State of Maryland has
14 adopted the 6 percent.

15 The State of New Jersey began at the 6
16 percent, reduced it to 4 percent during COVID,
17 and I don't think that they have increased it
18 since COVID. So, I don't know if that's
19 permanent or not.

20 And, then, the Commonwealth of
21 Pennsylvania has, for its lowest income tier,
22 adopted 6 percent, Connecticut has adopted 6
23 percent.

24 Q So, I think you've have summarized six or seven

[WITNESS: Colton]

1 states, there's still 40-something left. Do you
2 have any data that suggests any number other than
3 6 percent?

4 A Ohio, I think, adopted 10 percent. Pennsylvania,
5 for the higher income tiers, has adopted a
6 percentage higher than 6 percent. But, for the
7 states that have considered benchmarking their
8 programs to an affordability percentage of
9 income, 6 percent really is the goal.

10 There are states who have adopted
11 programs who haven't addressed what they're
12 trying to do at all. So, I don't address them.

13 Q Okay. And later on, I'll come back to some
14 competitive questions, but I'll let that sit for
15 now.

16 And, then, on Page 5, you have a nice
17 chart, Table 3, that goes through the total
18 energy burdens by county throughout New
19 Hampshire. And I just want to validate this.
20 It's sort of the hard to integrate with my eye,
21 but I think you also address it elsewhere, total
22 energy burden across the entire state, across all
23 income groups, is about 5 percent. Would you
24 agree with that?

[WITNESS: Colton]

1 A I would agree with that.

2 Q Okay. And, then, if we assign, and I know I have
3 the choice between 2 and 3 percent, but, if we
4 assign 2 percent to sort of other fuels, and
5 4 percent to electric. And, then, we go down to
6 your Recommendation Number 3, on Page 95, and
7 this was the same chart also Commissioner
8 Chattopadhyay was talking about on a different
9 page, it has the burden of the Tier 2 at about
10 4.5 percent. I suppose, using your "whole
11 number" theory, we can choose either 4 or 5 on
12 that one, but let's call it "4.5" for now, and
13 then the rest of the burdens are about 5 percent.

14 So, I was sort of puzzled or confused
15 by Tier 2 being roughly the same burden as sort
16 of -- well, you could argue that they might even
17 be better off than the general population, in
18 Tier 2 with the 5 percent discount. So, I was
19 kind of wanting to talk about that a little bit,
20 and why there's sort of a tier or category that
21 makes folks potentially better off than the
22 average New Hampshire ratepayer, who is actually
23 paying for the program?

24 A There are two reasons that -- that I agree to

[WITNESS: Colton]

1 providing discounts to people with a burden that
2 low. Number one is that, as I've alluded to
3 before, that, as your income goes up, that
4 doesn't mean that your total household resources
5 go up. Because the higher, or you hit a point,
6 and you stop being eligible for other public
7 assistance programs. So, your income -- well, I
8 can draw it in the air, but let me -- I'm trying
9 to explain it.

10 Q Just draw backwards please, so I can see it.

11 A So, your income is going up, but your total
12 household resources don't go up at a -- at the
13 same rate as you stop being eligible for Food
14 Stamps, you stop being eligible for school lunch
15 and breakfast programs.

16 CHAIRMAN GOLDNER: And that's what's
17 sort of appealing, and I'll talk about it more
18 after the break, about sort of tying it to more
19 like the SNAP Program or something like that,
20 where those things are already taken into
21 account. The federal folks have a lot of
22 resources, and they do -- they have sort of a
23 systematic approach to the program.

24 And, so, just as a preview of coming

[WITNESS: Colton]

1 attractions, I'll ask you more about that after
2 the break, in terms of being tied to the SNAP
3 Program, other things that already take into
4 account the factors that you're concerned about.

5 But, in the New Hampshire program, I'm
6 really struggling with Tier 2, and its sort of
7 generous benefit, relative to the rest of the
8 state. And it's hard to take into account the
9 factors that you're referring to. They surely
10 exist, but we don't have the quantification for
11 that in front of us from a Commission point of
12 view.

13 So, let me -- I promised to stop at
14 10:25. So, I'll pause here. We'll take a quick
15 break, in the spirit of not being here too late
16 this afternoon or tonight. And we'll take ten
17 minutes now, returning at 10:35.

18 And, then, assuming that the questions
19 go till lunch, we'll stop around noon, and then
20 come back at one o'clock. And, if folks would
21 like to take a shorter lunch, or something like
22 that, just let me know after the break, or not.

23 Attorney Schwarzer.

24 MS. SCHWARZER: Mr. Chairman, thank

[WITNESS: Colton]

1 you.

2 I wasn't sure if your recent questions
3 referred to the Report Page 95, the table -- for
4 Recommendation Number 3, or the table on Report
5 Page 96?

6 CHAIRMAN GOLDNER: I believe I'm
7 referring to Recommendation 3 on Page 95, I think
8 that's natural Page 95.

9 MS. SCHWARZER: Natural Page 95. Yes.
10 Thank you very much.

11 CHAIRMAN GOLDNER: Yes. Sorry, when I
12 was doing my prep, it wasn't with the Bates page.

13 Okay. So, let's take a quick break,
14 and return at 10:35.

15 *(Recess taken at 10:27 a.m., and the*
16 *hearing reconvened at 10:39 a.m.)*

17 MS. SCHWARZER: Mr. Chairman?

18 CHAIRMAN GOLDNER: Uh-huh. Yes.

19 MS. SCHWARZER: If I might, Mr. Colton
20 would like to make a correction. He remembered
21 something differently. So, I thought, before we
22 started with a new question, he could make a
23 statement.

24 CHAIRMAN GOLDNER: Okay. Thank you.

[WITNESS: Colton]

1 Mr. Colton.

2 WITNESS COLTON: Simply to make the
3 record -- simply to make the record clear, the
4 Rhode Island case that I worked on was a National
5 Grid case. I think said "Eversource", and it
6 wasn't Eversource. It was a National Grid case.

7 CHAIRMAN GOLDNER: Okay. Thank you.

8 BY CHAIRMAN GOLDNER:

9 Q Okay. So, we'll pick up again on Page 2 of the
10 Report. And in there you say, Mr. Colton, and
11 I'm just going to quote what it says, it says
12 that the EAP "targets high operating efficiency,
13 so as to maximize the benefits that go to the
14 intended beneficiaries."

15 And, so, I want to parse that a little
16 bit, and just make sure I understand what you're
17 saying. So, when you talk about "maximizing the
18 benefits", I think what you mean is that "the
19 recipients pay the lowest possible amount", is
20 that what "maximizing the benefits" means to you?

21 A No. But what that means to me is that you want
22 to target that -- target the benefits. So, the
23 people who need more get more, the people who
24 need less get less. You're not simply giving

[WITNESS: Colton]

1 money to poor people because they're poor, you
2 are targeting their needs.

3 Q Okay. And I think where I'm going is that, and
4 this picks up on some of Commissioner
5 Chattopadhyay's questions, and I'll ask more
6 about this later, but, if somebody has a bill of
7 \$100, and they're in Tier 6, and they get an 86
8 percent discount, then they would -- their bill
9 would be \$14, plus or minus.

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

11 Q And, so, in my mind at least, that's the point of
12 the program, is to take that \$100 bill, reduce it
13 to \$14, so that the participant is paying, you
14 know, roughly 5 percent of their overall income.
15 Would you agree with that restatement?

16 A On a 30,000-foot level, yes.

17 Q Okay. Okay. And, if we need to come back down
18 to 10,000 or 5,000 feet later, please let me
19 know, because it's sort of -- I want to make sure
20 that I understand what we're trying to accomplish
21 with the program.

22 Okay. And, then, you talk also, in
23 that same sentence, about "operating efficiency".
24 Is "operating efficiency" minimizing

[WITNESS: Colton]

1 administrative costs or is it --

2 A *[Witness Colton indicating in the affirmative].*

3 Q Okay. So, that's right?

4 A Yes.

5 Q Okay. Thank you. So, it's minimizing
6 administrative costs, by design. To your point
7 earlier, it's making sure that the design is such
8 that it's not overly complicated and burdensome,
9 and takes money away from the recipients?

10 A That's correct.

11 Q Okay. Thank you. And, then, for "intended
12 beneficiaries", by this you mean "New Hampshire
13 residents legally entitled to benefits"? I mean,
14 I'm sure we wouldn't be paying Massachusetts
15 homeowners or anything like that, right?

16 So, is it -- so, I'll repeat that. Is
17 that "New Hampshire residents legally entitled to
18 benefits", is that what "intended beneficiaries"
19 means?

20 A "Intended beneficiaries" would be low-income
21 electric customers of a New Hampshire electric
22 utility.

23 Q Okay. Okay. And would that include, you know,
24 part-time residents, for example, or folks that

[WITNESS: Colton]

1 don't live here all year long? Do you know how
2 that works?

3 That may be a better question for the
4 CAAs, if you wish?

5 A Yes. That's a question for LIHEAP.

6 Q Okay.

7 A I don't know.

8 CHAIRMAN GOLDNER: A level of detail
9 you don't have. Okay.

10 Can the CAAs remark on that? Is it are
11 the folks who just live here full time, or are
12 part-time residents on the list?

13 MS. REYNOLDS: The benefit is intended
14 for full-time residents.

15 CHAIRMAN GOLDNER: Okay. Full-time
16 residents. Okay. Great. Thank you very much.

17 Okay. So, now, I have sort of a long
18 line of questioning relative to -- relative to
19 the discounts. So, I'll start with this. And I
20 just want to make sure we have this correct and
21 on the record, Mr. Colton.

22 BY CHAIRMAN GOLDNER:

23 Q So, to what portion of the bill does the discount
24 apply? Does it apply to supply, plus

[WITNESS: Colton]

1 transmission, plus distribution, and plus SBC?

2 Is it the entire bill, or are there carve-outs
3 from the bill where the discount does not apply?

4 A The discount is for the total bill.

5 Q Total bill. Thank you. And the supply portion
6 of that total bill, as Commissioner Chattopadhyay
7 pointed out earlier today, default service is
8 used as the supply number. You agree with that?

9 A I agree with that.

10 Q Okay. And, so, I just want to go through a line
11 of logic relative to, if that -- if, today, if
12 the actual supply bill is lower or higher than
13 the default service, I just want to walk through
14 the line of logic. Because, for Commissioner
15 Chattopadhyay, this is a problem that we're
16 trying to work through today.

17 So, if a customer takes a supply from a
18 community aggregator or a third-party supplier,
19 what happens when that rate is lower than the
20 distribution utility's default service?

21 And I think -- I think that rebate
22 would be -- well, I'll just say -- I'll just ask
23 the question that way. So, what happens, in
24 terms of the -- how does the discount work when

[WITNESS: Colton]

1 that happens?

2 A Currently, I don't think the discount would vary
3 based upon what the supplier price is. The
4 discount is -- isn't individually calculated.
5 It's all done on average to begin with. So, you
6 take a person within the tier, you take the
7 midpoint of the tier, as far as income is
8 concerned, you take the average consumption in
9 that tier. So, what any individual customer
10 does, either from a consumption perspective or a
11 competitive supplier perspective, isn't
12 considered. It's all done on average.

13 Q Okay. So, I want to see if I can repeat that
14 back.

15 So, if the customer uses X amount of
16 kilowatt-hours, let's just say it's 600
17 kilowatt-hours, for the sake of argument, and
18 would that -- the default service rate across 600
19 kilowatt-hours would be applied, plus the
20 transmission and distribution charges that
21 everyone else would pay, plus the ancillary fees,
22 the bill would be calculated. If that bill is,
23 let's say, \$100, the discount is applied to the
24 total bill, and the recipient pays, in the case

[WITNESS: Colton]

1 of Tier 6, the \$14 we talked about earlier. Did
2 I summarize that correctly?

3 A I believe I agree with everything you've said
4 thus far.

5 Q Okay. Thank you. And, so, if that person was on
6 a default -- or, I'm sorry, on a community
7 aggregation or a third-party rate that was
8 significantly lower than the default service
9 rate, their bill might actually be I'll just say
10 "\$95", but the discount that they receive would
11 still be \$86. So, they wouldn't pay the \$14.
12 They would pay something less than that. So far,
13 so good?

14 A That's correct.

15 Q Okay. Thank you. And you said earlier that you
16 weren't closely following, you know, community
17 aggregation, or to any degree in this study, the
18 third-party piece of it.

19 But I think the promise, and I'm
20 looking at Attorney Crouse, I guess, the promise
21 of community aggregation or the promise of the
22 third-party supply is that that rate is less than
23 default service. Right? That's the promise.

24 So, it seems like a problem, because

[WITNESS: Colton]

1 our design is not designed for the reality of the
2 system, if, in fact, customers are choosing the
3 lower rate. In other words, they're getting a
4 discount larger than your design suggests?

5 A If the reality reflects the promise, I would
6 agree that the discount -- a discount that's
7 based on a higher rate provides a bigger
8 discount.

9 Q Yes.

10 A "If".

11 Q Yes. And I'll ask the questions of the CAAs
12 later on this. But it's the whole point of
13 community aggregation and third-party services
14 that you would get a lower rate. And, so, you
15 know, it seems like, at least potentially, our
16 calculations done here, in this docket, could be
17 based on sort of I'll call it the "wrong number",
18 just for the sake of shorthand.

19 Do you any solutions for this problem
20 or do you have a remedy for this issue that you
21 could suggest?

22 A The two remedies that I mentioned earlier -- or,
23 the remedies I mentioned earlier are two-fold.
24 One is that you tell the low-income participant

[WITNESS: Colton]

1 "You have a choice. You can either participate
2 in the program, and get the EAP discount, or you
3 can participate in the competitive market, but
4 you can't do both."

5 The second is to, and maybe these
6 aren't mutually exclusive, the second is to ask
7 the EAP Program to not have people individually
8 participate in the competitive market, but to
9 offer the EAP participant population as a -- as a
10 community aggregation, if you will, as an
11 aggregated group to see what bids you get.

12 CHAIRMAN GOLDNER: Thank you. And I'll
13 come back around to the other parties later. But
14 it's convoluted in New Hampshire by the fact that
15 community aggregation is an opt-out program. So,
16 when a community takes on community aggregation,
17 the low-income participant, as everyone else in
18 that community, is automatically in the program.

19 And, so, and I'll -- as a preview of
20 coming attractions for the CAAs, it's a question
21 of, is there sort of administrative process to
22 deal with that? Because, if we need to be using
23 the default service rate, if that's the
24 appropriate rate, how do we communicate that to

[WITNESS: Colton]

1 the recipients? How do we work through this
2 community aggregation piece, so that the
3 recipients get the maximum benefit or the benefit
4 that's in the design?

5 So, I'll just mention that, and then we
6 can come back to that later.

7 BY CHAIRMAN GOLDNER:

8 Q Okay. So, now, I'm going to go to the other side
9 of the equation. And this might be moot, based
10 on what you just said, with the remedies that you
11 suggested. But I just want to go through it for
12 the record, and make sure that all of the parties
13 have the same perspective, or at least see this
14 perspective.

15 So, if a customer takes supply from a
16 community aggregator or third-party supplier,
17 what happens when that rate is higher than the
18 distribution utility's default service rate?

19 And, so, I'll just let you describe it,
20 and then I'll try to repeat back what you say.

21 A And it would be the flip-side of what we talked
22 about before. If the competitive supply rate,
23 I'll call it the "competitive supply rate", is
24 higher than the default rate, the customer would

[WITNESS: Colton]

1 still receive a discount based on their total
2 bill based on the default rate.

3 Q So, in that earlier example, if we can just relay
4 that over here, that that \$84 discount would
5 still be an \$84 discount, but the bill that the
6 customer receives might be \$140, not \$100, and
7 thus they would have a bill of 14, plus \$40, so
8 \$54, is what would happen?

9 A Yes.

10 Q So, then, kind of the intellectual problem I'm
11 having is, in that all of the New Hampshire
12 ratepayers that are paying into this program are
13 not getting sort of the desired outcome, which is
14 to get the recipient that bill, that low bill,
15 the \$14 bill that we're all targeting. They
16 wouldn't actually receive that, they would get
17 a -- the recipient would have to pay a higher
18 amount.

19 So, that's troubling, in terms of not
20 getting the entire intended benefit. And I think
21 the remedy would be the same remedy that you
22 suggested earlier.

23 A I have two reactions. Number one is, the remedy
24 is what I would suggest earlier. But the second

[WITNESS: Colton]

1 reaction is, New Hampshire has already made the
2 policy decision that we're not going to pay a --
3 we're not going to use ratepayer dollars to pay a
4 subsidy at any cost. We are limiting, for
5 example, the EAP subsidy -- the EAP discount to
6 the first 750 kilowatt-hours.

7 So, it would seem as though it is a --
8 it is the same principle, and a small step toward
9 saying "We're not going to pay a discount at no
10 matter the cost." And, just as we limit the
11 discount to 750 -- to the first 750
12 kilowatt-hours, we're going to limit your
13 discount to the default rate. Those are
14 fundamentally the same decisions.

15 CHAIRMAN GOLDNER: Thank you. Thank
16 you. That's very, very helpful.

17 And, in fact, I was looking yesterday
18 through the system that gives ratepayers the
19 options on rates that they can choose. And
20 there's currently a rate from XOOM in the
21 Eversource zone of 19 cents a kilowatt-hour for
22 supply, where the default service rate is 8.3
23 cents. So, it's more than double the rate.

24 And, so, again, for the CAAs later,

[WITNESS: Colton]

1 it's sort of like my fear would be, in the
2 current system, that, you know, the vulnerable
3 population might be, you know, choosing this
4 rate, for whatever reason, thinking that they're
5 doing the right thing, and they're actually
6 paying a lot more than they would be required to
7 pay if they sort of chose the wrong rate.

8 And, if I go to community aggregation,
9 there's rates of 13.2 cents out there right now.
10 And, again, the Eversource rate is 8.3 cents.
11 So, it's 50 or 60 percent higher.

12 So, we've got a lot of rates out there
13 that recipients could be choosing, and increasing
14 that rate, which I don't think is anyone's
15 intention. So, I just wanted to highlight that
16 as an important issue, I think, for the
17 Commission, and is something we can maybe get
18 some input from the CAAs later on, on their
19 thoughts on how to deal with that issue.

20 And, you know, I'll ask all the parties
21 later if Mr. Colton's suggestion is something
22 that would be workable, from the parties' point
23 of view, in terms of resolving this issue on
24 default service. So, again, you may want to --

[WITNESS: Colton]

1 you may want to give that some pre-thought.

2 Okay. So, now I'm going to turn to the
3 competitive view. And, Mr. Colton, you do a nice
4 job of summarizing this on Page 60, natural Page
5 60 of your Report.

6 BY CHAIRMAN GOLDNER:

7 Q And some things may have changed since the
8 Report, since it was written in 2022. So, if
9 anything has changed, we can talk about that.

10 But, at the time, Maine operated on a
11 straight percentage of income. And you said, in
12 the Report, that there was some ongoing or
13 potential changes to the Maine program. Do you
14 know what Maine ended up doing, by chance?

15 A I do not.

16 Q Okay. And, then, if I move to Massachusetts,
17 their discount, I have from the Report, is "30
18 percent". Does that comport with your
19 understanding?

20 MS. SCHWARZER: Mr. Chairman?

21 CHAIRMAN GOLDNER: Yes.

22 MS. SCHWARZER: I'm sorry, I don't know
23 what page of the Report you're on?

24 CHAIRMAN GOLDNER: I'm sorry. Natural

[WITNESS: Colton]

1 Page 60 on the Colton Report. Let me find it
2 here. I'm going off notes.

3 Yes. That's right. So, it's Page --
4 natural Page 60, which I guess would be "Bates
5 063". It's the section entitled "Part 5. Lessons
6 from New England low-income discounts."

7 BY CHAIRMAN GOLDNER:

8 Q Okay. So, I have Mass. at "30 percent". And I
9 have -- it says "Vermont does not have a
10 program", though their "largest utility, Green
11 Mountain Power, offers 25 percent."

12 And it says "Connecticut does not offer
13 a low discount program", at least as of 2022. It
14 talks about Rhode Island having a "25" to "30
15 percent discount". I think you said, as a nod
16 there to the New Hampshire sort of variable
17 discount rate.

18 And, so, it looks like -- it looks like
19 New Hampshire is a bit of an outlier with respect
20 to the rest of New England. And I was wondering
21 if you could comment on that?

22 A Massachusetts has, I believe, the oldest discount
23 in the country. And it was an across-the-board
24 discount. It's been that way for years, if not

[WITNESS: Colton]

1 decades. Well, for decades, for as long as I've
2 worked in this area.

3 The DPU, Department of Public
4 Utilities, right now, is engaged in a generic
5 inquiry into whether that should be changed to a
6 percentage of income program or a tiered discount
7 program. Stakeholder comments were filed a few
8 weeks ago. But the point here is that there is a
9 generic inquiry going on, on whether to move away
10 from that.

11 Connecticut just adopted its LIDR,
12 Low-Income Discount Rate. And it moved to a
13 tiered discount. It doesn't have five tiers, two
14 or three maybe. But Connecticut, the PURA, the
15 Public Utility Regulatory Authority, decided to
16 move to a discounted -- a tiered, tiering of its
17 discount.

18 Maine, of course, has a percentage of
19 income -- I don't know why I say "of course",
20 Maine has a percentage of income program. So,
21 and that's the ultimate of tiering, because every
22 bill is individually calculated.

23 Vermont, I'm not sure where they're at
24 at this point.

[WITNESS: Colton]

1 And Rhode Island I talked about here in
2 my Report.

3 So, I think that --

4 Q And is Connecticut in that 25 to 30 percent range
5 as well, or do they have -- are their tiers more
6 differentiated than that? Do you remember?

7 A They have -- no. I can tell you what I remember,
8 but I wouldn't swear to that. But I've sworn to
9 it, so I shouldn't.

10 Q Right.

11 *[Laughter.]*

12 **CONTINUED BY THE WITNESS:**

13 A I would need to go check.

14 BY CHAIRMAN GOLDNER:

15 Q Okay.

16 A I'm sorry. I would need to go check.

17 Q Okay. Is there any possibility --

18 A I could tell you what I believe it would be --

19 Q Is there any possibility it's greater than 25 to
20 30? Is that a possibility?

21 A Yes.

22 Q Or is it -- okay. So, it is possible. Okay.

23 MR. WIESNER: Mr. Chairman, I believe
24 Mr. Braswell can address that question.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Oh. Thank you. Mr.
2 Braswell, please proceed.

3 MR. WIESNER: If you'll indulge him?

4 CHAIRMAN GOLDNER: Thank you.

5 MR. BRASWELL: So, Connecticut just
6 went to a two-tier system. They offer 10
7 percent, and then 50 percent.

8 CHAIRMAN GOLDNER: Ten (10) and 50.
9 Okay. Thank you.

10 BY CHAIRMAN GOLDNER:

11 Q And that kind of leads into my next question
12 about the tiering in New Hampshire. Is that the
13 most or the steepest in the country? Do you know
14 of anyone else that has an 86 percent discount?
15 Is that the steepest you know of?

16 A No. The gas utilities in Chicago, Peoples,
17 Nicor, and North Shore, all adopted or were
18 ordered to adopt, by the Illinois Commerce
19 Commission, a discount. And the deepest
20 discounts were in the mid-80 percent change.

21 Q At 80. So, it's similar to this one?

22 A Very similar to this. And --

23 Q And was it also tiered? I'm sorry. It was also
24 tiered?

[WITNESS: Colton]

1 A It was tiered. There were five tiers.

2 Q Okay. And that was -- you say that was Illinois,
3 where in Illinois?

4 A Chicago, metropolitan Chicago.

5 Q Okay.

6 A It was Peoples -- Peoples Gas, Nicor, and North
7 Shore Gas.

8 Q Okay. Thank you. Go ahead. Please proceed.

9 A At least Commonwealth Edison also just filed a
10 rate case, maybe within the last few weeks,
11 proposing a low-income discount. And, having
12 seen what the Commission ordered the gas
13 companies to do, Commonwealth Edison at least
14 proposed a five-tiered discount that was along
15 those same ranges.

16 Q Okay. Thank you. And, then, could you talk a
17 little bit about -- the New Hampshire program has
18 been in place in roughly the current format for
19 many years, with some, I think, modest
20 adjustments over time.

21 What would be, in your experience in
22 the industry, what would be your evidence that
23 the New Hampshire program is working? What would
24 you say to that? Like, if somebody asked you to

[WITNESS: Colton]

1 sort of prove that the program was effective and
2 was working, what would you say?

3 A Boy, when I reread my Report in preparation for
4 today, I saw the section on the payment
5 implications. And I thought "You know, this
6 program is doing exactly what it was supposed to
7 do." Where I talked about the payment coverage
8 ratios, where you put the payments in the
9 numerator, you put the bills in the denominator,
10 and see how much people are paying. And, as the
11 bills became a more affordable percentage of
12 income, the payment coverage ratios reflected
13 that.

14 The arrears, or the lack of arrears,
15 reflects the fact that the bills appear to be --
16 the bills appear to have achieved an affordable
17 burden, and people are paying those bills. The
18 arrears aren't going up. We went through COVID,
19 and the arrears during that economic crisis, for
20 the EAP participants, didn't see an increase.

21 And, so, we talked earlier about the
22 objective of the program. If the objective of
23 the program, and I think this is the objective,
24 one of the objectives of the program, is to make

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[WITNESS: Colton]

1 bills affordable, and so they are sustainable
2 payable, then the program is doing exactly what
3 it was intended to do.

4 Q And this goes to Commissioner Chattopadhyay's
5 question, he was asking about 2022, when the
6 market went crazy, and this kind of thing. And,
7 as you said, your analysis shows that really
8 things were pretty steady state in the New
9 Hampshire program, which sort of implies that
10 this concept of storing up money for a rainy day,
11 or something like that, is not required, given
12 the program design in New Hampshire, correct?

13 A Of course, my Report ended in 2022. So, it
14 really didn't --

15 Q You have the highest rate, in the Report, you
16 have the 22-cent rate, which was the highest we
17 saw in New Hampshire during the peak. So, you
18 did include at least a portion of the peak?

19 A Maybe. My data, I believe, ended in April of
20 2022. So, I think electric rates went crazy that
21 spring and summer.

22 Q I'll have to look through it on the break. I
23 believe you have the Eversource 20-odd cent rate,
24 which was the highest we saw during the peak of

[WITNESS: Colton]

1 that situation. So, maybe that was the rate that
2 had just been implemented at the time you wrote
3 the Report, I'm not sure. But you did appear to
4 have the higher numbers in the Report. But we
5 can go back and look at that later.

6 A And I said "went crazy", that a colloquialism
7 that the electric rates spiked. Correct.

8 Q Yes. Yes. Absolutely. And, when you were going
9 through your program design, did you consider any
10 incentive to graduate from the program? People
11 are getting, in some cases, a very large
12 discount. I know with SNAP and other programs
13 you talked about earlier, there's this sort of
14 incentive to graduate, if you return to the
15 workforce. For example, if you're unemployed,
16 you don't get slammed for going back to work.

17 In this program, is there -- can you
18 point to any incentives to graduate from the
19 program?

20 A I didn't address that. That is an issue, and not
21 graduation, but an issue that I'm currently
22 having conversations with a variety of
23 jurisdictions on is, we always want to encourage
24 people to go to work, right? Or, I would posit

[WITNESS: Colton]

1 that, that we want to encourage people to go to
2 work.

3 Going to work, and substituting
4 employment income for public assistance income,
5 doesn't affect a person now. What SNAP would do
6 is it would say that "we will disregard
7 40 percent of any employment income, or we will
8 disregard the first 50 percent of the income,
9 employment income." So, you are encouraged to go
10 to work.

11 That's not the way New Hampshire's
12 LIHEAP Program works.

13 CHAIRMAN GOLDNER: Okay. And I'll come
14 back it for the Department later. But the
15 synchronizing of LIHEAP and EAP is
16 understandable. And I'll come back and ask the
17 Department later, perhaps, why LIHEAP is not tied
18 to SNAP, or another federal program, where they
19 have thought through some of these issues of
20 helping the unemployed get back to work, and not
21 penalizing them and this kind of thing. So, I'll
22 come back to that, Ms. Noonan, later and perhaps
23 ask more about that.

24 BY CHAIRMAN GOLDNER:

[WITNESS: Colton]

1 Q Was part of your task, Mr. Colton, and I'm coming
2 back to LIHEAP here, to evaluate changing those
3 income eligibility levels, 60 percent of State
4 Median and so forth? Was part of your task to
5 evaluate changing the tiers, and how the tiers
6 were structured, or -- because the tiers didn't
7 change, in terms of the upper and lower
8 boundaries?

9 A The only thing that I looked at, I didn't -- I
10 didn't look at changing the internal structure of
11 the tiers. So, making the tiers zero to 50,
12 rather than zero to 75 percent, or 75 to 125
13 percent. So, I didn't look at the internal
14 structure.

15 The only thing I did look at was
16 whether the program perhaps should have a maximum
17 income eligibility of less than 60 percent of
18 State Median Income. And, for the reasons I've
19 talked about, both the fact that household
20 resources don't increase simply because your
21 income increases, and because, when you move into
22 that 200 percent to 60 -- 200 percent of poverty
23 to 60 percent of State Median Income, what you're
24 doing is you're moving into the working poor.

[WITNESS: Colton]

1 And, when you move into the working poor, it's --
2 you're probably an hourly employee. You probably
3 have no paid leave. So, if you have a sick kid
4 for two days and stay home, you've lost two days
5 of work. So, you have no paid leave. You have
6 no flexibility in the time that you work.

7 And, so, because -- so, because of that
8 fragility in income, I think it's appropriate --
9 or, I decided it was reasonable to continue with
10 the 60 percent of State Median Income.

11 Q Okay. So, maybe another perspective on that is
12 that, at least as I read your analysis around
13 Page 66, natural Page 66, it looks like New
14 Hampshire has the highest allowed income in New
15 Hampshire, that 60 percent of State Median Income
16 is well above the 200 percent of poverty in New
17 Hampshire.

18 So, can you touch on, again, you know,
19 kind of looking at it from a New England
20 perspective, why it would be -- it would make
21 sense for New Hampshire to have the highest, you
22 know, income in New England to allow benefits?

23 And I'll just, while you're thinking
24 about that, I'll just add, I only see one other

[WITNESS: Colton]

1 state with a category of above 150 percent of
2 poverty, and that's Mass.

3 So, it just looks like New Hampshire is
4 different than the other states. The discounts
5 are much lower in the lower tiers. There's a
6 higher boundary on the upper end. It just looks
7 a lot different than the other states.

8 A I would need to go review what the other states
9 are doing nowadays. I know that, nationwide, and
10 I'm not sure if I could say this about the New
11 England states in particular, but, nationwide,
12 there is a push to increase the eligibility to
13 the maximum that is allowed by LIHEAP. Under the
14 federal LIHEAP statute, LIHEAP eligibility can't
15 go below 110 percent of poverty, and can't go
16 above 60 percent of State Median Income. And,
17 so, that's where that 60 percent of State Median
18 Income comes from. And more and more LIHEAP
19 programs are pushing to increase their
20 eligibility to the maximum allowed by federal
21 statute.

22 Q And maybe elaborate a little more on why programs
23 aren't sort of all aligned to SNAP or some other
24 sort of benefit level, where things could be more

[WITNESS: Colton]

1 consistent? What would be the logic with having
2 these different conditions for benefits that are,
3 let's just say, inconsistent?

4 A Well, I think I wouldn't do that. Because there
5 are too many programs with too many different
6 eligibility. SNAP is 135 percent of poverty.
7 The Free and Reduced -- well, yes, the Free and
8 Reduced School Lunch and School Breakfast Program
9 is 185 percent of poverty. LIHEAP, and depending
10 on the state, is 150 to -- 150 percent of poverty
11 and above.

12 One of the problems there is that not
13 all of those numbers are the same numbers. So,
14 you may have a state where the LIHEAP eligibility
15 is 150 percent of poverty, and the SNAP
16 eligibility is 135 percent of poverty. But the
17 poverty levels aren't the same, because the
18 LIHEAP income, LIHEAP uses gross household
19 income, and SNAP uses what's called "countable
20 income". So, the countable income is gross
21 household income, minus an excess childhood
22 deduction, minus a childcare deduction, minus --
23 there are a variety of income disregards.

24 So, the 135 percent of poverty and the

[WITNESS: Colton]

1 150 percent of poverty, you're not comparing the
2 same thing, even though they're both -- they both
3 say "poverty level", you're not really comparing
4 the same things.

5 Q Hmm. Okay. I have in my notes that SNAP is "185
6 percent of the Federal Poverty Level". Do I
7 have -- which I thought I captured from your
8 report. Do I have that wrong?

9 A For seniors, I believe.

10 Q For seniors. Okay. And, then, it's 135 percent
11 for nonseniors?

12 A Yes. And there may be, I would have to go look,
13 there may be a difference for disabled.

14 Q Okay.

15 A But seniors and others are certainly 185 and 135.

16 Q Okay. Okay. And, then, back to this 5 percent
17 discount, you talk about it being -- about the
18 importance of it being a "meaningful reduction to
19 a participant's electricity bill". And can you
20 talk more about what "meaningful reduction"
21 means? What integer would that be for you?

22 I don't -- actually, I struggle with
23 the 5 percent, because it doesn't seem meaningful
24 to me, particularly at the higher income levels.

[WITNESS: Colton]

1 So, I just wanted to get your assessment. I'm
2 struggling with "meaningful reduction".

3 A I appreciate your struggle. I think it's a
4 question that one struggles over. And it's
5 partially driven by a judgment on what it takes
6 to get people to say "Yes, it's worthwhile to
7 apply for the program." And there are times that
8 I've never set or I've never recommended a
9 discount less than 5 percent. Sometimes I've
10 recommended 5 percent, sometimes I've recommended
11 8 percent there. And it's driven also by the
12 budget. You know, providing an 8 percent
13 discount, if I'm also trying to keep the program
14 as revenue neutrality as possible, means that
15 that 86 percent discount has to -- has to come
16 down.

17 And there's a lot of professional
18 judgment. I don't have a good answer, because
19 there's a lot of professional judgment that goes
20 in. That 5 percent will attract people, and 3
21 percent won't? Well, that's a judgment, based
22 upon my experience in helping design and evaluate
23 these programs.

24 Q And I might misunderstand how it works, so please

[WITNESS: Colton]

1 correct me. But, if someone goes in for energy
2 support, and they're at, you know, they qualify
3 in this Tier 2 category. And they would qualify
4 for LIHEAP, by definition, right, because it's
5 under the 60 percent in New Hampshire?

6 A *[Witness Colton indicating in the affirmative]*.

7 Q So, the person would be, I'm sure, happy to sign
8 up to get the LIHEAP benefit. And I'm just not
9 sure if it was a zero percent benefit or
10 2 percent benefit, or 5 percent, or 8 percent
11 benefit in EAP, if that would even matter. They
12 would probably be signing up for the LIHEAP.
13 And, then, the EAP is kind of an appendage. Is
14 that -- I mean, that's the way I think of it. Is
15 that fair?

16 A I think that's a reasonable -- if somebody
17 posited that to me as a program design, I would
18 say "Sure, that falls within the realm of
19 reasonableness."

20 Q Okay.

21 A There is no one correct design. There are
22 reasonable designs and not reasonable designs.
23 That would be a reasonable approach.

24 Q Okay. Okay. Thank you. So, I want to go next

[WITNESS: Colton]

1 to this -- the 750 kilowatt max proposition,
2 which you highlighted on natural Page 41. And
3 you make the case that there's no need to adjust
4 the 750 kilowatt-hour max, because your -- and I
5 don't want to put words in your mouth, so please
6 correct me if I get this wrong, but because your
7 analysis shows that most recipients are under
8 this number.

9 And, so, really, I wanted to discuss
10 maybe is that the right approach? If, you know,
11 wouldn't you be encouraging conservation for
12 potentially to have a lower number, let's say you
13 used the average, or the 60th percentile or
14 something like that, would that be a more
15 sensible approach if you were trying to promote
16 conservation? That's Question Number One.

17 Question Number Two is, and I know this
18 would add to the complexity, but should a single
19 individual have the same max as a family of five
20 or six?

21 So, I just wanted to get your thoughts
22 on this max number, and how that should be
23 working in your mind?

24 A The 750 has the -- has the advantage of being

[WITNESS: Colton]

1 administratively simple. As far as promoting
2 conservation, I think, for low-income folks -- I
3 deal with price signals a lot in low-income
4 programs. And, to the extent that a customer's
5 bill isn't at an affordable percentage of income,
6 then you lose the price signal anyway. Because,
7 if somebody can afford to pay \$50, whether they
8 get a bill for \$80 or \$100, doesn't provide any
9 difference in their price signal. They can
10 afford to pay the \$50. So, trying to address
11 price signals, and I'm converting your discussion
12 of consumption into price signals. Considering
13 price signals is -- gets skewed in a hurry.

14 And, then, if you add on arrearages, to
15 the extent that low-income customers have an
16 arrearage, that makes the issue of price signals
17 even less applicable, because the total bill is
18 going be the bill for current consumption, plus
19 the arrearage. And, so, again, playing at the
20 margins, by changing it from 750 to 700, or 750
21 to something less, doesn't really have that
22 impact.

23 The other is, the goal is to achieve
24 affordability for the most people as reasonably

[WITNESS: Colton]

1 practicable. And there are some squishy words in
2 there. So, I wouldn't set the consumption at
3 the -- the consumption max at the average. We've
4 already been working with the average in using
5 the mid-point of the income, and the average
6 bill.

7 So, I think that that just is one more
8 step away from achieving your five -- your
9 affordable 4 or 5 percent.

10 Q Okay. Yes. Thank you. I mean, I calculated, I
11 was using your Table 26, and the average was
12 about 6,400 kilowatt-hours per year, which
13 translates into about 550 kilowatt-hours per
14 month. And, then, you have the 50th and 60th,
15 70th and 80th percentile laid out. So, I was
16 just trying to understand what was, you know, if
17 there was a conservation, I don't know the way it
18 works at your house, but I get in trouble when
19 the bills get large at my house, and, so, I'm
20 forced to adjust the temperature. And, so, I
21 would imagine everyone works the same way, right?
22 You get the bill, and you're like "Oh, my gosh, I
23 need to make an adjustment here", and you sort of
24 ratchet things up or down a little bit.

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[WITNESS: Colton]

1 And I just didn't know if this was not
2 providing that, that behavior, that we all
3 experience with our electric bills?

4 A But what you just posited assumes people like you
5 and I -- "you and me"? -- you and me, in that,
6 we're going to get our bill and we're going to
7 pay it, and we have the ability to pay it. And
8 whether we pay \$70 or \$90, might make a
9 difference.

10 If I can only pay \$40 or \$50 to begin
11 with, whether I get a \$70 bill or a \$90 bill,
12 it's simply a question of whether I have an
13 arrears of \$30 or \$50. You know, that there's no
14 conservation incentive there at all.

15 Q Hmm. That's an interesting discussion. I
16 don't -- I promise not to take up all afternoon
17 with this line of questioning.

18 But, if my bill is normally \$14, in
19 this case we talked about earlier, and I get a
20 bill that's \$35, I say "Oh, what happened here?
21 I mean, I should be getting a \$14 bill, I'm
22 getting a \$35 bill." And I look at my bill and I
23 say "Oh, my goodness, I used 900 kilowatt-hours
24 last month, instead of 750", you know, that might

[WITNESS: Colton]

1 adjust my behavior, is the way I was thinking of
2 it. What do I have wrong in that thinking?

3 A We were starting at a different starting place.
4 You started at the affordable \$14. So, if I'm
5 receiving an affordable \$14 bill, and I know I
6 can pay that. If I get a \$35 bill, then I'm --
7 that pushes it beyond what I can afford, then
8 that would gain my attention.

9 And I had started at "I can afford to
10 pay \$40" -- hypothetically, "I can afford to pay
11 \$40." If I get a \$70 bill or a \$90 bill, both of
12 those are above my ability to pay. So, I don't
13 get the price signal.

14 So, you were starting at the affordable
15 level to begin with, and I was starting --

16 Q At a higher level.

17 A -- at a higher level.

18 Q And people are just throwing up their hands and
19 saying "gee, I just don't have the money to pay
20 the bill" --

21 A Either way.

22 Q -- at this point.

23 A Yes. Either way.

24 Q Yes. So, at the margin, I guess it would be

[WITNESS: Colton]

1 helpful to have sort of a limit, and folks could
2 monitor that limit. But, if it got out of
3 control, then you would get in a spiral that
4 would be hard to remedy or rectify?

5 A I believe that -- I believe that's the case.

6 Q Okay. Okay. All right. Thank you. And this is
7 just a question, as, you know, as I'm reading
8 through the docket, just a question for a further
9 understanding. And this may be, again, another
10 question for the CAAs, Mr. Colton, if you don't
11 have insight onto this.

12 But, in Tier 6, it says "two-thirds of
13 an income of less than \$10,000 annually", and
14 then they actually have a larger household size
15 than the average. What does that -- what is that
16 tier composed of? Is that composed of -- because
17 I think Social Security payments, I think,
18 largely are more than that for the minimum. Are
19 these unemployed? Are these long-term
20 unemployed? Who are the folks in Tier 6?

21 A I would have to go back and look at my Report in
22 more detail. I don't know if I looked at the
23 demographics by tier. I looked at demographics,
24 but I don't remember if I split it down by tiers.

[WITNESS: Colton]

1 I remember that New Hampshire served the elderly
2 somewhat less than what the percentage of the
3 elderly in the total population, they serve
4 households with kids somewhat more. But I don't
5 remember doing it by tier.

6 CHAIRMAN GOLDNER: Yes. It's just it's
7 sort of a baffling question again, maybe one for
8 the CAAs later, because I know you touch this
9 every day. But, with a household income of less
10 than \$10,000, you know, making rent, paying
11 electric bills, paying for food, and so forth, is
12 a pretty serious problem. And, you know -- or,
13 is there some, you know, some -- are there other
14 things going on in that category? You know,
15 "what's going on in that category?", I guess
16 would be a question I'll ask later, because it
17 seems like a pretty dire circumstance.

18 I just have a couple more topics to
19 touch on here with Mr. Colton. And, then, the
20 rest of my topics are for the other parties.

21 BY CHAIRMAN GOLDNER:

22 Q You have a very thorough discussion on account
23 balances that are large, which you touched on
24 earlier, specifically account balances over

[WITNESS: Colton]

1 \$2,000. About 5 percent of all delinquent
2 accounts are substantially more than \$2,000, and,
3 in fact, they're consistently between \$5,500 and
4 \$6,000. So, it's -- so, I'm trying to understand
5 how this is even possible mathematically?

6 If these are customers getting a
7 50 percent discount or 80 percent discount, or
8 something like that, how, you know, I don't -- is
9 this a flaw in the system? Is this where there's
10 ownership and accountability lacking? Are the
11 CAAs supposed to be doing something differently?
12 Are the utilities supposed to be doing something
13 differently?

14 I mean, how do you get an electric bill
15 of \$6,000 delinquent? Like, how does that
16 happen, when you're getting subsidies of this
17 magnitude?

18 A I don't know. And I can give you an answer, but
19 I'm not sure it's directly responsive, and this
20 shows my predisposition.

21 And that is that participation in a
22 low-income program should not exempt you from
23 collections. And every program that I have
24 designed, I've said that "We're, in essence,

[WITNESS: Colton]

1 making a deal with you, and the deal is this:
2 That we're going to give you an affordable bill
3 at the discounted rate, and, in exchange, you're
4 going to pay that bill. And, if you don't pay
5 that bill, you will go into the collection
6 process, just as any other person goes into the
7 collection process."

8 There are some jurisdictions who have
9 said "Oh, but these are low-income folks. We're
10 going to not subject them to the same collection
11 process." And I simply disagree with that.
12 That, once we make the bill affordable through
13 the discount, then you are subject to the same
14 collection process.

15 And how that collection process works,
16 and somebody still achieves a five or six
17 thousand dollar arrears? I don't have an opinion
18 about. I certainly don't have an informed
19 opinion about that.

20 CHAIRMAN GOLDNER: Okay. And I'll
21 probably ask the CAAs, the utilities, and the
22 Department later more about that. Because it
23 doesn't, you know, something is not happening
24 somewhere, either, you know, I don't even know

[WITNESS: Colton]

1 how this could -- it could get to this state.

2 So, I'll ask some more questions about that of
3 the parties later.

4 BY CHAIRMAN GOLDNER:

5 Q You say, on Page 40, and I'll just read you the
6 quote, so you don't necessarily have to find it,
7 but it says "Given the increases announced in
8 electric rates, historic surpluses that have been
9 experienced in the EAP budget are not expected to
10 survive the 2022-2023 program year."

11 I sometimes miss my forecast. Is that
12 a missed forecast? Because I think you said
13 earlier that the program is pretty steady, and it
14 survived the 2022-2023 conundrum.

15 A Oh, I don't know one way or the other. My
16 analysis stops in --

17 Q Okay. So, you haven't come back and looked at it
18 since then?

19 A *[Witness Colton indicating in the affirmative].*

20 Q Okay.

21 A That's right. It stopped in April with the data.

22 Q Okay.

23 A And I haven't gotten any updates since August of
24 '22.

[WITNESS: Colton]

1 Q We can get more from the other parties later, but
2 I think your prognostication in that case was
3 incorrect. I think the program continued, and
4 did well through the -- through the subsequent
5 time periods.

6 MS. SCHWARZER: Mr. Chairman, I think I
7 missed the page number for your quote?

8 CHAIRMAN GOLDNER: On Page 40. Natural
9 Page 40.

10 MS. SCHWARZER: Natural.

11 CHAIRMAN GOLDNER: Yes.

12 MS. SCHWARZER: Thank you very much.

13 CHAIRMAN GOLDNER: Yes. Okay. I think
14 that's all I have for now for Mr. Colton.

15 I'll turn back to Commissioner
16 Chattopadhyay for additional questions for Mr.
17 Colton?

18 CMSR. CHATTOPADHYAY: I don't have any
19 additional questions. My remaining questions are
20 open for everyone. If you can provide some
21 clarity or any additional information then, that
22 would be appreciated. But --

23 CHAIRMAN GOLDNER: So, I'll do this,
24 Commissioner Chattopadhyay. So, we'll ask, Mr.

[WITNESS: Colton]

1 Colton, you to stay on the stand. A lot of times
2 we dismiss the witness. But, in this case,
3 because of the interrelationships, we'll ask you
4 to stay on the stand for the extent that we go
5 through the day here. And Commissioner
6 Chattopadhyay and I both have questions for the
7 larger audience, but may come back to you as
8 well.

9 But, for the most part, I think we've
10 asked you most of the questions that we have.

11 Commissioner Chattopadhyay.

12 CMSR. CHATTOPADHYAY: Thank you. So,
13 this is probably for the CAAs.

14 I am curious how the EAP is working, if
15 it's being implemented or -- for customers with
16 community power? And, if that has not happened
17 yet, like, you know, have you looked at what
18 might happen when community power is implemented?

19 So, just want to get a sense of where
20 things might end up going. Will it impact
21 anything that CAAs do?

22 MS. REYNOLDS: I'm a little bit new to
23 my position as the State Director for the
24 Electric Assistance Program. I have not

[WITNESS: Colton]

1 researched this issue yet, but I will do so.

2 I'd like to ask for a record request to
3 provide that information?

4 CMSR. CHATTOPADHYAY: Yes, we will.

5 Chairman Goldner, I think it would be good if we
6 provide that in writing?

7 CHAIRMAN GOLDNER: Yes. We'll issue
8 a -- why don't we, let's see. Hmm, this is a
9 hearing, not a PHC. So, never mind on that.

10 We can issue a record request. Restate
11 your question, and we'll make sure that it's on
12 the record as you wish.

13 CMSR. CHATTOPADHYAY: So, my question
14 is, whether or not community power has been --
15 sorry, has been -- strike that, okay. Is already
16 being implemented or will be implemented, we
17 would like to understand how that will impact the
18 EAP administration, with respect to the customers
19 who are, you know, with community power?

20 So, it's a general question.

21 CHAIRMAN GOLDNER: And we can do that.

22 Ms. Agri, did you want to comment on it as well
23 or do you have anything to add?

24 *[Ms. Agri indicating in the negative.]*

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Okay.

2 CMSR. CHATTOPADHYAY: Is there anything
3 the CAAs have to do differently in accounting for
4 EAP customers on competitive supplies, relative
5 to the ones who are with the distribution
6 utility?

7 That is another question I have. And a
8 related follow-up, what percentage of EAP
9 customers are on competitive supply, and
10 potentially even community power?

11 MS. REYNOLDS: I believe that question
12 may be better answered by the utility companies.

13 CMSR. CHATTOPADHYAY: Okay. Any
14 response from the utility companies?

15 MR. BRASWELL: I don't have the
16 percentage handy. But I do know that, currently,
17 today, we have 9,082 EAP customers with a
18 competitive supplier.

19 CMSR. CHATTOPADHYAY: And that is --
20 and what is the total?

21 MR. BRASWELL: That's the total.

22 CMSR. CHATTOPADHYAY: No, I know. But,
23 in terms of percentage, that is a total of the --
24 so, you --

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: You have about
2 550,000 residential customers?

3 MR. BRASWELL: Yes.

4 CMSR. CHATTOPADHYAY: And not just
5 that, and maybe I'm misunderstanding your
6 response. The ones who are with competitive
7 suppliers, and have EAP, --

8 MR. BRASWELL: Is 9,082 customers.

9 CMSR. CHATTOPADHYAY: And what about
10 the total number of customers who are on EAP?

11 MR. BRASWELL: I don't have that
12 information.

13 MS. AGRI: We have the total number of
14 customers. It's 25,206.

15 CHAIRMAN GOLDNER: Yes.

16 CMSR. CHATTOPADHYAY: So, --

17 MS. AGRI: For Eversource. Yes.

18 CMSR. CHATTOPADHYAY: So, roughly, if
19 not 50 percent, it's still pretty, you know,
20 substantial.

21 CHAIRMAN GOLDNER: Are those
22 competitive suppliers, though, and the question
23 may be for the utility, he was answering the
24 question "how many are on competitive supply?",

[WITNESS: Colton]

1 within EAP, or is that total?

2 [Mr. Braswell indicating in the
3 affirmative.]

4 CHAIRMAN GOLDNER: Within EAP?

5 MR. BRASWELL: Yes.

6 CHAIRMAN GOLDNER: The 9,000. Thank
7 you. Okay. Thank you, Commissioner.

8 CMSR. CHATTOPADHYAY: And this question
9 is again related to the first one, I had written
10 it down separately. So, really related.

11 Have the CAAs started handling EAP
12 customers that are with community power? This is
13 just out of curiosity.

14 MS. REYNOLDS: I don't believe so.

15 CMSR. CHATTOPADHYAY: Okay.

16 This question is for everyone who can
17 respond. If we are crediting more than what the
18 energy bill is, would you consider that to be
19 perverse? Is that a good outcome?

20 MS. REYNOLDS: Depends on whose
21 perspective you ask. If you're asking from the
22 client's perspective, I think, as long as it's
23 not negatively impacting them, then it's
24 beneficial.

[WITNESS: Colton]

1 CMSR. CHATTOPADHYAY: But do you, as
2 CAAs, do you think that's, like, you know, if I
3 consume \$100 worth of some service, but I then
4 get a rebate that is \$120, is that something
5 that's good, generally?

6 MS. REYNOLDS: I think so, considering
7 the populations that we serve.

8 CMSR. CHATTOPADHYAY: Okay. How about
9 others?

10 MS. NOONAN: So, specific to EAP, I
11 think we would need to look at the administrative
12 cost of doing something different, versus the
13 cost of that, what you're seeing as an excess
14 credit on the bill, and weighing whether it's a
15 good outcome or not a good outcome.

16 CMSR. CHATTOPADHYAY: So, you're not --
17 you're essentially saying that, if there are
18 administrative costs and other costs that lead to
19 a greater credit than what a customer's bill is,
20 then it could be okay?

21 Or, are you saying it's -- so, I'm
22 trying to understand this.

23 MS. NOONAN: Sure. Sorry. Sure.
24 So, --

[WITNESS: Colton]

1 CMSR. CHATTOPADHYAY: And, before you
2 respond, I just want to qualify it. I did say
3 that the cost of the service is, you know, less
4 than what you're being credited. So, in that,
5 the cost would also include administrative costs,
6 right?

7 MS. NOONAN: All right. Let me make
8 sure I understand then. So, in the example
9 you're giving, the total bill is \$100, and the
10 credit, using the default service as the proxy
11 for energy supply, results in a credit of \$20 on
12 the bill, a negative balance of \$20 on the bill
13 that would get carried forward to offset any
14 charges for the next month. That's the scenario
15 that you're proposing?

16 CMSR. CHATTOPADHYAY: Not necessarily.
17 I mean, it's, just generally, is that a good
18 outcome? You know, if you're -- because you've
19 now defined your example even more, with respect
20 to somebody with a competitive supplier, okay,
21 their actual bill is \$100, but the default
22 service rate that is being used to calculate the
23 credit, and it turns out that the credit is \$120.
24 Is that a good outcome? Is that something, you

[WITNESS: Colton]

1 know, that needs to be fixed?

2 And this is regardless of whether you
3 consider that to be very unlikely or likely. I'm
4 just asking generally, do you think that we
5 should try to fix that?

6 MS. NOONAN: I don't think I can answer
7 that question in a vacuum. You need to look at
8 the total number of instances in which perhaps
9 that might happen, the total dollar amount in the
10 aggregate across all participants who found
11 themselves in that situation, and then look at
12 the cost of changing utility billing systems to
13 apply the discount in a different way.

14 And, you know, once you know those
15 figures, then you can make a determination about
16 the appropriateness of correcting the problem.

17 CMSR. CHATTOPADHYAY: Currently, when
18 the discount is being calculated, it is using the
19 default service rates, correct?

20 MS. NOONAN: The default service rate
21 is used as a proxy for the supplier rate, due to
22 the complexity of trying to monitor and program
23 for possibly hundreds of rates.

24 CMSR. CHATTOPADHYAY: I understand why

[WITNESS: Colton]

1 it's done like that. I'm just trying to get a
2 confirmation that's how it's done. That the
3 default service rate is used to determine the
4 credits?

5 MS. NOONAN: Correct.

6 CMSR. CHATTOPADHYAY: Okay. This may
7 be for the utilities.

8 So, the bills will -- the bills will
9 include a calculation of that amount, right? The
10 customers receive -- sorry, the electric
11 customers receive the bill, they know this is
12 what is being credited? Is that -- can they see
13 that?

14 MR. LAMBERT: Yes, Mr. Commissioner.
15 From Unitil's perspective, yes, absolutely. They
16 will, on their bill, be able to see a line item
17 that tells them what tier that they're in and the
18 percentage associated with the tier. They will
19 be able to see that one line item as calculated
20 against their delivery portion of their bill, the
21 Unitil portion. In addition, that same
22 predetermined discount off of their default
23 service on the supply side.

24 To answer your -- to add to what Ms.

[WITNESS: Colton]

1 Noonan was referring to earlier, for Unitil's
2 sake, for our customers, we have about 3,000
3 customers on the low-income discount. We serve
4 about 77,000 customers. I haven't run through
5 the calculation for that to see a percentage.
6 And I don't know the percentage of the 3,000
7 customers that are taking external supply, either
8 from aggregation or from an external supplier.

9 But I have seen that, you know,
10 certainly 2022 was a difficult year, where, as we
11 were using the default service as a proxy to
12 apply the discount, it -- certainly, the discount
13 was overstated for that brief period.

14 Looking at it currently, at Unitil's
15 Default Service rate for residential customers at
16 10.7 cents, I see that most of the external
17 suppliers have a higher rate than 10.7 percent.
18 But, you're correct, the aggregation largely has
19 rates less than.

20 For Unitil, we serve -- the Coalition
21 serves about six of our towns, and I know that
22 they're planning to grow. So, I look at the
23 impacts currently as certainly minimal, you know,
24 right now. And ever sense, in 2022, I would say

[WITNESS: Colton]

1 that it's minimal, based on the scope.

2 But, hopefully, that helps.

3 CMSR. CHATTOPADHYAY: Yes, I was -- I'm
4 sort of probing something else. And just to --
5 I'm perfectly mindful of the complexity and all
6 of that. I've already read the Exhibit 12. So,
7 I understand that.

8 What I'm trying to get a sense of is,
9 how does the bill look like? So, you have that
10 line. Does a customer, who is with a competitive
11 supplier, they also know how much they're paying
12 for energy?

13 MR. LAMBERT: Yes. That's correct.

14 CMSR. CHATTOPADHYAY: Okay. How
15 difficult would it be for the utilities to have a
16 system where, whatever that credit is, that line
17 that you talked about, and then you have another
18 line with the energy supply charges total, and
19 say that that credit cannot be more than the
20 supply charge?

21 And, so, there's no -- there's no need
22 to worry about how the percentages are being
23 applied. So, you're still going to use default
24 service rate.

[WITNESS: Colton]

1 So, this is not, you know, a completely
2 optimal outcome, but it's a suboptimal outcome.
3 So, I'm just trying to understand, mechanically,
4 how difficult is that for the -- or, you know, in
5 terms of whatever the billing is, how difficult
6 is it for the utilities to implement?

7 Was that clear enough? Like, I can
8 repeat my question.

9 MR. LAMBERT: If you could just repeat
10 that scenario again, I found it interesting.
11 Yes.

12 CMSR. CHATTOPADHYAY: Okay. So, what
13 I'm saying is -- rather, what I'm trying to
14 understand how does the bill look like.

15 MR. LAMBERT: Right.

16 CMSR. CHATTOPADHYAY: So, what I
17 understood is that you have both, one line that
18 sort of gives the customer a sense of what the
19 discounted amount is or credit is, and separately
20 in the bill it also appears how much they are
21 paying for energy supply?

22 MR. LAMBERT: Yes.

23 CMSR. CHATTOPADHYAY: Because I find
24 somebody being credited more than what their

[WITNESS: Colton]

1 energy supply cost is, okay, perverse, and that's
2 how I look at it. Is there a way to simply have
3 a system that, whenever this is greater, you can
4 only get back up to the energy supply amount?

5 How difficult would it be for the
6 utilities to implement that, if there are some
7 costs involved?

8 MR. LAMBERT: You know, certainly, we
9 would need our vendor here, our billing system
10 vendor to answer that, and to certainly run it
11 through. That would sound like new algorithms to
12 me for our vendor.

13 And the way we currently apply the
14 discounts is really based off of -- because we're
15 applying the discounts against their monthly
16 usage. So, if we have a 10.7 percent *[sic]*
17 Default Service rate, and we put that through the
18 calculators for all of the five tiers, we'll
19 apply -- we'll issue our tariffed rates that are
20 public online as a 5 percent discount off of
21 10.7 cents, and then continue down the other
22 tiers. And, then, what we'll do, in that filed
23 tariff low-income discounted rate is we'll use
24 that against the usage.

[WITNESS: Colton]

1 So, to write, you know, "if/then"
2 statements, you know, "to apply this, if they're
3 on default service, and then do this if they're
4 on a third-party supply", would be a question for
5 the vendor.

6 CMSR. CHATTOPADHYAY: Okay.

7 MR. LAMBERT: Everything is
8 complicated, I guess. But the thing that further
9 complicates it, that we're a big proponent of, is
10 how to then apply these for the 750 kilowatt-hour
11 cap? That makes it much more complicated on what
12 would be applicable and what would not be
13 applicable.

14 Where the systems want to, our system
15 anyway, would like to make a percentage off
16 discount off of total supply or total delivery.
17 But the 750 kilowatt-hour cap complicates -- much
18 more complicates that. So, --

19 CMSR. CHATTOPADHYAY: Yes. But I'm
20 still -- I think what's out there in the open
21 then is that you don't know what that will
22 involve, in terms of, you know, implementing it,
23 because the vendors have to deal with that.

24 I would -- I'm really curious, whether

[WITNESS: Colton]

1 that is a simpler problem than what I was viewing
2 what the DOE was describing, which was sort of
3 knowing it, you know, really, I'm going into, is
4 there a way to calculate -- is there a way to --
5 of course, we know what the energy supply
6 charges. Is there a way to calculate what is
7 being returned for the energy supply rate, okay,
8 and that cannot be more than the energy supply?
9 That's the question. I think I'll leave it at
10 that.

11 So, I'm going to go to Exhibit 12, and
12 I just want to observe one point. That analysis
13 is looking at the six monthly offerings, right?

14 And this will be for DOE, really.

15 MS. SCHWARZER: Commissioner
16 Chattopadhyay, I apologize. I believe the
17 witness has my Exhibit 12. And, so, I'm going to
18 need to pull it up, --

19 CMSR. CHATTOPADHYAY: Okay.

20 MS. SCHWARZER: -- and to be able to
21 follow. I have an electric, you know. Not 11,
22 that's the utility statement, correct? It's
23 Exhibit 12?

24 CMSR. CHATTOPADHYAY: Exhibit 12. It's

[WITNESS: Colton]

1 DOE's statement.

2 MS. SCHWARZER: Are you there?

3 CMSR. CHATTOPADHYAY: I'm just
4 confirming, I want to confirm, that you're really
5 putting -- you took all the CEP offers, those are
6 for the six monthly product?

7 MS. NOONAN: That's correct. This is
8 data that was pulled to compare default service
9 rate to competitive supply rates. So, they're
10 six-month service offerings.

11 CMSR. CHATTOPADHYAY: Those are
12 offerings, not necessarily what the customers
13 took?

14 MS. NOONAN: Those are the rates that
15 the competitive suppliers were offering in New
16 Hampshire during those periods of time. How many
17 customers participated or took part in those? We
18 wouldn't have any information about it at the
19 Department.

20 CMSR. CHATTOPADHYAY: Okay. So, would
21 you agree that it's also possible that a customer
22 takes, you know, competitive supply, it might go
23 for some other product, meaning a one-month
24 product, a three-month product, or a seven-month

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[WITNESS: Colton]

1 product, right? And you may have -- correct?

2 MS. NOONAN: Yes. There are a number
3 of different product offerings.

4 CMSR. CHATTOPADHYAY: So, what was
5 baffling me with the analysis was, I mean, if, as
6 a customer, I'm given the choice, and I see that
7 the default service rate is lower than the CEP
8 rate, then I wouldn't go for the competitive
9 supplier choice. And, so, I think at that -- I'm
10 just pointing out that that doesn't necessarily
11 tell me that what the customers ended up doing.

12 And, so, perhaps the analysis could be
13 a little bit more depth to get that sense. And
14 you may still be correct that, overall, that the
15 CEPs, the rates are higher than the default
16 service rate. But I can't tell for sure yet.
17 Because, you know, so, for example, what I -- you
18 already touched upon it, you don't have any
19 information on the distribution of how the
20 customers are choosing what offerings they're
21 going for, right?

22 MS. NOONAN: That's correct. All we
23 know are the rates that the suppliers post on the
24 comparison shopping webpage. I can tell you,

[WITNESS: Colton]

1 anecdotally, we see a number of customers that
2 make decisions I wouldn't make, because the price
3 they select is much higher than the utility
4 default service rate. Whether they're the victim
5 of a misleading cold sales call on the telephone,
6 or simply don't understand the information
7 presented to them when purchasing.

8 CMSR. CHATTOPADHYAY: And I know it's
9 not necessarily an EAP problem, I'm a little bit
10 concerned about it.

11 So, as far as the distribution of what
12 the ratepayers are taking, do the utilities
13 indirectly have that data, because they know
14 what, you know, what the energy supply charges
15 are perhaps?

16 Maybe it's complicated enough that that
17 cannot be even obtained?

18 MR. LAMBERT: For Unitil, I don't have
19 that information right now.

20 CMSR. CHATTOPADHYAY: Yes, I think, in
21 the spirit of just having this conversation,
22 I'm -- I had asked the question about "what
23 percentage of EAP customers are on competitive
24 supply?" That can be figured out.

[WITNESS: Colton]

1 But I'm trying to get into even more
2 granularity, to get a sense of the kind of
3 contracts that the customers went with. And,
4 essentially, it's -- you're suggesting it's --
5 you don't have the visibility on it, or do you?

6 And I'm not saying you've done the
7 analysis. I'm just saying, you know, in terms of
8 the visibility?

9 MR. LAMBERT: Yes. I know, at Unitil,
10 we have the ability to provide that data. Just
11 so I understand the -- you know, as we look at
12 the population of EAP customers, in our case,
13 3,000, how many of those customers are on
14 external supply? But, then, more deeply, what's
15 the character of the contract? Are they on the
16 Coalition? Are they on an external supply? Are
17 they paying higher than default service? Is some
18 of that analysis.

19 CMSR. CHATTOPADHYAY: Also, whether
20 they went with a three-month product, with a
21 six-month product, or one-month product, you
22 know?

23 MR. LAMBERT: Yes. I'd have to defer
24 to our third-party -- our supply group, to see if

[WITNESS: Colton]

1 we have the insights into the term of the
2 contract. There must be some level, so we have
3 a -- so we have a point where we know when to
4 switch them back. But I'm not sure if we have
5 that level of detail to the contractual
6 requirements.

7 CMSR. CHATTOPADHYAY: Okay.

8 CHAIRMAN GOLDNER: I'm thinking,
9 Commissioner Chattopadhyay, it might be a good
10 time for a break, and then come back after lunch
11 and resume with Commissioner Chattopadhyay's
12 additional questions.

13 Would coming back at one o'clock sharp
14 work for everyone?

15 CMSR. CHATTOPADHYAY: I may be wrapping
16 up quickly.

17 CHAIRMAN GOLDNER: Okay.

18 CMSR. CHATTOPADHYAY: So, I may not
19 need to come back after lunch.

20 CHAIRMAN GOLDNER: Okay. Would you
21 like to take a few more questions now or --

22 CMSR. CHATTOPADHYAY: Yes. Just let me
23 quickly check if I missed anything.

24 CHAIRMAN GOLDNER: Okay.

[WITNESS: Colton]

1 MS. NOONAN: And if I could just offer
2 a little more information on Mr. Lambert's
3 response?

4 What my team in the Consumer Services
5 Division often sees is that the utilities don't
6 have an end date for the contracts, they don't
7 know the terms of the contracts. And they
8 just -- customers continue on at whatever the
9 variable rate might be when their contract ends,
10 until the customer affirmatively takes some
11 action to either choose a different supplier or
12 return to default service rates.

13 So, hopefully, that helps to put a
14 little context around the question about terms.

15 CMSR. CHATTOPADHYAY: Yes. It does.
16 How much funds are available currently in the EAP
17 Fund? You know, how many dollars are there?

18 MS. NOONAN: Sure. If you give me a
19 minute to pull up my spreadsheet, I can let you
20 know.

21 CMSR. CHATTOPADHYAY: Okay. And, when
22 you take a look, also opine on what is your
23 expectation going forward over the next twelve
24 months?

[WITNESS: Colton]

1 MS. NOONAN: As of the end of February,
2 because the reports from March have just come in,
3 sorry, the balance in the fund was approximately
4 \$578,000. And let me find the next spreadsheet,
5 apologies, for the projections.

6 So, the projections that I have goes
7 through September 2024. We haven't done one
8 following that. And I see, in the upcoming
9 months, we would be making withdrawals from the
10 \$7 million that the Department holds to fund EAP
11 participant benefits. So, we'll be looking at
12 the next twelve months beyond that to see what,
13 if any, adjustments might need to be recommended
14 to the Commission.

15 CMSR. CHATTOPADHYAY: Okay. I think I
16 may end up having another question after the
17 break. Let's do that.

18 So, I'm all set for now, before lunch.

19 CHAIRMAN GOLDNER: Okay. Let's take 60
20 minutes, returning at 1:05. Off the record.

21 *(Recess taken at 12:06 p.m., and the*
22 *hearing reconvened at 1:09 p.m.)*

23 CHAIRMAN GOLDNER: Okay. We'll pick up
24 again with Commissioner questions.

[WITNESS: Colton]

1 Commissioner Chattopadhyay, did you
2 have anything before we move over to the --

3 CMSR. CHATTOPADHYAY: No. I think you
4 should go ahead.

5 CHAIRMAN GOLDNER: Okay.

6 Okay. So, these questions are for both
7 the DOE and the utilities. And, so, I'll just
8 start with the DOE.

9 So, Mr. Colton posited two options for
10 remedying this problem of over and under
11 rebating. So, Option 1, or Option A, was to
12 participate in the EAP, you need to be on default
13 service. And Option 2 was to make EAP its on
14 aggregation.

15 Does the Department have a preference
16 with respect to those two options?

17 MS. SCHWARZER: Mr. Chairman, I'm going
18 to ask Ms. Noonan to reply to that question.

19 But I would like to clarify, through
20 the testimony of our witness was that the options
21 you described were choices other states had made.
22 And he also testified earlier that, with regard
23 to the existing framework, he would pay attention
24 to not creating a solution that was more

[WITNESS: Colton]

1 expensive than the problem.

2 So, I'm not sure it's fully accurate to
3 describe Mr. Colton as recommending those two
4 options for application in New Hampshire. And
5 I'll just note that that is outside the scope of
6 his Report.

7 CHAIRMAN GOLDNER: Yes. And I can turn
8 to Mr. Colton, I suppose.

9 So, my understanding, sir, of your
10 answer to the question earlier was, we were
11 talking about remedies for the over and under
12 rebating, and you suggested the two options that
13 I just repeated back. Did I have that correct?

14 WITNESS COLTON: I suggest -- excuse
15 me. I suggested that those were two options that
16 other states have used. But it is accurate that
17 I said, or, if I didn't, I intended to, that one
18 should never implement a solution that costs more
19 than the problem.

20 CHAIRMAN GOLDNER: Absolutely. And, in
21 those two options, is there -- do you have
22 concerns relative to the cost of implementing one
23 or the other, or both?

24 WITNESS COLTON: I haven't really

[WITNESS: Colton]

1 looked at that, the costs. I would think that,
2 given that opening comment, I can't think that
3 there would be unreasonable costs involved.

4 CHAIRMAN GOLDNER: Okay. Thank you.

5 Okay. We can proceed with Ms. Noonan,
6 and then the utilities, on that question.

7 MS. NOONAN: So, in considering the two
8 options that you flagged, I don't know that the
9 Department currently has a preference for one
10 over the other.

11 I would just note that I believe Mr.
12 Colton also said that, in the state that
13 attempted to procure supply just for the
14 low-income program participants, there were no
15 bidders interested in serving that pool of
16 customers.

17 CHAIRMAN GOLDNER: Okay.

18 MS. NOONAN: I'm not sure that that's a
19 viable option.

20 CHAIRMAN GOLDNER: Okay.

21 MS. NOONAN: In terms of options, I'll
22 add another one for you to consider, which is how
23 the program operated prior to the Commission
24 issuing an order to apply the discount to the

[WITNESS: Colton]

1 supply portion of the bill, and that was the
2 discount was applied just to the delivery
3 portion, and not to the supply.

4 Generally, we think customers should
5 have choices and the freedom of choice, and
6 customers need to live with the decisions and
7 consequences of their choices.

8 CHAIRMAN GOLDNER: And this is where I
9 was sort of struck earlier, having thought about
10 this for the last couple of days, is that it sort
11 of is and isn't the customers' issue. Like, on
12 one hand, it is. I mean, on the one hand, if the
13 customer makes a bad decision, then they have to
14 pay more on their bill.

15 But it's also true that the folks
16 paying into this are not getting what they
17 expect, which is to get a low bill for the
18 low-income ratepayers. The ratepayers are
19 actually not getting the intended amount.

20 So, that was kind of what I was cycling
21 on, is how do we get this to a place where both
22 the payer and the recipient are getting, you
23 know, sort of the intended effect of the program?

24 MS. NOONAN: And, certainly, that's a

[WITNESS: Colton]

1 concern that, if you are enrolled and eligible
2 for a 52 percent, you don't get a 52 percent
3 discount. Those are the outcomes of that
4 individual's choices about how they procure their
5 energy supply.

6 Generally, it's to their disadvantage
7 when they don't take default service, as you can
8 see in our technical statement. But there
9 certainly are perhaps instances we've seen most
10 recently where there were benefits to a customer
11 taking a competitive supply option.

12 CHAIRMAN GOLDNER: And why not just
13 keep it simple on folks, and just say "Look, you
14 know, if you want to be on the program, and get
15 the discount, you know, default service is the
16 way to go"?

17 It's just simpler, it's better. It's
18 easier for everyone. It's easier for the
19 utilities. It's easy for the administration. It
20 gives them the intended discount on their bill.

21 That maybe you could comment on that,
22 because it seems like that could be a very sort
23 of comprehensive and solid solution?

24 MS. NOONAN: Certainly, that's a simple

[WITNESS: Colton]

1 approach. It's pretty straightforward. It's
2 pretty easy. What types of challenges or
3 objections you might get from the competitive
4 market participants as to an undue advantage to
5 utility default service, versus competitive
6 supply options or community power aggregation
7 options, I can't really comment on, but those are
8 considerations as well.

9 CHAIRMAN GOLDNER: And tell me more
10 about the pre-2018 program? I read about it, but
11 I wasn't here then. I know you have a lot of
12 experience with both the pre and post 2018 model.

13 My understanding was that, if you were
14 on default service, you got -- your rebate was
15 based on default service. But, if you weren't on
16 default service, you didn't get anything with
17 respect to supply. Do I understand it correctly?

18 MS. NOONAN: No, that's correct. You
19 would have received the discount on the delivery
20 portion of your bill, but not on the energy
21 supply portion.

22 CHAIRMAN GOLDNER: If you weren't on
23 default service?

24 MS. NOONAN: Correct.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Okay. Because it
2 was -- Commissioner Chattopadhyay before and I
3 reflecting on this, you know, it's sort of a new
4 world in the last even year, right, with the sort
5 of advent of community aggregation, where this
6 problem used to be a small problem, we talked
7 about before, that third parties are a relatively
8 small amount. And, so, it was kind of this
9 sideshow issue, in a way.

10 But, now, it might be the dominant
11 issue. So, we, as a Commission, are just trying
12 to figure out the most efficient way to solve the
13 problem, to make sure that the recipient gets the
14 intended benefit, and that the payer gets what
15 they're expecting as well, from a ratepayer
16 perspective. So, that's our thought process.

17 Utilities, any comments on this
18 question? Do you have a preference? And I don't
19 want to limit you to just ease of implementation,
20 in terms of -- in terms of, you know, just that
21 piece of it. But, if you were to choose between
22 having everyone on default service in order to
23 get the discount, or making an EAP aggregation,
24 do you have a preference?

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[WITNESS: Colton]

1 MR. CAMPBELL: So, I know, speaking for
2 the Unutil folks, when Mr. Colton raised these
3 two options, we were actually batting them around
4 at lunch. I don't think we've come down firmly
5 one way or the other on those.

6 But, if it's acceptable to the
7 Commission, we'd love to take it back, think
8 about it, and report back to the Commission.

9 I think Ms. Noonan does raise one
10 possible concern about that, sort of putting
11 customers to a choice between the EAP or
12 competitive supply. May be anti-competitive, may
13 be in violation of the Restructuring Act. So,
14 there's maybe a legal aspect we'd like to look
15 at, too.

16 CHAIRMAN GOLDNER: And that was the
17 genius, if I can call it that, of the pre-2018
18 solution. Because what you said was "You can
19 have choices if you want, but you just get a
20 rebate if you choose Door Number 1."

21 MR. CAMPBELL: Right.

22 CHAIRMAN GOLDNER: So, that was why I
23 was asking about that pre-2018 option.

24 MR. CAMPBELL: Right.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Yes.

2 MR. CAMPBELL: So, don't have an answer
3 for you. But, if it's acceptable to you, we'd
4 love to take it back, and let it marinate a bit.

5 CHAIRMAN GOLDNER: Yes. We'll make
6 that Record Request Number 2, just so that the
7 parties have an opportunity to not have to
8 respond real time.

9 MR. SHEEHAN: The other wrinkle is, if
10 you were to go back to the pre-system of "you're
11 either on default service and get the program or
12 you don't", is these aggregations. So, they
13 scoop up every customer in town. They would then
14 have to carve off the EAP customers, if they
15 wanted to go back to the program. Which is,
16 again, just another complicator.

17 CHAIRMAN GOLDNER: Yes. And that's
18 true. And I think he were also exploring the
19 option of, earlier, with "Okay, well, what if we
20 chose Door Number 3?" Which was to use the lower
21 of the two options, default service versus the
22 option chosen, and the community aggregation has
23 the option, and the utilities were highlighting
24 that that would be complicated. So, we were

[WITNESS: Colton]

1 musing on a backup solution to that.

2 Okay. Any other comments from the
3 utilities on that question?

4 MS. GEIGER: Yes, Mr. Chairman. I
5 would just add, on behalf of the Co-op, I think
6 this was raised in some of the Joint Comments
7 that we filed. The Co-op does not have any
8 customers that are on a competitive supply with
9 rates that are higher than default service. So,
10 this really is not an issue for the Co-op.

11 As Attorney Campbell indicated, we'd
12 also appreciate the opportunity to take it back
13 and consider which of the two options the
14 Commission is suggesting.

15 But I would also echo Attorney
16 Campbell's thought or suggestion that compelling
17 a customer to remain on default service could run
18 afoul of the restructuring principles in RSA
19 374-F, II, that talks about "customer choice".

20 CHAIRMAN GOLDNER: Okay. Thank you.

21 MR. CROUSE: Chairman Goldner?

22 CHAIRMAN GOLDNER: Yes.

23 MR. CROUSE: If I may just briefly
24 comment?

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Of course.

2 MR. CROUSE: When you look at the
3 Restructuring Act, the definitions also define
4 "community aggregation" as "default service".
5 So, when you're trying to delineate those
6 differences, further in the restructuring
7 principles it also talks about "a levelized
8 playing field, and keeping it fair and consistent
9 across", so that's one of the challenges of
10 trying to differentiate using the "default
11 service" benchmark, when having customers choose
12 between community aggregation, competitive
13 supply, or default service.

14 CHAIRMAN GOLDNER: Okay. Thank you.

15 I mean, for me, it's, I mean, maybe I'm
16 making it too simple, but the current construct,
17 which nobody has suggested changing, is to use
18 default service, meaning the "utility's default
19 service", as the proxy, therefore, the bill
20 rebate is based on the proxy. So, if that's what
21 you're going to base the participant's bill on,
22 then it would make sense to align the bill.

23 And I'm very concerned about both
24 aspects of this. I would like to see the

[WITNESS: Colton]

1 recipient get every single cent intended, and I
2 would like to see the person paying in get the
3 desired outcome.

4 So, to the extent that there's a
5 solution for that problem, I think that that's
6 what we're searching for. We're obviously open
7 to whatever solution would be most, you know,
8 most amenable to the parties.

9 Yes. I'm sorry, Commissioner
10 Chattopadhyay.

11 CMSR. CHATTOPADHYAY: Yes. Since we
12 are having this conversation, I mean, you can
13 imagine that the data that Exhibit 12 sort of
14 shows, and I indicated by that, may not be the
15 best approach, because you're sort of trying to
16 track what did they actually pay. It can
17 certainly happen that they're paying more, okay,
18 than what they're getting back, and even that is
19 a problem. So, it's like it's a problem on both
20 sides. So, we have to think about it.

21 I just want to flag that. Sorry.

22 CHAIRMAN GOLDNER: Thank you. Thank
23 you, Commissioner Chattopadhyay.

24 I'll just -- so, we'll make that a

[WITNESS: Colton]

1 record request, so any party can respond to that
2 question, if they wish. And we'll get at least
3 one answer, because I know that Unutil requested
4 it. So, we'll count on at least one answer.

5 Next question is, Mr. Colton pointed
6 out a couple of important items that I captured.
7 One is that "New Hampshire does not provide
8 rebates at any cost", and he was specifically
9 referring to the 750 kWh issue as evidence of
10 that, and that "the EAP Program is a deal where
11 the subsidy is in exchange for the payment of
12 services."

13 Do any of the parties disagree or wish
14 to comment on those two important items?

15 MS. NOONAN: I think the only thing I
16 would add to that is there's nothing explicit,
17 when you sign up and enroll in the Electric
18 Assistance Program, that states it the way Mr.
19 Colton stated it. I don't think anyone
20 fundamentally disagrees that everyone has an
21 obligation to make some sort of payment to their
22 bill. But there's nothing explicit that requires
23 that, or that would remove a customer from the
24 program if they failed to pay their bill.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: Well, and I could
2 say this, I mean, I think the elegance of Mr.
3 Colton's approach is that, by definition, the
4 payments by the low-income ratepayer are
5 affordable. He's designed it for 5 percent. So,
6 this bargain is that the rate design is such that
7 it's affordable, and thus there is the
8 expectation that you make the payments.

9 And maybe I'll get, I'm looking at the
10 CAAs, to see if they have any comments on this,
11 because I know that you're communicating with the
12 low-income ratepayers. And I'm wondering, is
13 this the kind of discussion that goes on in your
14 forum?

15 MS. REYNOLDS: We do discuss budget
16 counseling with clients. We do review, you know,
17 where they're at with their current bill when
18 they're coming in to apply. We do look at usage.
19 And we look at it throughout the year. It
20 fluctuates a lot. So, depending on the person in
21 front of you, you know, we can counsel them as
22 needed.

23 CHAIRMAN GOLDNER: Okay. Okay. Thank
24 you.

[WITNESS: Colton]

1 MS. SCHWARZER: Mr. Chairman?

2 CHAIRMAN GOLDNER: Uh-huh.

3 MS. SCHWARZER: It's been brought to my
4 attention that I believe the CAA has a response
5 to Record Request 1, if you'd like to hear from
6 them at this time?

7 CHAIRMAN GOLDNER: Sure.

8 MS. REYNOLDS: We looked into the
9 question about the impact of working with
10 community power on the Community Action Programs
11 administratively. And they would act as a
12 supplier. So, it would not have an impact on our
13 functioning administratively. Acting as a
14 supplier, they would be working with the utility
15 companies to generate billing.

16 CHAIRMAN GOLDNER: Did you want
17 anything in addition to that, Commissioner
18 Chattopadhyay, or should I strike Record
19 Request 1?

20 CMSR. CHATTOPADHYAY: Go ahead, strike
21 it.

22 CHAIRMAN GOLDNER: Okay. So, 2 just
23 became "1", and 1 became not.

24 The Commissioners were also asking Mr.

[WITNESS: Colton]

1 Colton about the definition of "affordability",
2 which I understood to range between 6 percent, in
3 the case of six or seven or eight states, and 10
4 percent, in the case of I think it was Ohio.

5 Do the parties have any comments that
6 they would like to make on the definition of
7 "affordability"?

8 And I'm looking at Mr. Crouse, I
9 suppose, as the Consumer Advocate, if your Office
10 has any position on that topic? And, of course,
11 anyone else is welcome to weigh in as well.

12 MR. CROUSE: Thank you for the
13 opportunity to respond. Currently, the OCA has
14 no further comments beyond what Roger Colton has
15 recommended.

16 CHAIRMAN GOLDNER: Okay. Do you have
17 any concerns with Mr. Colton's comment or any --

18 MR. CROUSE: I don't think I have
19 anything else to add at this time. But I am
20 marinating on it. So, if something comes up,
21 I'll ask permission to chime in.

22 CHAIRMAN GOLDNER: You're not
23 subtracting either. So, that's good. Okay.

24 All right. So, let's move on to some

[WITNESS: Colton]

1 DOE questions.

2 A question for the DOE, just broadly
3 speaking, not necessarily related to this docket,
4 but are you looking, or have you looked recently,
5 at the LIHEAP maximum? Can you educate the
6 Commission, in terms of the Department's position
7 on LIHEAP, and where it's currently at 60 percent
8 of the State Median Income, which is the max
9 allowed by the federal government?

10 Is the Department looking at different
11 options? Is there an open docket? Is there
12 anything happening with respect to LIHEAP?

13 MS. NOONAN: That's a lot of questions
14 in one question.

15 The federal LIHEAP Program is a block
16 grant to states. And every year the state
17 reviews its model plan that it files, and has
18 public comment hearings, gets input from
19 stakeholders, and makes updates.

20 We haven't started that process for the
21 upcoming year. I don't anticipate any reductions
22 in the income threshold for the LIHEAP Program
23 for the upcoming program year.

24 Certainly, there's always conversation

[WITNESS: Colton]

1 about different ways to calculate income, and
2 perhaps income disregards, some of which the
3 program already does.

4 But more specifics are beyond my 30,000
5 foot level. And, unfortunately, our Fuel
6 Assistance Program Manager is tied up in a
7 meeting with all the Community Action Agencies
8 talking about fuel assistance.

9 So, that's the best I can do for you
10 right now. But, if you have specific questions,
11 I can take those away.

12 CHAIRMAN GOLDNER: Well, you can tell
13 him we'll go till 5:00 or 6:00 today. He's
14 welcome to join when he's ready. No, I'm
15 kidding.

16 Okay. So, that's helpful. And how
17 long has it been 60 percent of State Median
18 Income? Is that just few years or does that go
19 back decades?

20 MS. NOONAN: I would defer to the
21 Community Action Agencies on that question. My
22 recollection would say "at least ten years",
23 but --

24 CHAIRMAN GOLDNER: They're nodding

[WITNESS: Colton]

1 "yes" behind you.

2 Okay. And the reason I go through all
3 this is that, you know, sometimes, if things are
4 working well, you try not to fix them sometimes,
5 and, when things are working well, there's still
6 a better way. So, I'm wondering if, you know, we
7 talked before about other benchmarks, like SNAP,
8 for example. Does the Department anticipate
9 thinking about other maximums in the future? Or
10 does it -- is there any discussion going on, I
11 guess, of other options? Which is sort of a
12 slight twist on what I asked before.

13 In other words, is like SNAP like a
14 decent option, or something like SNAP, a federal
15 guideline, as opposed to a state?

16 MS. NOONAN: They're two very different
17 programs. I think perhaps you're referring to
18 the comments that Mr. Colton made earlier about
19 how income is calculated for the Fuel Assistance
20 Program in New Hampshire and other states, versus
21 how SNAP income is calculated. We're aware of
22 those differences. As we look at the state model
23 plan for the upcoming year, we'll consider
24 whether any of those are appropriate. We'll look

[WITNESS: Colton]

1 to the federal statutes for guidance, to make
2 sure we're within the parameters of what we, as a
3 state, are allowed to do with the block grant.

4 CHAIRMAN GOLDNER: Okay. And the
5 reason I'm asking you all these questions is that
6 there seems to be some consensus around aligning
7 the LIHEAP income limits with EAP. And, yet, in
8 the Department's testimony, I was sort of -- I
9 was conflicted when I was reading it, because
10 there was also a lot of discussion about
11 differences in sign-up times and seasonality and
12 so forth.

13 So, I'm just trying to understand, is
14 it the Department's position that EAP and LIHEAP
15 should continue to be aligned, in terms of what
16 that maximum income level is?

17 MS. NOONAN: Yes. We believe there's a
18 lot of administrative efficiencies to be gained
19 from leveraging those two programs. While it's
20 true that the Electric Assistance Program is a
21 twelve-month program, and accepts applications
22 twelve months out of the year, and the federal
23 LIHEAP Program is a winter heating program. In
24 actuality, there are probably only two months in

[WITNESS: Colton]

1 which LIHEAP applications are not accepted, and
2 that would be May and June. Beginning in July,
3 early applications for certain households, for
4 wood households, for vulnerable households begin.

5 There's another set that begins, and
6 perhaps the Community Action Agencies can help me
7 out with the deadlines, in September, and then
8 October, general applications and so forth.

9 CHAIRMAN GOLDNER: And can you just
10 remind me, the income levels are based on prior
11 tax returns? Or how is the income determined? I
12 don't remember.

13 MS. NOONAN: I'll defer that to the
14 CAPs.

15 CHAIRMAN GOLDNER: I'm not the only
16 one.

17 MS. NOONAN: I'm not an intake worker
18 or certifier.

19 CHAIRMAN GOLDNER: CAAs, can you remind
20 us of how the income is determined?

21 MS. REYNOLDS: Yes. Income is either
22 determined on a 30-day or annual basis.

23 CHAIRMAN GOLDNER: Thirty-day or annual
24 basis. So, if somebody comes in, and they have

[WITNESS: Colton]

1 got recent paychecks or something like that, that
2 you look at that. And, if they come in in, say,
3 September, you might look at -- would you look at
4 both, prior 30 days and the prior year taxes? Or
5 how does it work?

6 MS. REYNOLDS: It depends on the income
7 source. Such as self-employment, that would be
8 something I would look at annually. If it's pay
9 stubs, I would look at monthly.

10 CHAIRMAN GOLDNER: I see. Okay. Okay.
11 Thank you.

12 Okay, back to the utilities. You were
13 talking before about the difficulty of adjusting
14 computer systems. And, then, we had also talked
15 separately about Maine's program that works off a
16 straight percentage of income. And I'll put this
17 question to Unitil, because I know you operate in
18 both states. So, I'm sort of confused as to why,
19 I'm looking at a couple of "if/then" statements
20 with respect to a couple of options, with respect
21 to default service, is difficult, but doing every
22 single person's wage as a percentage is easy?

23 So, I don't mean to be flippant, but I
24 can't figure that one out.

[WITNESS: Colton]

1 MR. LAMBERT: I could touch on it
2 briefly.

3 So, Mr. Chairman, we have, in Maine, we
4 do serve gas only, natural gas only, not electric
5 customers. And there really isn't an option for
6 gas customers to be on a third-party supply. So,
7 what we have this ability to do is to just apply
8 this straight percentage discount on all
9 customers. But there also is not a usage cap
10 with that. So, the system -- the system can just
11 kind of apply it to say "whatever the bill was,
12 provide this straight discount."

13 CHAIRMAN GOLDNER: I see.

14 MR. LAMBERT: So, that's why I was
15 referencing earlier, the usage cap we find is
16 also not relevant or not applicable in
17 Massachusetts either. It's a very useful tool,
18 though, as we talk about customers controlling
19 their energy usage. So, we prefer the cap. But
20 it does make this a little bit more complicated
21 to administer these kind of discounts.

22 CHAIRMAN GOLDNER: And I think
23 Mr. Colton, in his Report, talks about I think
24 it's Pennsylvania that has a dollar cap. So,

[WITNESS: Colton]

1 that might be an easier algorithm as we think
2 through this in the future. Okay. Thank you.

3 So, the CAAs, pardon me, I promised to
4 come back to the topic of the five to six
5 thousand dollars in delinquencies, and what's
6 being done about that. So, from a Commission
7 perspective, I'm just struggling with how a
8 balance gets that high, and what's broken or
9 what's wrong with the system? When we get to a
10 balance of five to six thousand dollars, how does
11 that happen?

12 MS. REYNOLDS: In my experience, some
13 accounts that I have seen that may have reached
14 that level, when you're talking about electric
15 heat usage, or summer air conditioner usage,
16 those bills can exceed the 750 kilowatt usage.
17 So, then, that additional amount is being billed
18 at the full rate.

19 Some of those high-usage months are not
20 affordable for some of our clients that are on a
21 fixed income, and those amounts can roll pretty
22 quickly into large balances.

23 Customers that have high usage in their
24 homes due to medical equipment tend to be some of

[WITNESS: Colton]

1 these higher bills that we see. And, while they
2 receive a discount, it's just not going to be
3 enough to help them with their current situation,
4 due to that medical equipment causing such a high
5 usage.

6 CHAIRMAN GOLDNER: And how do they keep
7 their electricity turned on? I would think that
8 the utilities, at some point, would shut off the
9 power, given the amount of the deficit?

10 MS. REYNOLDS: Right. So, those
11 accounts, where someone does have medical
12 equipment that they need to live, they can
13 request a note from their doctor and receive
14 medical protection from the utility companies.
15 So, those accounts are the ones that tend to see
16 those high balances that keep rolling. It's not
17 common for most accounts.

18 CHAIRMAN GOLDNER: Because I think Ms.
19 Noonan might be able to comment on this as well,
20 I remember in a prior iteration in the Commission
21 reviewing those accounts. And my recollection is
22 it was something like a dozen that had the
23 medical waiver and so forth. It wasn't very
24 many.

[WITNESS: Colton]

1 So, I'm just wondering how much of it
2 is the medical piece and how much of it is other
3 pieces? Ms. Noonan, do you know?

4 MS. NOONAN: So, the number is
5 significantly higher than a dozen or so. That
6 perhaps might have just been --

7 CHAIRMAN GOLDNER: It might have been
8 one utility or something?

9 MS. NOONAN: -- for a utility at that
10 particular point in time. Each utility could
11 probably share their own numbers with you. But
12 my recollection is, for Eversource, it's three to
13 four thousand customer accounts that are coded
14 with a medical certification. Those are not
15 necessarily all financial hardship accounts, just
16 the total accounts. And I'm sure Mr. Braswell
17 could confirm that number.

18 So, it is a large -- a large number of
19 customers. And the utilities work with those
20 customers, because of the medical certifications,
21 and offer more flexible payment arrangements to
22 them, given their circumstances, where the
23 payments, if they're hardship customers, may not
24 necessarily cover their past due balance, but

[WITNESS: Colton]

1 attempts to cover their current bill, plus a
2 small payment towards their past due balance, to
3 enable them to afford necessary electrical
4 service.

5 CHAIRMAN GOLDNER: Okay. Thank you.

6 And I want to come back to another
7 question I promised to come back to the CAAs on.

8 So, can you just educate the Commission
9 a little bit on the profile of the participants
10 in Tier 6? We noted earlier, two-thirds have an
11 income of less than \$10,000. Are these elderly?
12 Are these unemployed? Who are the folks in
13 Tier 6, if you could just educate us please?

14 MS. REYNOLDS: Sure. The Tier 6
15 clients that we see the most are people that have
16 experienced job lost. They don't have any
17 income. Single mothers, people that are
18 disabled, but have been disabled their whole
19 life, so they're receiving a smaller amount of
20 Social Security. Grandparents that have received
21 custody of grandchildren.

22 It tends to be households that are
23 experiencing either a temporary situation, or
24 this is their situation, and this is how they

[WITNESS: Colton]

1 manage.

2 CHAIRMAN GOLDNER: Do you have any kind
3 of estimate on how much of this is a long-term
4 sort of issue versus short-term? Is it, you
5 know, 50/50 in Tier 6? Do you have any idea on
6 that?

7 MS. REYNOLDS: What's interesting about
8 this tiered structure is you can watch clients
9 graduate, as their income increases, as their
10 situation changes.

11 So, I would say there's a small
12 percentage that stay in that category due to an
13 inability to move out of it. But most of them do
14 slowly move out.

15 CHAIRMAN GOLDNER: And, just from Mr.
16 Colton's perspective, in terms of what he would
17 see, if somebody came in and they were unemployed
18 for the last, you know, thirty-plus days, he
19 would see that as a zero, right? Because there's
20 no income showing up in the last thirty days, and
21 so that would be reported as a zero.

22 *[Ms. Reynolds indicating in the*
23 *affirmative.]*

24 CHAIRMAN GOLDNER: And this probably

[WITNESS: Colton]

1 doesn't happen very often, but they could have
2 been having a good income, you know, well,
3 technically, 31 days ago, but I'm sure that's not
4 the case, but months ago they might have had a
5 job; they were unemployed. They come to you,
6 they say "Look, I have no job. I need to get on
7 the program." You say "Okay, you have no
8 paycheck. You know, we'll mark you down as zero.
9 We'll put you on the program."

10 And, then, what happens after that? I
11 guess, in twelve months, you revisit it?

12 *[Ms. Reynolds indicating in the*
13 *affirmative.]*

14 CHAIRMAN GOLDNER: Okay.

15 MS. REYNOLDS: Yes. Correct. In
16 twelve months, they are required to come back
17 for recertification. And we do another income
18 redetermination at that time.

19 CHAIRMAN GOLDNER: Okay. And, then, at
20 that time, do you look at both the monthly and
21 the annual? Or would it always be one or the
22 other, when they come in for recertification?

23 MS. REYNOLDS: Typically, we always
24 address things at a 30-day look-back. If we have

[WITNESS: Colton]

1 tax returns and things, so we can look at things
2 in a more annual way, or we're looking at
3 year-to-date income and things like that, we do
4 look at the situation from a full perspective.
5 But we initially start with a 30-day look-back.

6 CHAIRMAN GOLDNER: Okay. And you have
7 your own system to do that or are you depending
8 on them to bring you the information?

9 MS. REYNOLDS: We do -- they bring us
10 the information, and then we verify that it fits
11 within the date range that we need it to.

12 CHAIRMAN GOLDNER: Okay.

13 MS. REYNOLDS: We don't request
14 anything extra.

15 CHAIRMAN GOLDNER: Okay. Okay. Thank
16 you. Thank you. It's, I think, helpful for the
17 Commissioners to understand how things work.

18 And, then, I asked this of Mr. Colton,
19 too, and I'll ask the CAAs as well. Are there
20 any financial incentives to graduate from the
21 program? You mentioned before, you can see the
22 folks graduating through the program. And I
23 suppose it's natural, you want to get a job, you
24 want to get more income. So, that would be sort

[WITNESS: Colton]

1 of a natural incentive.

2 But is there anything else that either
3 exists today as an incentive or anything you
4 would recommend in the future as an incentive to
5 graduate out of the -- out of the tiers?

6 MS. REYNOLDS: I can't speak to
7 anything specific, other than pride. People
8 don't want to have to apply for assistance, and
9 take that time, and have to bring in their
10 income, you know, documentation. So, people are
11 happy when they don't have to do that.

12 CHAIRMAN GOLDNER: Okay. Thank you.
13 Okay. Very good on that topic.

14 Let's move on to the next topic, which
15 is the budget. And I think, Ms. Noonan, you
16 answered Commissioner Chattopadhyay's question
17 earlier, but I do have some follow-up on that.

18 So, help me out with the DOE's
19 understanding of the legislative appropriation of
20 the \$7 million. I believe it says "It shall
21 supplement the dedicated fund established for the
22 EAP." Can you explain to us the Department's
23 interpretation of that language? Or how the
24 Department interprets how the \$7 million is to be

[WITNESS: Colton]

1 used?

2 And I'll just add one thing, which is
3 that I'm not sure I understand why the \$7 million
4 isn't in the EAP fund itself, and that that's
5 part of the calculation?

6 MS. NOONAN: I'm not sure that I'm the
7 right person to answer all of your questions.
8 And, so, perhaps we might have to take a couple
9 of them away and come back.

10 I can tell you what that \$7 million has
11 been used for to date, and it has been solely
12 used for transfers to the EAP Fund held by the
13 State Treasurer, so that benefits can be paid out
14 to customers.

15 I believe Commissioner Chicoine filed
16 with you last August the Department's intent to
17 use a portion of that for new software for the
18 Fuel Assistance, Electric Assistance, and
19 Weatherization Programs.

20 But, beyond that, the Department's
21 intent is solely to use that money to enhance the
22 Fund held by State Treasury in order to pay
23 benefits.

24 CHAIRMAN GOLDNER: Okay. So, yes. I

[WITNESS: Colton]

1 have, in Exhibit 7, that the Department planned
2 to spend 450K on software. Does the Department
3 have an update on that? Is that what was
4 actually decremented out of the account?

5 MS. NOONAN: Nothing has been taken
6 from the account at this point. The Department
7 issued an RFP earlier this year; bid responses
8 came in on Tuesday. We'll have a review team
9 looking at those responses, selecting a bidder
10 that fits within the budget, based on each
11 program is allocated one-third of what we believe
12 that an appropriate budget level would be. So,
13 that puts us looking in the \$1.3 million range
14 for a consultant to develop the program.

15 CHAIRMAN GOLDNER: So, the update to
16 the 450K would be, it's roughly looking like 1.3
17 million now, is that right?

18 MS. NOONAN: That -- let me rephrase
19 that. Each program that would use the software,
20 Fuel Assistance, Electric Assistance, and
21 Weatherization Assistance, is contributing
22 one-third. So, each program is contributing
23 \$450,000 --

24 CHAIRMAN GOLDNER: I see.

[WITNESS: Colton]

1 MS. NOONAN: -- for the total of
2 \$1.3-ish million.

3 CHAIRMAN GOLDNER: Thank you. Okay.
4 No, that's helpful. Thank you.

5 So, I sort of understand why the
6 Department would, because the money has been
7 there now, I think, a couple of years, it was
8 2022 when it was allocated, right?

9 *[Ms. Noonan indicating in the*
10 *affirmative.]*

11 CHAIRMAN GOLDNER: So, it was after a
12 couple years. Software, still working on the
13 details of exactly when that -- how much that's
14 going to be and how much is needed. So, I get
15 that part.

16 It seems to me, the rest of it should
17 be in the EAP Fund, the regular EAP Fund that the
18 utilities and the CAAs are using. And can the
19 Department comment on why that wouldn't be the
20 case?

21 MS. NOONAN: I think we'd need to --
22 or, I'd need to take that away as a record
23 request, to take a look at the enabling statutory
24 language, which I believe directs where the money

[WITNESS: Colton]

1 is appropriated to. But, certainly, we'll take a
2 look and respond.

3 CHAIRMAN GOLDNER: Thank you. Yes,
4 that was the beginning of my question. And if,
5 Attorney Schwarzer, you'd like to make a legal
6 comment, that's fine. But it's -- the language
7 is vexing, because it talks about "a dedicated
8 fund established for the EAP", does that mean the
9 current EAP Fund that everybody knows about? Is
10 that something different?

11 And the Chapter 346:4 talks about that
12 the \$7 million is supposed to be used for
13 "support of the continued payment of benefits".
14 So, in that case, Commissioner Chicoine's letter
15 was also confusing to us, because it didn't seem
16 to comport with Chapter 346:4.

17 So, I think sort of a legal briefing on
18 this topic would be helpful to us, because we're
19 confused about the usage of the 7 million.

20 Attorney Schwarzer, would that be okay
21 to have a legal briefing on that?

22 MS. SCHWARZER: Certainly we'd be happy
23 to address any question that the Commission has.
24 Is it the Commission's concern that you believe

[WITNESS: Colton]

1 that the 7 million should have been deposited
2 directly into the EAP Fund itself?

3 CHAIRMAN GOLDNER: Correct. Correct.
4 That's my reading of the statute.

5 And, then, I was further confused by
6 the Exhibit 6, which was the DOE's Audit, which
7 talked about, in HB 2023, \$10 million being
8 allocated, that was supposed to lapse to the
9 general fund on June 30th, 2023. Is that a
10 different -- is that a different transaction?

11 What's going on between the \$7 million
12 and the \$10 million in the recent legislation?
13 Does the Department -- can the Department help us
14 with that?

15 MS. SCHWARZER: Before I defer to Ms.
16 Noonan, can you just point me to where in the
17 Audit the issue was addressed?

18 CHAIRMAN GOLDNER: Sure. Page -- I
19 wrote it down, "Page 8".

20 MS. SCHWARZER: "Approval of the
21 program" -- I'm sorry. "Approval of the Program
22 Year"?

23 CHAIRMAN GOLDNER: I'll have to find it
24 again. But what I wrote down in my notes was

[WITNESS: Colton]

1 "There was an allocated \$10 million, \$200 credit
2 per customer, and it was supposed to lapse to the
3 general fund on June 30th, 2023." And that's in
4 the audit.

5 MS. SCHWARZER: It's natural Page 8,
6 yes.

7 CHAIRMAN GOLDNER: Yes.

8 MS. SCHWARZER: I've got it.

9 CHAIRMAN GOLDNER: Thank you. So, is
10 that different than the 7 million? Is that a
11 different thing? What is that?

12 MS. NOONAN: It is different. The
13 Legislature, in September of 2022, appropriated
14 \$30 million, I'm going by memory, \$30 million in
15 total for emergency assistance for households
16 above 60 percent of the State Median Income, but
17 at or below 75 percent of the State Median
18 Income, perhaps 70.

19 CHAIRMAN GOLDNER: The CAAs are
20 nodding.

21 MS. NOONAN: Okay.

22 CHAIRMAN GOLDNER: So, you're getting
23 this right.

24 MS. NOONAN: Great. Thank you. It

[WITNESS: Colton]

1 seems like a very long time ago.

2 So, those were emergency funds,
3 emergency assistance, given the very high heating
4 oil prices, electricity prices, *et cetera*, that
5 not just New Hampshire, but everyone was facing
6 during that time period. And it was a \$200
7 credit, a one-time \$200 credit on the electric
8 bill, and a one-time \$450 credit on the fuel
9 bill.

10 CHAIRMAN GOLDNER: Okay. And that's
11 all. So, that's got nothing to do with the EAP.
12 It's in the Audit, so that's what caused me to
13 pay attention to it.

14 MS. NOONAN: Yes.

15 CHAIRMAN GOLDNER: Do you know why it
16 showed up in the Audit for the Department?

17 MS. NOONAN: I do not know why it's in
18 the Audit. It wasn't part of the EAP Program.
19 It was an emergency assistance program for
20 electric customers. So, it was called a
21 "Supplemental EAP Program", although not "EAP" as
22 we're talking about it today.

23 CHAIRMAN GOLDNER: And I'm not sure
24 if -- the timing works out, but, in Mr. Colton's

[WITNESS: Colton]

1 Report, it shows that there are some make-up
2 payments in the COVID era that made the accounts
3 look healthy. I'm not sure if it was
4 attributable to this, or if this happened after
5 Mr. Colton's Report. But there is some benefit
6 to extra payments being made in roughly this
7 timeframe. Do you know on that?

8 MS. NOONAN: These benefits all went
9 out after Mr. Colton --

10 CHAIRMAN GOLDNER: His Report.

11 MS. NOONAN: -- did his analysis and
12 his Report. Those benefits, and the Community
13 Action Agencies can speak to those better, were
14 the result of COVID funds to provide assistance
15 to homeowners.

16 CHAIRMAN GOLDNER: Okay. Okay. Thank
17 you.

18 And, so, another question for the
19 Department relative to the Audit. I just want to
20 check to make sure that all of the audit issues
21 were remedied. There was a lot of discussion,
22 Page 37, the Program Administrator issued five
23 invoices after the 15th of the month, this kind
24 of thing going on, late payments. Has all that

[WITNESS: Colton]

1 been attended to? Has that been remedied?

2 MS. SCHWARZER: Mr. Chairman, I think
3 we'd like to take that as a record request.
4 We're happy to follow up for you. I don't have
5 that information here today.

6 CHAIRMAN GOLDNER: Okay. So, just to
7 fill in the rest of the blanks. There's also,
8 "Per the EAP *Monitoring and Evaluation Manual*,
9 the Program Administrator is required to conduct
10 a compliance review", and I'm reading from the
11 Audit, "and site visit to each of the community
12 action agencies." The auditor reported on site
13 visits, they were not able to make all the site
14 visits in the most recent cycle. So, I just, you
15 know, --

16 MS. SCHWARZER: I apologize. In
17 writing down the record request, I lost track of
18 your subsequent question. So, if you could just
19 refresh me?

20 CHAIRMAN GOLDNER: No problem. No
21 problem. I think it's on or around also Page 37.
22 And it's relative to "the Program Administrator
23 conducting compliance review and site visits".
24 And, so, what it says here is there was a "new

[WITNESS: Colton]

1 Program Administrator", things have changed, no
2 visits and no compliance review was performed in
3 the last cycle. So I just want to make sure
4 that, in the Audit, you know, the Audit has been
5 taken care of? That's all.

6 MS. NOONAN: I think the best responder
7 to that would be the Community Action Agencies.
8 But I will just add that there were some very
9 significant medical issues with the prior State
10 Electric Assistance Program Manager at
11 Belknap-Merrimack Community Action. And Liza has
12 now currently taken on that role, and is actively
13 trying to get things back on track. But she
14 could perhaps share where she is at this point.

15 CHAIRMAN GOLDNER: Please do.

16 MS. REYNOLDS: I do have site visits
17 scheduled for all of the agencies this year.
18 I've already conducted half of them.

19 CHAIRMAN GOLDNER: Okay. Okay. Thank
20 you. And you expect to complete them in the
21 coming months, yes?

22 MS. REYNOLDS: They will be done by
23 next month.

24 CHAIRMAN GOLDNER: Okay. Thank you.

[WITNESS: Colton]

1 So, that's on the site visit. Anything on --
2 there's a compliance review also required. Is
3 there any update on the compliance review?

4 MS. REYNOLDS: I'm on it.

5 CHAIRMAN GOLDNER: Okay. Okay. And
6 that you expect completion --

7 MS. REYNOLDS: I should have everything
8 wrapped up by the -- before June.

9 CHAIRMAN GOLDNER: Okay. Okay. Thank
10 you. Just making sure everything is cleaned up
11 from the Audit. Thank you.

12 Okay. We're coming around the final
13 turn here. So, I'm going to return to Mr. Colton
14 for some just clean-up questions.

15 BY CHAIRMAN GOLDNER:

16 Q There's discussion of a percentage of income
17 payment program not being allowed by the U.S.
18 DHHS. And this is relative to this question of
19 the position from the utilities, and I think even
20 the rest of the parties altogether, was that
21 state funding has to go first, and then federal
22 funding comes second. And I was wondering if
23 there was a solution for that that you've seen in
24 other states, because, naturally, one would want

[WITNESS: Colton]

1 the federal funding to go first, and the state
2 funding to go second.

3 Have you seen another solution for that
4 problem?

5 A No. But the HHS rule makes no sense. But,
6 nonetheless, that's what they ruled. And they
7 ruled that LIHEAP cannot be taken into account in
8 setting discounts or in applying ratepayer funds
9 or state funds.

10 Q And, so, how would we know, and, Mr. Colton, I'll
11 address it to you, and then maybe I'll move to
12 the CAAs to see if they know as well, that, when
13 recipients are getting both FAP and EAP, how --
14 is there a -- how do we know that people are not
15 sort of benefiting from the program, in other
16 words, receiving more money than they're paying
17 on the program?

18 Is there a process for federal money,
19 you know, state money first, federal money
20 second, and then all the math is being done to
21 make sure that there's no problems?

22 A I should let the LIHEAP folks in New Hampshire,
23 but, as a general rule, LIHEAP programs have a --
24 and I don't know if it's a federal rule, buff

[WITNESS: Colton]

1 there's a recapture proceeding. That, if you
2 receive a LIHEAP benefit, and it has not been
3 used 100 percent within a designated timeframe,
4 then those credits get recaptured by the LIHEAP
5 Program to be redistributed.

6 Q Okay. And I was more thinking about the
7 recipient. So, if I'm a recipient, and I'm
8 filling out all my paperwork to be on EAP and
9 Fuel Assistance Program and so forth, are there
10 protections in place to make sure that there's --
11 that the intended benefits are being paid and not
12 more than that?

13 A I don't know the answer to that question.

14 CHAIRMAN GOLDNER: Maybe I'll point to
15 the CAAs. Because I'm imagining the EAP Program
16 gets paid first, it's a state program, LIHEAP,
17 the federal program, comes on top of that. And,
18 then, I assume that the CAAs are subtracting out
19 everything they got paid through EAP, before a
20 LIHEAP payment is made. And I know LIHEAP,
21 there's some confusion, because I know LIHEAP
22 also, right, it's heating, so it could be
23 electric heating, it could be a different kind of
24 a heating. So, I'm sure it's very complex. But

[WITNESS: Colton]

1 I'm just trying to understand how that process
2 works?

3 MS. REYNOLDS: Sure. For an electric
4 heating household, if they were given a benefit
5 of \$400, and they were on EAP, each bill they had
6 would have the discount from EAP applied first,
7 and then use -- the money would kick in from Fuel
8 Assistance to help pay that bill for the heating
9 season. At the end of April, if there's any
10 leftover LIHEAP dollars, that is returned back to
11 the program. So, customers are not receiving any
12 more funding than what they have used.

13 CHAIRMAN GOLDNER: Okay. So, but, in
14 an electric heating season, it's highly likely
15 that the recipient has no heating bill. So, it
16 kind of messes up Mr. Colton's calculation,
17 because he's calculating it based on the
18 assumption that nothing else is entering the
19 equation. But, in fact, in the LIHEAP case, the
20 recipient is actually pay no bill, typically, in
21 the winter?

22 MS. REYNOLDS: Until their benefit runs
23 out, correct.

24 CHAIRMAN GOLDNER: Right. So, if they

[WITNESS: Colton]

1 get a benefit of \$400, then, when that runs out,
2 then it runs out. Okay.

3 Ms. Noonan, do you have anything you'd
4 like to add to that?

5 MS. NOONAN: No. I mean, that's an
6 accurate description as to how the payment
7 structure works. I was just thinking, as we were
8 talking, and this is really a question I have for
9 Mr. Colton, so I'll just ask him that later,
10 about the energy burden for electric versus an
11 overall household energy burden, and the
12 interplay between those two.

13 CHAIRMAN GOLDNER: Yes. No, that's
14 right. And, if you believe in that technology
15 changes are coming, and that more and more
16 heating and cooling will be electricity-based,
17 this problem only gets more common. So, that's
18 something that we're watching.

19 Okay. Thank you. I'm just going to go
20 back to -- so, I think the CAAs might have
21 answered this one earlier, but I just want to
22 follow up to make sure we understand.

23 So, if somebody comes into the CAA, and
24 they present their paperwork for a new intake for

[WITNESS: Colton]

1 an EAP Program, and they're on community
2 aggregation, what's the process? How does that
3 work? Do you help guide them to say "The default
4 service rate for the utility is this, and the
5 community aggregation rate is that. So, in order
6 to get the default service rate, you're going to
7 need to opt out of community aggregation."

8 Do you have a process for dealing
9 with -- how do you deal with new folks, new
10 intakes?

11 MS. REYNOLDS: We do advise clients
12 about what our capabilities are, where the
13 discount gets applied on their bill, and how it
14 works with the supplier and delivery charge
15 portions. But we do leave it up to the client on
16 what they want to decide or how they want to
17 approach things. Sometimes they have already
18 signed contracts with an outside supplier, which
19 we can't advise them to change at that time,
20 because that would cost them money to break that
21 contract.

22 So, we, you know, educate them as best
23 as we can, but we allow the choice to follow
24 them.

[WITNESS: Colton]

1 CHAIRMAN GOLDNER: I think -- so, no,
2 that's helpful. I think it's what I was trying
3 to understand.

4 I mean, I think, normally, if you go
5 out to the webpage, and you look at the
6 Department's webpage, and all the different
7 options available, 98 percent of them don't have
8 any switching fees. So, you could literally pick
9 up the phone, call the utility and switch, I
10 think it's one billing cycle, something like
11 that, it takes to switch over to the utility.
12 So, I do think it's fairly simple.

13 And the reason I go through that is
14 that I'm just wondering if there should be some
15 additional process on incoming, where we, as a
16 group, can maybe do a better job of educating
17 folks on what their options are and what they can
18 and can't do.

19 And I do think the problem appears to
20 be resolved by one of Mr. Colton's -- or,
21 actually both of Mr. Colton's suggestions. So,
22 there's that, too.

23 Okay. Let me pause there, and check in
24 with Commissioner Chattopadhyay, to see if there

[WITNESS: Colton]

1 are any additional questions that he has today.
2 And, then, after the Commissioners wrap up, I'll
3 move to the parties to be able to ask any
4 questions they would like of the witness.

5 CMSR. CHATTOPADHYAY: I'm going to
6 explore something here. I'm not sure I have it
7 lined up fully in my head.

8 So, when the utilities go out and do
9 the default service procurement, it's generally
10 now all the utilities are the same, so it's
11 February through July, and the other is through
12 January, starting in August, right? So, that's
13 how it goes.

14 Is it possible that, after you're done
15 with the procurement and all of that, and you've
16 also gone through the six months, to track every
17 month how much credits EAP customers have
18 received that are on competitive supplier, as
19 well as how much did they pay for competitive
20 supply?

21 And, so, it doesn't impact, you know,
22 anything precisely here, but I'm just thinking
23 about the information.

24 MR. LAMBERT: Well, actually, I can

[WITNESS: Colton]

1 only speak for Unitil. But we have -- we have
2 the opportunity, on a monthly basis, to see
3 variances between "are customers paying less or
4 more than our default service?" We have that
5 ability to do that.

6 On the energy contract side, I couldn't
7 speak to it. But we'd be happy to take a record
8 request to see what's possible there.

9 CMSR. CHATTOPADHYAY: Okay. And I
10 really don't need the information for --

11 MR. LAMBERT: Right.

12 CMSR. CHATTOPADHYAY: -- this docket.
13 But I'm thinking about the bigger problem going
14 forward. So, I probably should think through it,
15 maybe have that question in a default service
16 docket. So, let's not move there yet.

17 Thank you.

18 MR. LAMBERT: Okay. Thank you.

19 CHAIRMAN GOLDNER: Okay. Thank you. I
20 have nothing further for the witness.

21 So, now, we'll turn to any questions
22 that the parties might have. And we'll begin
23 alphabetically with the CAAs, and Ms. Agri?

24 MS. AGRI: Yes. The Community Action

[WITNESS: Colton]

1 Agencies have no questions for the witness.

2 CHAIRMAN GOLDNER: Thank you. The New
3 Hampshire Department of Energy?

4 MS. SCHWARZER: Thank you. Just very
5 briefly.

6 BY MS. SCHWARZER:

7 Q Mr. Colton, the Commission asked a question
8 regarding Table 33 in your Report, which is
9 natural Page 49, and Bates Page 042 [052?].

10 The question, I believe, was "whether
11 burden should vary by tier more significantly and
12 comparably among different tiers, as opposed to
13 falling roughly within the 4.5 and 5 percent?"

14 What are the cost implications of
15 taking New Hampshire's current model and creating
16 comparably different burdens by tier?

17 A The question, as I remember it being posed, was
18 "should New Hampshire move to a model, for
19 example, such as Pennsylvania has?" Where the
20 lowest income tier has a lower allowable burden,
21 maximum burden, and, as incomes go up, the
22 allowed burden would increase as well. So, you
23 would have burdens not of 4 to 5 percent, but
24 maybe 2, 3, 4, and 5 percent.

[WITNESS: Colton]

1 If you did that, it would be
2 reasonable, of course, to expect the cost of the
3 program to go up. Because, if you reduce the
4 burden, that means that you have to pay a higher
5 discount in order to achieve that burden. So,
6 you would see a higher overall program cost.

7 Q Thank you. And, with regard to discussions about
8 EAP and LIHEAP, before we broke for lunch, if I
9 were to tell you that there are more EAP
10 customers than LIHEAP customers in New Hampshire,
11 would that surprise you?

12 A In some ways, yes. In other ways, not
13 necessarily. LIHEAP is home heating, is
14 primarily intended to be a home heating program.
15 And, so, it's got a limited number of months
16 where it would take applications. EAP is a
17 twelve-month program, people can apply twelve
18 months.

19 On the other hand, LIHEAP would also
20 serve fuel oil and propane and wood and natural
21 gas. So, that would drive its participation
22 higher.

23 But the broader observation is that EAP
24 is not a subset of LIHEAP. There are people who

[WITNESS: Colton]

1 participate in LIHEAP that don't participate in
2 EAP. And there are people who participate in EAP
3 who would not participate in LIHEAP. So, the
4 programs don't march in lockstep.

5 MS. SCHWARZER: Thank you. I have no
6 further questions.

7 CHAIRMAN GOLDNER: Thank you. Just a
8 moment.

9 Okay. Let's move to Eversource?

10 MR. WIESNER: We don't have any
11 questions for Mr. Colton.

12 CHAIRMAN GOLDNER: Okay. Thank you.
13 Liberty?

14 MR. SHEEHAN: No questions. Thank you.

15 CHAIRMAN GOLDNER: Thank you. The New
16 Hampshire Electric Cooperative?

17 MS. GEIGER: No questions. Thank you.

18 CHAIRMAN GOLDNER: The Office of the
19 Consumer Advocate?

20 MR. CROUSE: No questions. Thank you.

21 CHAIRMAN GOLDNER: And Unitil?

22 MR. CAMPBELL: No questions. But would
23 like to thank Mr. Colton for his time and
24 testimony today.

1 CHAIRMAN GOLDNER: All right. Thank
2 you.

3 So, at this time, anything else,
4 Commissioner Chattopadhyay?

5 CMSR. CHATTOPADHYAY: No. Thank you.

6 CHAIRMAN GOLDNER: Okay. At this time,
7 the Commission would like to give the parties the
8 opportunity to make closing statements, again, in
9 alphabetical order, starting with the CAAs.

10 MS. AGRI: I want to thank the
11 Commission for the opportunity to have this
12 discussion about the very valuable program for
13 the participants that are within the program.

14 And we would also like to state that we
15 support the recommendations that are found in the
16 Colton Report.

17 CHAIRMAN GOLDNER: Thank you. The New
18 Hampshire Department of Energy.

19 MS. SCHWARZER: Thank you,
20 Commissioners.

21 The Department supports the
22 recommendations in the Colton Report.

23 I would also ask that, if you're
24 looking for a legal brief with regard to

1 interpretation of the statute as discussed, that
2 the Department have at least 30 days to be able
3 to provide one.

4 CHAIRMAN GOLDNER: Okay.

5 MS. SCHWARZER: Thank you.

6 CHAIRMAN GOLDNER: Thank you. So, we
7 will -- I'll try to repeat it all back at the
8 end, but we are planning on the legal brief. So,
9 we'll make that roughly 5/18. Hopefully, that's
10 not a Sunday.

11 Let's move now to -- anything else,
12 Attorney Schwarzer?

13 MS. SCHWARZER: I believe we've had
14 some hearings scheduled for that week already.
15 So, perhaps the following Monday? I'm not
16 looking at a calendar.

17 CHAIRMAN GOLDNER: Yes, it is -- the
18 18th is a Saturday, as it turns out.

19 MS. SCHWARZER: Okay.

20 CHAIRMAN GOLDNER: So, how about the
21 22nd, that's a Wednesday?

22 MS. SCHWARZER: That sounds great.
23 Thank you very much.

24 CHAIRMAN GOLDNER: Okay. Because I

1 think we would need that in order to issue our
2 order. So, it's always better to wrap up as soon
3 as we can. So, we'll make that 5/22.

4 Okay. Anything else, Attorney
5 Schwarzer?

6 MS. SCHWARZER: No. Thank you. Except
7 the Department is also very appreciative of Mr.
8 Colton's expertise and is grateful for his
9 participation.

10 CHAIRMAN GOLDNER: Thank you.
11 Eversource?

12 MR. WIESNER: Thank you, Mr. Chairman.
13 We would also like to thank Mr. Colton
14 for the enormous effort he put into reviewing and
15 analyzing the EAP Program in New Hampshire, and
16 for his valuable recommendations, and the EAP
17 Advisory Board's recommendations based on that
18 Report.

19 We are not advocating any changes to
20 the program at this time. We believe it's
21 well-designed, and reasonably efficient and
22 effective. And may not be perfect, but
23 perfection, even if we could all agree on what it
24 looks like, seldom comes without trade-offs and

1 costs, and, in fact, the quest for perfection may
2 not be worth it.

3 So, I think we are satisfied that the
4 program, as it's currently designed and
5 implemented, is valuable, as noted by the CAAs.
6 It's critical for low-income customers in this
7 state. And we are pleased to see it continue in
8 its current form.

9 CHAIRMAN GOLDNER: Thank you. Let's
10 move to Liberty.

11 MR. SHEEHAN: I couldn't say it better
12 than Mr. Wiesner. So, Liberty adopts what Mr.
13 Wiesner just expressed.

14 Thank you.

15 CHAIRMAN GOLDNER: Thank you. The New
16 Hampshire Electric Cooperative?

17 MS. GEIGER: Yes. Thank you, Mr.
18 Chairman.

19 And thank you, Mr. Colton, for your
20 testimony and your hard work on the Report that
21 was submitted in this docket.

22 Like Attorney Sheehan, I don't have
23 anything -- any way of better expressing the
24 Co-op's position than what Mr. Wiesner put forth

1 on behalf of Eversource.

2 Thank you.

3 CHAIRMAN GOLDNER: You're putting a lot
4 of pressure on Mr. Campbell.

5 *[Laughter.]*

6 CHAIRMAN GOLDNER: Have to really come
7 up with something here. The Office of the
8 Consumer Advocate?

9 MR. CROUSE: Thank you.

10 I am sure I'm echoing a lot of the same
11 comments. But the Consumer Advocate is
12 appreciative for the recommendations and we
13 support them. Thank you for your time and
14 testimony.

15 And we're not recommending any
16 alternatives or changes at this time.

17 Thank you.

18 CHAIRMAN GOLDNER: Okay. Thank you.
19 And Unutil.

20 MR. CAMPBELL: So, I think it's going
21 to be more of the same.

22 So, we believe the EAP in New Hampshire
23 is a good model, and, in our view, superior to
24 what's used in other jurisdictions. And not to

1 beat on Massachusetts, but we're in the middle of
2 a rate case in Massachusetts, our affiliate,
3 Fitchburg Gas & Electric Light Company. And, in
4 that case, we're actually advocating that
5 Massachusetts move away from the current model,
6 which is a single, undifferentiated discount rate
7 for all low-income customers, and to move towards
8 the New Hampshire model, with tiered discount
9 rates, and recovery of the costs of the program
10 from all customers.

11 However, having said that, we do
12 recognize that no program is perfect, and there's
13 always room for improvement. And we appreciate
14 the Commission opening this investigation to look
15 into ways to improve the program. And we look
16 forward to exploring possible solutions, and, in
17 particular, to the issue identified at the
18 hearing today, where there's EAP customers on
19 competitive supply.

20 Thank you.

21 CHAIRMAN GOLDNER: Thank you.

22 Okay. So, having heard no objections,
23 we'll now mark Hearing Exhibits 1 through 12 and
24 enter them into evidence.

1 And I'm going to try to go through all
2 of the requests here. So, we -- just a moment
3 here, I've got multiple pages of notes.

4 So, we've got the legal brief that we
5 talked about relative to the \$7 million issue
6 from the Department. The agreed-to date, that
7 was 5/22.

8 Do the parties need an opportunity
9 to -- for a reply brief on that, or is that not
10 necessary in this particular instance? And the
11 reason I ask that is that we're going to have to
12 go through all this process before the Commission
13 can issue an order.

14 Does anyone want to reserve anything
15 for a reply brief on this? Or, can the
16 Commission just take the briefing on the 22nd,
17 and move on to an order?

18 MR. SHEEHAN: I don't anticipate
19 responding.

20 CHAIRMAN GOLDNER: Okay. Okay. How
21 about we do this, just to keep things clean.
22 We'll make the 27th, which is only five days
23 later, including weekends, as the deadline for
24 any reply brief. And that way, at least, if

1 somebody wants to file something, they have the
2 opportunity, and the Commission can still issue a
3 final order in a timely fashion.

4 MR. SPEIDEL: The 27th, sir, is
5 Memorial Day.

6 CHAIRMAN GOLDNER: Excellent. That is
7 just what I was planning. Let's make that the
8 28th. Thank you, Attorney Speidel.

9 And, then, we had a record request
10 relative to the DOE Audit, and there were
11 questions in there around the \$10 million issue
12 lapsing, and any funding that turned out to be in
13 the EAP account, which I think the answer was
14 "there was none."

15 Was there anything else in that record
16 request that --

17 MS. SCHWARZER: Mr. Chairman, I
18 remember you wanted to know if all the audit
19 issues were addressed.

20 CHAIRMAN GOLDNER: Yes.

21 MS. SCHWARZER: Which is -- I don't
22 know if that's among the issues that you
23 mentioned. But will the order from the
24 Commission be more specific with regard to the

1 question for the legal brief and the audit issues
2 to be addressed?

3 CHAIRMAN GOLDNER: Thank you, Attorney
4 Schwarzer, you phrased it far better than I did.
5 And I think that that is -- we'll put that in --
6 we have to rely on our description now, because
7 the order won't be available until the end of May
8 at the very earliest.

9 So, the question to be answered, and
10 I'll ask how much time you need, maybe a couple
11 weeks is fine, is to make sure that all the audit
12 issues are addressed, and I won't go through them
13 one-by-one as I started to there, but just making
14 sure that the Department is satisfied that all of
15 the audit issues have been addressed.

16 Would two weeks be sufficient for that,
17 Attorney Schwarzer?

18 MS. SCHWARZER: I hesitate to speak for
19 Karen Moran's division at this time, because
20 it's a -- I know it's a very busy time for them.

21 CHAIRMAN GOLDNER: Okay. So, let's do
22 one, two, three --

23 MS. SCHWARZER: Maybe could we
24 coordinate it with the same time as the legal

1 brief?

2 CHAIRMAN GOLDNER: Yes. But please
3 file it earlier, if it's available.

4 MS. SCHWARZER: Earlier, if possible?
5 Okay.

6 CHAIRMAN GOLDNER: Yes. Because, if
7 there's something in there, then it creates
8 another set of problems.

9 MS. NOONAN: And if I could just ask a
10 clarifying question?

11 So, the request about the Audit is not
12 about the \$10 million in emergency funds, but
13 just about whether all the Audit Issues have been
14 addressed?

15 CHAIRMAN GOLDNER: That was one of the
16 issues in the Audit, though. So, it was a subset
17 of the issues. Yes, that's how I caught it, was
18 I saw that issue in the Audit, and I couldn't
19 figure out what was going on.

20 MS. NOONAN: So, it wasn't an audit
21 finding.

22 CHAIRMAN GOLDNER: It was -- well, --

23 MS. NOONAN: It was just a comment, I
24 think. But we can certainly ask the Audit team

1 why they decided to include it in the Audit.

2 CHAIRMAN GOLDNER: Thank you.

3 Addressing it would be very helpful for us.

4 MS. NOONAN: Okay.

5 CHAIRMAN GOLDNER: Because they must
6 have had some reason for putting it in the Audit
7 that made sense.

8 So, yes. So, please include that topic
9 in the Audit, and make sure that the audit
10 findings have all been -- have all been taken
11 care of.

12 MS. SCHWARZER: Mr. Chairman -- oops.

13 CHAIRMAN GOLDNER: Yes.

14 MS. SCHWARZER: Mr. Chairman, sorry.
15 Just so I can be sure, I'm looking at Exhibit 6.

16 CHAIRMAN GOLDNER: Uh-huh.

17 MS. SCHWARZER: And, when I talk about
18 "audit issues", I mean those that are set apart
19 and explicitly labeled "Audit Issue 1", "Audit
20 Issue 2". There are a number of them.

21 And I believe you also pointed us to
22 the portion of the Audit that talked about the
23 other \$10 million, and asked us why it was
24 included. So, we certainly can ask the Audit

1 Division to address that.

2 But I believe the audit issues, as I'm
3 looking at them, start on natural number Page 31
4 of the Audit, Bates Page 040, and they run
5 through Audit Issue 1 --

6 CHAIRMAN GOLDNER: "Audit Issue 11" I
7 show. There's eleven audit issues.

8 MS. SCHWARZER: Yes. Through Audit
9 Issue 11. So, it's, in addition to making sure
10 that Audit Issues 1 through 11 were either
11 resolved or to comment accordingly, if we also
12 address why the \$10 million appeared in the Audit
13 Report, would that be the sum total of what
14 you're looking the Department to address in the
15 Audit aspect?

16 CHAIRMAN GOLDNER: That's correct.

17 MS. SCHWARZER: Great. We'd be happy
18 to do that.

19 CHAIRMAN GOLDNER: And, then, I think
20 the -- hmm, just a moment.

21 So, just to clean up the legal brief,
22 if the Department could also file, in a record
23 request, the -- when you file the legal brief,
24 also file a record request that tells the

1 Commission the latest data on what's in the EAP
2 account. Ms. Noonan highlighted what it was, I
3 think, at the end of February, but some time will
4 have elapsed, you'll have more data. And, then,
5 the projection that the Department makes through
6 the -- through the end of the fiscal year, so
7 that would be through September 30th of 2025.
8 That's the statutory requirement, as I recall.

9 MS. SCHWARZER: I'm sorry.

10 CHAIRMAN GOLDNER: Yes.

11 MS. SCHWARZER: I thought the State
12 fiscal year ended in July, and I may be confused?

13 CHAIRMAN GOLDNER: Well, I'm thinking
14 about the EAP.

15 MS. SCHWARZER: Oh, the EAP year.
16 Okay, great.

17 CHAIRMAN GOLDNER: And, Ms. Noonan, you
18 can clarify for me, but I know that there's the
19 twelve-month look-forward?

20 MS. NOONAN: It's a twelve -- the
21 Electric Assistance Program is a twelve-month
22 program, the program year starts October 1, runs
23 through September 30.

24 CHAIRMAN GOLDNER: Right.

1 MS. NOONAN: Are you looking through
2 September 30, 2024, or 2025?

3 CHAIRMAN GOLDNER: Let's do both, just
4 to be safe.

5 MS. NOONAN: Sure.

6 CHAIRMAN GOLDNER: I think 2025 is the
7 only one that's relevant, I think. But --

8 MS. NOONAN: Sure. It gets
9 "squishier", --

10 CHAIRMAN GOLDNER: Right.

11 MS. NOONAN: -- to use a technical
12 term, the further out you go, as you make
13 assumptions about pricing and so forth.

14 CHAIRMAN GOLDNER: Absolutely. And
15 just, if you could just, you know, sort of help
16 us what the assumptions are, that just helps us
17 make sure we're doing our due diligence and
18 staying in compliance with the statute.

19 And, then, inside that record request,
20 please include the -- it will be in the briefing,
21 I know, but the \$7 million, whether it's in or
22 outside of the Fund, if you could just please
23 Report on the status of the 7 million, you know,
24 what's been spent, what's planned to be spent,

1 what have you. So, the Commission has the whole
2 picture in mind when it looks at meeting the
3 statutory requirement. And it's -- we have to
4 sort through whether the \$7 million is or isn't a
5 part of the EAP Fund.

6 All right. Just a moment. Was there
7 any other record requests I missed, Commissioner
8 Chattopadhyay?

9 CMSR. CHATTOPADHYAY: I don't think so.

10 CHAIRMAN GOLDNER: Okay. Just want to
11 make sure I'm taking care of everything.

12 MS. SCHWARZER: Mr. Chairman?

13 CHAIRMAN GOLDNER: I apologize, it
14 might be late in the day, and Attorney Schwarzer
15 may be going to the same place. We also had the
16 record request on Mr. Colton's two options. Did
17 I already mention that or did we cover that? We
18 had a record request on that as well.

19 So, Mr. Colton had posited two options
20 for remedying the problem of over and under
21 rebating. And, so, we had talked about, to be
22 able to participate in the EAP, you need to be on
23 default service, or making EAP its own
24 aggregation, and any preferences that folks had,

1 taking into account the cost-benefit and so
2 forth, and what makes the most sense to remedy
3 that problem.

4 MR. CAMPBELL: Mr. Chairman, on that
5 one, should we also adopt the May 22nd deadline,
6 with a goal of getting it to you sooner than that
7 date?

8 CHAIRMAN GOLDNER: Yes, that one
9 might -- yes, let's do that. Let's make it all
10 the 22nd. And that will -- that will delay our
11 order a little bit, just so everybody is aware,
12 it will take us a few weeks to turn the order.
13 So, --

14 MS. SCHWARZER: Mr. Chairman, I
15 apologize.

16 CHAIRMAN GOLDNER: Yes.

17 MS. SCHWARZER: But, when you said
18 "May 22nd" in just that way, I know that, in a
19 different docket, 19-197, there is a U.S. DOE
20 GRIP Grant deadline to file the application no
21 later than five o'clock on May 22nd, and it would
22 be challenging for me to try to do both.

23 CHAIRMAN GOLDNER: Hmm. We're
24 getting -- we're now at like six weeks.

1 MS. SCHWARZER: Okay.

2 CHAIRMAN GOLDNER: So, I'm getting a
3 little nervous about pushing it out farther,
4 because then the order is not going to come till
5 the middle to the end of June.

6 MS. SCHWARZER: Okay.

7 CHAIRMAN GOLDNER: Should we, I'm not
8 trying to be a wise guy, but should we pull it
9 in, in order to separate the deliverables a
10 little bit?

11 MS. SCHWARZER: Let me just open it,
12 because I think there's another one on May 22nd
13 as well.

14 There's a free legal CLE on the 22nd,
15 as well as the GRIP Grant deadline. So, maybe we
16 could, I don't know, could we make it the 23rd
17 even? You don't want to do that.

18 CHAIRMAN GOLDNER: Sure. No. I mean,
19 one day is not going to matter.

20 MS. SCHWARZER: Okay.

21 CHAIRMAN GOLDNER: So, the 23rd is
22 fine.

23 MS. SCHWARZER: Thank you very much.

24 CHAIRMAN GOLDNER: So, let's make it

1 the 23rd.

2 Anybody writing a reply brief is going
3 to have a challenge, because they're only going
4 to have Friday, Saturday, and Sunday, but I don't
5 think there will be any reply briefs. So, that
6 will be okay.

7 *[Chairman Goldner conferring with*
8 *Atty. Speidel.]*

9 CHAIRMAN GOLDNER: Okay. Just a
10 moment.

11 Okay. We have the record requests and
12 the legal briefing sorted out with the dates.

13 Is there anything else that we need to
14 cover today?

15 *[Multiple parties indicating in the*
16 *negative.]*

17 CHAIRMAN GOLDNER: All right. Thank
18 you, everybody. Well, we'll thank the parties,
19 and, in particular, Mr. Colton, for his time
20 today, and an excellent and very thorough Report.
21 So, that is much appreciated. And it makes it
22 easy -- much easier to understand the issues when
23 the Report is of such high quality.

24 We'll thank the parties for their

1 collective participation and engagement today,
2 and throughout the process. We hope that --
3 well, I'll just say that we'll issue an order as
4 soon as we can, and it will probably be a couple
5 of weeks after the last filing is received.

6 And I'll just ask one more time,
7 anything else that we need to cover today?

8 *[Multiple parties indicating in the*
9 *negative.]*

10 CHAIRMAN GOLDNER: Seeing none. We are
11 adjourned. Thank you.

12 ***(Whereupon the hearing was adjourned***
13 ***at 2:24 p.m.)***