

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

3                   **September 19, 2023** - 9:17 a.m.  
4                   21 South Fruit Street  
5                   Suite 10  
6                   Concord, NH

7                   RE: **DE 23-003**  
8                                   **LIBERTY UTILITIES (GRANITE STATE**  
9                                   **ELECTRIC) CORP. d/b/a LIBERTY UTILITIES:**  
                                  Proposed Purchase of Receivables  
                                  Program.

10           **PRESENT:**     Eric J. Wind, Esq.  
                                  *(Presiding as Hearings Examiner)*

11                                   Doreen Borden, Clerk

12           **APPEARANCES:**   **Reptg. Liberty Utilities (Granite**  
13                                   **State Electric) Corp. d/b/a**  
14                                   **Liberty Utilities:**  
                                  Michael J. Sheehan, Esq.

15                                   **Reptg. Community Power Coalition**  
16                                   **of New Hampshire:**  
                                  Clifton C. Below, Chair/CPCNH

17                                   **Reptg. NRG Retail Companies:**  
18                                   Joey Lee Miranda, Esq. *(Robinson & Cole)*

19                                   **Reptg. New Hampshire Dept. of Energy:**  
20                                   Alexandra K. Ladwig, Esq.  
21                                   Elizabeth Nixon, Dir./Electric Group  
22                                   Amanda Noonan, Dir./Consumer Services  
23                                   Scott Balise, Electric Group  
24                                   *(Regulatory Support Division)*

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

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ELIZABETH R. NIXON  
AMANDA O. NOONAN  
SCOTT T. BALISE**

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1	Direct Testimony of Erica L. Menard, with Attachments (01-20-2023)	<i>premarked</i>
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**P R O C E E D I N G**

HEARINGS EXAMINER WIND: All right.

Let's go on the record.

Good morning, everyone. We're here this morning in Docket Number 23-003, which is Liberty's Proposed Purchase of Receivables Program. The applicable statute is RSA 53-E:9, which sets forth the parameters that a Purchase of Receivables Program shall include.

My understanding is this is a hearing on a Settlement Agreement that has been reached by the Parties.

For introductions, my name is Eric Wind. I am an Advisor at the Commission, and will be serving as Examiner at today's hearing. On September 1, 2023, the Commission assigned me to serve as an Examiner, report the facts, and draft a recommended order.

So, let's start by taking appearances. Liberty?

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

HEARINGS EXAMINER WIND: Good morning.

1 Thank you. And Department of Energy?

2 MS. LADWIG: Good morning. Alexandra  
3 Ladwig, for the Department of Energy. And, then,  
4 I'll just introduce, with me today I have, all  
5 from the Department, Liz Nixon, who is the  
6 Electric Director; Amanda Noonan, who is the  
7 Director of the Consumer Division; and then Scott  
8 Balise, who is an utility analyst with the  
9 Department.

10 HEARINGS EXAMINER WIND: Great. Thank  
11 you. NRG Retail Companies?

12 MS. MIRANDA: Good morning. Joey Lee  
13 Miranda, from Robinson & Cole, on behalf of the  
14 NRG Retail Companies.

15 HEARINGS EXAMINER WIND: Good morning.  
16 And the Community Power Coalition of New  
17 Hampshire?

18 MR. BELOW: Good morning. Clifton  
19 Below, on behalf of the Coalition.

20 HEARINGS EXAMINER WIND: We'll first  
21 turn to preliminary matters, including conduct of  
22 the hearing today. Do the Parties have a plan  
23 for how you want to present the Settlement today?

24 MR. SHEEHAN: Yes. The plan was to

1 have Ms. Jardin adopt her testimony, validate the  
2 Settlement Agreement, and walk through its basic  
3 terms, and then, obviously, open up for  
4 questions.

5 And I think the expectation of the  
6 other Parties is they're there if needed. We  
7 will have to go through some process to get their  
8 respective exhibits into evidence. But, other  
9 than that, I think they're available, not  
10 necessarily -- we're not putting them up first.

11 HEARINGS EXAMINER WIND: Okay. And  
12 that makes sense to everybody else?

13 *[Multiple parties indicating in the*  
14 *affirmative.]*

15 HEARINGS EXAMINER WIND: And, for  
16 exhibits, I have the five premarked/prefiled  
17 exhibits in front of me. Is there anything else  
18 related to exhibits for preliminary matters?

19 *[No verbal response.]*

20 HEARINGS EXAMINER WIND: Okay. Then,  
21 let's go ahead and turn to testimony.  
22 Mr. Patnaude, when you're ready, please swear in  
23 the witness.

24 *[Court reporter confirming who is to be*

[WITNESS: Jardin]

1                   *sworn in.]*

2                   HEARINGS EXAMINER WIND: I think just  
3 this one. We'll do it in that order.

4                   MR. PATNAUDE: Okay.

5                   *(Whereupon **KRISTIN JARDIN** was duly*  
6 *sworn by the Court Reporter.)*

7                   MR. SHEEHAN: Mike nice and close. As  
8 one of our prior Commissioners says "you almost  
9 swallow it when you speak."

10                   **KRISTIN JARDIN, SWORN**

11                   **DIRECT EXAMINATION**

12 BY MR. SHEEHAN:

13 Q       Please introduce yourself and describe who you  
14 work for?

15 A       Absolutely. I am Kristin Jardin. I am a  
16 Director of Rates and Regulatory Affairs for  
17 Liberty Utilities Service Corp.

18 Q       And, in that capacity, you provide services to  
19 Granite State Electric, among other utilities, is  
20 that correct?

21 A       That is correct.

22 Q       And your home base is in Massachusetts, serving  
23 mostly with the Company's Fall River gas  
24 affiliate, is that correct?

[WITNESS: Jardin]

1 A That is correct.

2 Q And the advantage of being part of a bigger  
3 company is we get to enlist your help in this and  
4 some other dockets, is that correct?

5 A That is correct.

6 Q The Commission will also see you or has seen you  
7 in the Granite State rate case that's now  
8 pending?

9 A That is correct.

10 Q We have marked as "Exhibit 1" the "Direct  
11 Testimony of Erica Menard", with attachments.  
12 And you are here this morning ready to adopt  
13 Ms. Menard's written testimony, is that correct?

14 A That is correct.

15 Q Have you reviewed Ms. Menard's testimony, and are  
16 you comfortable to adopt her testimony here this  
17 morning?

18 A I have, and I am comfortable adopting the  
19 testimony.

20 Q Understanding that what was proposed in Ms.  
21 Menard's testimony might slightly differ from the  
22 Settlement Agreement, are there any corrections  
23 that you need to bring to the Commission's  
24 attention in Ms. Menard's testimony?



[WITNESS: Jardin]

1 A There are no corrections.

2 Q And do you adopt Ms. Menard's testimony as your  
3 sworn testimony here this morning?

4 A I do.

5 Q The second document is the Settlement Agreement  
6 itself, which has been marked as "Exhibit 5". Do  
7 you have that in front of you?

8 A I do.

9 Q It may be obvious to state, but the Settlement  
10 Agreement is the product of conversations amongst  
11 all the parties in the room today, is that  
12 correct?

13 A That is correct.

14 Q And did you participate in those conversations?

15 A I did.

16 Q And, on behalf of Liberty, the Company is in  
17 support of the Settlement Agreement, and we'll be  
18 asking the Commission to approve it, is that  
19 fair?

20 A That is correct.

21 Q Let's just walk through the terms of the  
22 Settlement Agreement, not in detail, but in sort  
23 of category, to provide the Hearings Examiner  
24 with the context of this.

[WITNESS: Jardin]

1           Exhibit 5, aside from the introduction  
2           and procedural history, the Settlement terms and  
3           conditions begin on Page 2, is that right?

4   A    Correct.

5   Q    If you could just walk through, you know, by  
6           paragraph, "Paragraph A basically says this" and  
7           "Paragraph B basically says that", and I'll  
8           interject every now and then, if I think there's  
9           a question that needs a clarification or  
10          emphasis?

11   A    Absolutely.  So, Section II of the Settlement  
12          Agreement goes over the terms and conditions.  
13          Section A specifies that "All CEPS and CPAs that  
14          choose to [do] consolidated billing provided by  
15          the Company shall automatically be enrolled in  
16          Liberty's POR Program."  And that it requires the  
17          CEPSs and CPAs who enroll in the POR Program "to  
18          sell [off] accounts receivables for all their  
19          customers billed through our Consolidated Billing  
20          Service."

21   Q    So, the point of this one is, it's "all or  
22          nothing", and it's "all", correct?

23   A    Correct.

24   Q    So, there's not some suppliers who are in POR and

[WITNESS: Jardin]

1 some who are not?

2 A That are being consolidated billed, correct.

3 Q Okay. The next one is -- lays out the basics of  
4 what happens, right?

5 A Correct. So, (B) goes over how we shall pay the  
6 CEPS or the CPA, which would be based on the  
7 actual usage, versus when they have -- sorry, a  
8 budget billing program or periodic program, they  
9 would -- or, periodic payment program that we  
10 would be paying the suppliers based on the actual  
11 usage, not estimated or reduced usage based on  
12 the payment program.

13 Section C talks about how, for the  
14 first year of the POR Program, we are going to  
15 have a single DPR, which would apply to all  
16 customer classes. And, during the first year, we  
17 will then track the two customer groups, Small  
18 and Large, and then we will then calculate two  
19 DPRs for each of the service classes.

20 Q And the distinction between Small and Large  
21 tracks Liberty's distinction of Small and Large,  
22 I guess, energy service filings, is that correct?

23 A That is correct.

24 Q So, it is not Residential/Commercial. It's

[WITNESS: Jardin]

1 Small, which includes some small commercials, and  
2 then the Large Customers?

3 A That is correct. And the DPR shall be in effect  
4 for a 12-month period, beginning May 1st.

5 Q Paragraph D talks about the monthly payments to  
6 be made, is that right?

7 A Correct. And that it would be based off of the  
8 combined average payments for all customers on  
9 the Company's Default Service and Consolidated  
10 Billing Service, and it would be applied -- we'll  
11 recalculate it basically every year within that  
12 May 1st -- well, I guess it's a March 1st filing  
13 for a May 1st start date.

14 Q Paragraph E is the start date for the Program as  
15 a whole, is that right?

16 A Correct. Which would be May 1st, 2024, or the  
17 first day following when system modifications are  
18 done. We do have a new system that we'll have to  
19 put in place, which will require six months to  
20 put into implementation. So, we would hopefully  
21 have that done before it starts. But, if not,  
22 there might need to be a little bit of a lag to  
23 make sure that the system is operational.

24 Q A question that arose in conversation before we

[WITNESS: Jardin]

1 started the hearing today was concerning the  
2 costs the Company will incur to implement the new  
3 system. Those costs have been estimated at  
4 approximately \$450,000, is that right?

5 A Yes.

6 Q And how are those costs recovered?

7 A They will be recovered through the DPR, as part  
8 of the Administrative Cost Percentage. You will  
9 see, if you go into Attachment 1, or even  
10 Attachment 2, there is a subsection which  
11 actually talks about capital costs to modify the  
12 billing system, and how it's amortized over five  
13 years. And there is an associated return, the  
14 weighted average cost of capital, on that  
15 investment.

16 Q So, that is treated like a capital investment in  
17 a rate case, but it will not be included in the  
18 rate case, is that correct?

19 A That is correct.

20 Q And, to use the language I think I heard before  
21 the hearing, it is not going to be in rate base?

22 A It will not be in rate base.

23 Q Okay. Thank you.

24 A So, if we go to Section F, basically, we will be

[WITNESS: Jardin]

1           paying the CEPSS and the CPAs for their existing  
2           accounts receivables, minus the initial DPR rate  
3           for -- after 30 days following the implementation  
4           of the Liberty POR Program. This amount will  
5           then get reconciled through the Past Period  
6           Reconciliation Percentage in next year's filing.

7    Q       And those reconciliations will follow the kind of  
8           format that most of our other reconciliations  
9           follow?

10   A       Correct. (G) talks about how we will make an  
11           annual filing on or before March 1st of each  
12           year, to recalibrate the DPRs for the forthcoming  
13           12-month period effective May 1st.

14                       And (H) talks about how we will be  
15           looking at the tariff and the Electric Supplier  
16           Service Master Agreements following the  
17           Settlement.

18   Q       And that's because the tariff language needs to  
19           change to accommodate this, the supplier  
20           agreements need to change, and that has not been  
21           done yet as far as what we're presenting today?

22   A       That is correct.

23   Q       And, then, (I) looks like the math.

24   A       Exactly. Do you want me to go through?

[WITNESS: Jardin]

1 Q No need to. But it is the precise calculation  
2 that was, frankly, a large part of the discussion  
3 amongst the Parties to get that in a way that  
4 everyone could agree to and would be correct?

5 A That is correct. And, then, you just go through  
6 the general provisions afterwards.

7 Q Thank you. And, at the end, so, Liberty and the  
8 other Parties are going to be asking for approval  
9 of this Settlement Agreement. Does Liberty  
10 believe this Settlement Agreement complies with  
11 the statute and is an appropriate resolution of  
12 this docket?

13 A Yes, we do.

14 MR. SHEEHAN: Thank you. Those are all  
15 the questions I have.

16 HEARINGS EXAMINER WIND: All right.  
17 Thank you. Do any of the parties have any  
18 clarifying cross or friendly cross?

19 MS. LADWIG: No cross from the  
20 Department.

21 MS. MIRANDA: Nothing from NRG Retail.

22 MR. BELOW: And nothing from the  
23 Coalition.

24 HEARINGS EXAMINER WIND: Okay. Thank

[WITNESS: Jardin]

1           you. I will have a few questions.

2 BY HEARINGS EXAMINER WIND:

3 Q       I guess, first, I heard, with respect to all the  
4           community power aggregations and competitive  
5           energy suppliers electing to use consolidated  
6           billing, this was described as an "all or none"  
7           program.

8                        But the language in the Settlement  
9           states that they "shall be automatically  
10          enrolled" in the context of this chapter, this  
11          RSA chapter. "Automatically enrolled" sounds  
12          like it may be an "opt-out" type of provision.  
13          So, can you just clarify whether any -- any  
14          provider, whether they be a community aggregator  
15          or a CEPS, will have the option to opt out of the  
16          Purchase of Receivables Program?

17 A       Well, to opt out, they would have to separately  
18          bill the customers. If they were to stay on  
19          consolidated billing, they would be automatically  
20          put onto the POR Program.

21 Q       So, if they are on consolidated billing, they  
22          have to participate in the POR?

23 A       Correct.

24 Q       Thank you. To turn your attention to



[WITNESS: Jardin]

1 Paragraph D, and I had a few questions about  
2 that. And I wonder if you could just walk me  
3 through it sentence-by-sentence. I think that I  
4 understand some of the concerns that were raised  
5 by the Parties. But I want to better understand  
6 how what's contained in the Settlement addresses  
7 those concerns?

8 A Uh-huh. Absolutely. So, we shall be paying the  
9 CEPSS and the CPAs enrolled in the POR Program  
10 monthly "based on a combined average payment  
11 period for all customers on the Company's Default  
12 Service Energy [*sic*] and Consolidated Billing  
13 Service. The same payment date shall apply to  
14 both the Small and the Large Customer Groups.  
15 The payment shall be calculated using actual  
16 historical data from the most recent calendar  
17 year."

18 Q Can you elaborate on that sentence any more, what  
19 kind of data is used to make that calculation?

20 A We will be using just the payment, looking out  
21 when the bills went out and when payments were  
22 received. I believe that's also done within our  
23 Energy Service dockets.

24 Q Okay.

[WITNESS: Jardin]

1 A "The payment shall be on the closest business day  
2 approximately equal to the mid-point of the  
3 billing month plus the average payment period  
4 [for] billing to the utility receipt of customer  
5 payments."

6 "The payment shall be calculated based  
7 on the methodology most recently approved by the  
8 Commission."

9 Q Now, is that the lead/lag study in a prior rate  
10 case, is that --

11 A I believe it's part of our Energy Service filing.

12 Q It's part of the Energy Service filing.

13 A And I believe that's done on an annual basis. I  
14 don't believe it's linked to the rate case.

15 Q Okay.

16 A And "The payment shall remain in effect for a  
17 12-month period beginning May 1st each year,  
18 subject to potential deferred date of initial  
19 implementation referred to in Paragraph II.E  
20 below."

21 Q With respect to the annual filings that are going  
22 to be received to update this percentage, can you  
23 describe how the time, to your knowledge, can you  
24 just describe how that timeframe was settled on,

[WITNESS: Jardin]

1 and why that provides an adequate time to review  
2 that from the Commission's perspective, the  
3 March 1 filing, and then the effective date in  
4 May?

5 A Of course. So, the March 1st date should allow  
6 us, the utility, to have year-end numbers, and to  
7 make sure any billing adjustments or any, you  
8 know, billing kind of gets flushed out before we  
9 are able to pull together kind of the various  
10 components of the filing. And it will allow,  
11 what is it, two months, before it would go into  
12 effect for May 1st.

13 HEARINGS EXAMINER WIND: Thank you.  
14 All right. I think that's all the questions I  
15 have.

16 I continue to have some questions about  
17 Paragraph D, but I think that those can be  
18 addressed by the Parties who likely were  
19 interested in that language.

20 So, any redirect, Attorney Sheehan?

21 MR. SHEEHAN: No. Thank you.

22 HEARINGS EXAMINER WIND: You're  
23 released. Thank you.

24 WITNESS JARDIN: Thank you.

1 HEARINGS EXAMINER WIND: All right.  
2 Should the rest of the witnesses be taken as a  
3 panel, or do you feel more comfortable staying at  
4 your seat? I don't have a strong preference,  
5 but --

6 MS. LADWIG: We don't necessarily have  
7 a preference either. So, if they're fine staying  
8 in their seats, then we're good with that.

9 HEARINGS EXAMINER WIND: Yes. I think  
10 I have just a few discrete questions. Mr. Below,  
11 is that okay with you?

12 MR. BELOW: Yes.

13 HEARINGS EXAMINER WIND: All right.

14 MR. BELOW: Yes.

15 HEARINGS EXAMINER WIND: So, for  
16 witnesses, we have the three from the Department  
17 of Energy and Mr. Below on the list. Is that  
18 still who is going to be sworn in and potentially  
19 answer any questions?

20 *[Multiple parties indicating in the*  
21 *affirmative.]*

22 HEARINGS EXAMINER WIND: Okay.  
23 Mr. Patnaude, would you please swear in these  
24 witnesses.

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1                   *(Whereupon **CLIFTON C. BELOW,***  
2                   ***ELIZABETH R. NIXON, AMANDA O. NOONAN,***  
3                   ***and SCOTT T. BALISE*** were duly sworn by  
4                   *the Court Reporter.)*

5                   MR. SHEEHAN: I've offered to introduce  
6                   Mr. Below, go through the mechanics of getting  
7                   his testimony adopted.

8                   **CLIFTON C. BELOW, SWORN**

9                   **DIRECT EXAMINATION**

10                  BY MR. SHEEHAN:

11                  Q     Mr. Below, will you please introduce yourself?

12                  A     (Below) I'm Clifton Below, Chair of the Community  
13                        Power Coalition of New Hampshire.

14                  Q     And, Mr. Below, you are a signatory to the  
15                        Settlement Agreement that's been marked as  
16                        "Exhibit 5"?

17                  A     (Below) I am.

18                  Q     And you were also the author of testimony that's  
19                        been marked is "Exhibit 3", is that correct?

20                  A     (Below) Correct.

21                  Q     Do you have any changes or corrections to your  
22                        testimony that you would like to bring to the  
23                        Commission's attention?

24                  A     (Below) No. Although, I would note that, at the

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 time that the testimony was prepared and filed,  
2 we did not know about a revised estimate of the  
3 cost to implement the POR Program. So, that was  
4 not reflected in my testimony. But it was  
5 resolved through the technical sessions and  
6 settlement discussions, and the Settlement  
7 reflects what all the Parties agreed to in that  
8 regard, in terms of an estimated cost to  
9 implement the Program.

10 Q With that commentary, do you adopt your written  
11 testimony as your sworn testimony today?

12 A (Below) I do.

13 Q And I guess I can ask you, you participated in  
14 what resulted in the Settlement Agreement. Do  
15 you support the Commission's approval of the  
16 Settlement Agreement, Exhibit 5?

17 A (Below) Yes, I do. I feel that the -- it  
18 reflects -- it complies with both the statute and  
19 the Puc 2200 rules, and is a good overall  
20 Settlement.

21 I would note that we worked -- all the  
22 Parties met with the other utilities. And, so,  
23 there was an effort to try to make each of the  
24 POR Programs consistent across the board, and

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 that was largely achieved. So, each of the  
2 Settlements is substantially the same. And we  
3 believe that it's for the public good and should  
4 be approved by the Commission.

5 MR. SHEEHAN: Since I'm not his lawyer,  
6 I don't have any questions, unless he wants to  
7 say something else. Thank you.

8 HEARINGS EXAMINER WIND: All right.  
9 Thank you. We'll turn to Bench questions after  
10 we've introduced the other witnesses, --

11 WITNESS BELOW: Okay.

12 HEARINGS EXAMINER WIND: -- and had the  
13 testimony admitted. So, Attorney Ladwig.

14 MS. LADWIG: Yes.

15 **ELIZABETH R. NIXON, SWORN**

16 **AMANDA O. NOONAN, SWORN**

17 **SCOTT T. BALISE, SWORN**

18 **DIRECT EXAMINATION**

19 BY MS. LADWIG:

20 Q I'll just have my witnesses introduce themselves,  
21 kind of going down the line in order.

22 A (Nixon) Hi. I'm Elizabeth Nixon. I'm the  
23 Electric Director.

24 A (Noonan) Good morning. Amanda Noonan, Director

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 of the Consumer Services Division.

2 A (Balise) Good morning. Scott Balise, Utility  
3 Analyst, with the Electric Division.

4 Q Okay. And were the three of you all part of  
5 settlement negotiations in this matter?

6 A (Nixon) Yes.

7 A (Noonan) Yes.

8 A (Balise) Yes.

9 Q And did you prepare a technical statement that's  
10 marked as "Exhibit 2"?

11 A (Nixon) Yes.

12 A (Noonan) Yes.

13 A (Balise) Yes.

14 Q And do you have any changes to that technical  
15 statement today?

16 A (Noonan) I would just note the one issue that Mr.  
17 Below raised, regarding the estimate from Liberty  
18 for the cost of modifying its IT system to  
19 accommodate a POR Program. And our technical  
20 statement references a cost estimate that has  
21 since been revisited and revised. So, with that  
22 correction, no.

23 Q And, with that correction, do you still support  
24 approval of the Settlement as negotiated?



[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 A (Nixon) Yes.

2 A (Noonan) Yes.

3 A (Balise) Yes.

4 Q And do you adopt the technical statement as your  
5 sworn testimony in this matter?

6 A (Nixon) Yes.

7 A (Noonan) Yes.

8 A (Balise) Yes.

9 MS. LADWIG: All right. Thank you.  
10 That's all I have for them.

11 HEARINGS EXAMINER WIND: Thank you.  
12 And just a point of clarification for the  
13 Parties. We've referenced the cost estimate a  
14 few times. And, in my notes, I show that that's  
15 been a moving target, from about 500, to  
16 apparently 2.4 million, to 477, and then we heard  
17 from the bench today "450"?

18 MR. SHEEHAN: The "450" was an  
19 estimate. The "477" is the precise number.  
20 Thank you.

21 HEARINGS EXAMINER WIND: Thank you.

22 So, Attorney Sheehan, is there any  
23 questions clarifying or friendly cross for any of  
24 the witnesses from the Company?

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 MR. SHEEHAN: No, there is not.

2 HEARINGS EXAMINER WIND: Okay.

3 BY HEARINGS EXAMINER WIND:

4 Q From all the witnesses, I believe -- I am not  
5 going to verify that all of the Parties raised  
6 the issue of timing of payments. But I'm still  
7 struggling a little bit with Paragraph D, and  
8 understanding what exactly it means by "the  
9 payment shall be calculated based on the  
10 methodology most recently approved by the  
11 Commission."

12 Can you address that? Understanding  
13 that I know that the DOE at least raised the  
14 lead/lag study from a rate case, but we heard  
15 from the Company witness today that it may be  
16 something from an energy service filing. So,  
17 help me understand that sentence in particular,  
18 in the context of that in Paragraph D?

19 A (Nixon) Can I ask for a clarification? Did you  
20 mean that "our technical statement referred to a  
21 lead/lag" or --

22 Q I believe that "lead/lag" was referenced  
23 somewhere, and if I'm getting the party that  
24 referenced it wrong, let's take a minute to find

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 where I might be getting that.

2 So, in the technical statement of the  
3 Department of Energy, I believe Bates Page 004,  
4 in the second paragraph, the first full  
5 paragraph, on the second-to-last line there's a  
6 reference to a "lead/lag study".

7 And I, at least in my review, I  
8 understood that to relate to the payment date  
9 issue. But, if I'm misunderstanding that,  
10 please.

11 A (Nixon) So, it's my understanding that there is a  
12 lead/lag study in the energy service, but I would  
13 have to double-check. But there may be  
14 additional lead/lag in the rate case. But I  
15 defer to the Company as to which one they were  
16 referring to when they proposed the payment date.

17 Q And I know, Mr. Below, you had some concerns  
18 about the payment date as well. Can you just, I  
19 mean, rather than getting into the detail of  
20 where the lead/lag study is coming from, can you  
21 address how the Settlement addresses those  
22 concerns?

23 A (Below) Sure. In my testimony, the concern was  
24 that the original proposal was to make the

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 payment at the end of the month, following the  
2 month that the bills were issued. And that  
3 appeared to be longer than what the typical lag  
4 was in customer payment. So, we were looking to  
5 adjust that. And I forget which utility, but it  
6 might have been Unitil, the first one that was  
7 originally filed, that had proposed to use an  
8 average payment period, or maybe that's what we  
9 negotiated with them, I don't remember exactly.  
10 But the point is, that this comes very close to  
11 replicating when payments are received today, on  
12 average.

13 So, by starting from, you know, over  
14 the course of a month, depending on when the  
15 meter read cycle is, on average, meter reads are  
16 in the middle of the month, assuming even  
17 distribution of meter reads, which seems to be  
18 the case. I mean, they spread them out over the  
19 month.

20 And, so, from that date that the meters  
21 are read and the bills issued, which is going to  
22 be on the average in the middle of the month, the  
23 lag, in terms of when payment is made to the CEPS  
24 or the Community Power Aggregation, would be

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 equal to the average time the customers typically  
2 remit payment for their bills, and most of the  
3 utilities turn that around pretty quickly to  
4 suppliers. So, this would essentially replicate,  
5 at least on average, what the typical cash flow  
6 into the supplier is. So that there's no  
7 shifting, in terms of the cost of working  
8 capital, to cover those expenses. Obviously,  
9 suppliers or CPAs incur the liability and most of  
10 the costs for the power supply prior to receiving  
11 payment from the customers. So, this just kind  
12 of keeps everything in balance.

13 And my impression, I'm speculating a  
14 bit here, is that lead/lag studies tend to get a  
15 closer examination in major rate cases than they  
16 do in the twice-a-year or once-a-year adjustment  
17 of that in the supply -- Default Service supply  
18 cases. But my guess is that, whatever is figured  
19 out in the distribution rate case tends to be  
20 what then is applied for the annual periodic  
21 adjustment of the lead/lag in conjunction with  
22 Default Service supply.

23 So, it's just kind of -- it gets  
24 updated once a year, and it's going to be based

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 on what is -- whatever the trend is, which  
2 reflects general economic conditions.

3 Does that help?

4 Q Yes, that is --

5 A (Nixon) And can I just add --

6 Q Sorry. Yes, that's helpful. And please, DOE.

7 A (Nixon) I wanted to just verify that I just  
8 confirmed that the most recent Default Service  
9 docket does have the lead/lag related to energy  
10 supply. So, like you mentioned, it's updated in  
11 that docket.

12 Q Going back to the cost of implementation that  
13 will be part of the administrative costs in the  
14 program, can the DOE -- just to fill the record,  
15 can the DOE confirm that they understand that to  
16 be an estimate?

17 A (Noonan) The system modification costs?

18 Q Correct.

19 A (Noonan) I believe I heard Liberty say this  
20 morning that the \$477,000 was an exact figure, no  
21 longer an estimate.

22 WITNESS JARDIN: It is an estimate.  
23 But the 477 is more exact, versus more of the  
24 approximation that Attorney Sheehan had mentioned

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 to me on the bench.

2 HEARINGS EXAMINER WIND: Thank you for  
3 that clarification.

4 BY HEARINGS EXAMINER WIND:

5 Q So, to the DOE and other parties, an estimate is  
6 an estimate. There is -- can you clarify that  
7 there is no cap on recovery of costs in the  
8 Settlement Agreement?

9 A (Noonan) I believe that that's accurate. There  
10 was nothing in the Settlement Agreement that  
11 would cap that cost. However, I think all the  
12 Parties entered into it with good faith, with the  
13 understanding that that would be a very close  
14 estimate.

15 Q Certainly. But, with estimates, we know they're  
16 always wrong. Will -- or, at least not as  
17 precise as actuals. So, will there be an  
18 opportunity to review actual costs as they are  
19 implemented down the line in subsequent updates  
20 to the program rates?

21 A (Noonan) Yes. The second part of -- well, not  
22 the second, perhaps the third part of this would  
23 be when Liberty makes its filing for approval of  
24 the Discount Percentage Rate to apply to the

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 receivables that it purchases from suppliers.  
2 And one component of that would be the  
3 administrative cost component. And there would  
4 be an opportunity to review those costs and  
5 examine the reasonableness of them at that time.

6 Q Thank you. That's -- do you have anything to  
7 add, Mr. Below?

8 A (Below) No. No.

9 Q And this may be for -- a question for counsel at  
10 the end. But, with respect to next phases of  
11 this docket, there's discussion of looking at the  
12 tariffs and the supplier agreements. Is there  
13 any preference from -- either from the witnesses,  
14 I guess, as to whether that occurs in a new  
15 consolidated docket, in this existing docket, or  
16 in utility-specific dockets that are new?

17 A (Below) I'll offer that one thing that's not  
18 really addressed in the Settlement is whether  
19 there needs to be a new notice for the second  
20 phase.

21 We -- I guess the Coalition doesn't  
22 have a strong feeling as to whether it's done in  
23 a consolidated proceeding or in individual  
24 proceedings. I think the Settlements kind of



[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1           assume that they would be a second phase to each  
2           of the individual proceedings.

3                         There has been interest expressed by  
4           all the Parties, to some extent, of trying to  
5           bring those terms, at least particularly the  
6           supplier agreements, to be as consistent as  
7           reasonably possible, because, in many  
8           communities, are served by two, and, in some  
9           cases, three different utilities. So, it's  
10          helpful to have consistent rules or supplier  
11          agreements.

12                        What we observed in the initial  
13          efforts, and they varied by utility, until  
14          actually filed, as part of their proposal with  
15          the Commission, proposed changes to their tariff  
16          and supplier agreement. The other two did not  
17          initially, but have since provided or, as part of  
18          the discovery, provided, to some extent, versions  
19          of that.

20                        But what we saw, in doing each of  
21          those, is it, as a practical matter, it was  
22          simply more straightforward to go ahead and  
23          incorporate CPAs into the supplier agreements in  
24          a way that made all the terms of the supplier

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 agreement and the terms and conditions of the  
2 tariff apply. And there's a number of areas with  
3 regard to RSA 53-E and the Puc 2200 rules where  
4 the treatment of a CPA serving as a load-serving  
5 entity is somewhat different and distinct from  
6 how a competitive CEPS, the rules that apply to  
7 them.

8 So, I think early on the concern in  
9 technical sessions and settlement discussions was  
10 that -- that it's not apparent how you would  
11 simply change the rules to bring in POR without  
12 addressing those other things. And the original  
13 notice didn't really anticipate that there would  
14 be significant rewrites to the supplier agreement  
15 and the terms and conditions in the tariffs that  
16 would apply. Right now, they're all written to  
17 just apply to CEPS. And, so, when you extend  
18 them to apply to CPAs, we believe it's  
19 appropriate to provide, and safer, in terms of  
20 the legal process, to provide an additional  
21 notice as soon as possible. Because I think all,  
22 particularly, well, us, and the other supplier  
23 party represented here, is interested in getting  
24 that resolved as quickly as possible, so it

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 doesn't hold up implementation of the POR  
2 Program.

3 So, the hope was that we could, with  
4 Unitil having the shortest time to implement, I  
5 believe estimated about four months, the others  
6 are six -- more like six months, or I think more  
7 in Eversource's case, that we would try to  
8 proceed a pace, and, over the next four months,  
9 get those resolved. So, we have updated supplier  
10 agreements and terms and conditions approved by  
11 the Commission, such that we can implement POR as  
12 soon as it's technically possible.

13 So, the fact that we've resolved the  
14 mechanics, or potentially, with the Commission's  
15 approval of the POR Program, then let's us easily  
16 incorporate those. Those particular terms were  
17 generally not at issue, but there are things that  
18 arise related to that that are at issue. And the  
19 hope is that we would have time to work those  
20 through in the second phase of a proceeding.

21 And, I guess, my overall sense is it  
22 simply might be easier to do this, as we've done  
23 the three POR proceedings, in keeping them in  
24 three separate proceedings, recognizing that

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1           there's, at this point, a common set of parties.  
2           Although, with an additional notice and  
3           opportunity for others to intervene, there could  
4           be additional parties.

5                        So, I -- but there are things that are  
6           different by utility. And, so, in some sense, it  
7           might be a more efficient use of time to work  
8           through these three separately. Although, I  
9           think there's an argument that it would be easier  
10          to do as one proceeding. So, that's why we ended  
11          up being ambivalent about whether it's continued  
12          through these three separate proceedings as a  
13          second phase. We would prefer that there be an  
14          additional notice, just to let the world know  
15          that these Ts&Cs and supplier agreements will now  
16          incorporate CPAs.

17                       And there were some other aspects of  
18          the potential changes to the supplier agreement  
19          that could have implications that other  
20          competitive suppliers may not have been aware of  
21          in simply thinking about an implementation of a  
22          POR Program. So, it would give them notice and  
23          opportunity to participate in that discussion.

24          Q        Sure. So, it sounds like, you know, in addition

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 to -- I understand the motivation for seeking  
2 supplemental notice. But, with that said, the  
3 issues in that notice would be pretty discrete to  
4 the implementation of the POR. It wouldn't be an  
5 opportunity to dig into the agreements more  
6 generally or terms and conditions more generally?

7 A (Below) Well, I think it probably needs to be, in  
8 terms of how it would apply to Community Power  
9 Aggregations, because that's not reflected in the  
10 Ts&Cs now. And the easiest way to modify those  
11 is to make them generally -- to address all the  
12 areas.

13 And I will say, Liberty, when they did  
14 a draft, they did a draft supplier agreement that  
15 was specific to community power aggregations that  
16 incorporated the POR. So, potentially, there  
17 could be a two different forms of supplier  
18 agreements. So, you don't have one agreement  
19 with different terms, and say "Well, here's the  
20 terms that apply to CEPS and here's the terms  
21 that apply to a CPA." However, that's not the  
22 approach taken by the other two utilities.

23 So, I don't -- I think we just decided  
24 to put that off, because it raises a bunch of

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 issues. So, to the extent those changes might  
2 implicate more things broadly about how CPAs are  
3 brought into the supplier agreement and the  
4 Ts&Cs, I do think it would be advisable for the  
5 notice to indicate the possibility of significant  
6 updates to the terms and conditions, as how do  
7 they apply in general to Community Power  
8 Aggregations.

9 Q Okay. Thank you. Would the Department like to  
10 weigh in on that topic?

11 MS. LADWIG: I'll just echo a lot of  
12 what Mr. Below said. Updates to the terms and  
13 conditions and trading partner agreements for  
14 each of the utilities were always going to be --  
15 at least were contemplated in all of the  
16 proceedings from the beginning, as we started  
17 discussing POR, it became clear that the program  
18 mechanics of POR and the updates to the terms and  
19 conditions and the supplier trading agreements  
20 were very separate issues, and both needed to be  
21 addressed to implement POR. But everyone kind of  
22 had an interest in making things happen as soon  
23 as possible. And, so, that's why we decided to  
24 separate the program mechanics discussion, and

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 get that piece done and moving first. As Mr.  
2 Below mentioned, each utility has implementation  
3 timelines of Unitil, the fastest, at four months,  
4 but particularly Eversource at eight months.  
5 And, so, we wanted to at least get that going, as  
6 far as in terms of software updates and  
7 everything. And, then, kind of negotiate or  
8 figure out what needed to updated, in terms of  
9 the tariffs and the Trading Partner Agreements,  
10 while those updates are going on, so that POR is  
11 ready to start, basically, as soon as possible.

12 And, so, I think it is kind of a little  
13 individual in each utility, as far as what needs  
14 to change in terms of their tariff and Trading  
15 Partner Agreements. We had thought a Phase II in  
16 this proceeding would be -- or, a Phase II in  
17 each docket would be -- kind of make sense, since  
18 each utility is a little bit different. But I  
19 don't think we had a strong preference in that.

20 So, that was kind of our thought  
21 process behind it. And that's why we thought it  
22 made sense to do in a separate proceeding.

23 And we thought the notice -- additional  
24 notice might be necessary, just because these are

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 going to be things where other suppliers have to  
2 sign, if they're on consolidated billing, and  
3 going to be enrolled in POR. But we -- sorry, I  
4 lost my train of thought for a minute.

5 But as far as the issues addressed in  
6 that Phase II would be limited to changes that  
7 would be necessary to implement POR. And, so,  
8 that was -- again, that was our thought process  
9 behind it and why we wanted a Phase II.

10 HEARINGS EXAMINER WIND: I suppose that  
11 was the danger of asking a question that could  
12 have been responded to by either counsel or  
13 witnesses. So, I'll give the Company a chance to  
14 weigh in, --

15 MR. SHEEHAN: Sure.

16 HEARINGS EXAMINER WIND: -- either  
17 through counsel or a witness.

18 MR. SHEEHAN: I think I'm going to say  
19 the same thing, but maybe a bit differently.

20 The thinking of the phases of the  
21 docket, whereas Ms. Ladwig just said, the time to  
22 get the computer stuff done is going to be a  
23 while. So, if we combine this part of the docket  
24 with the tariff language part, we may not get an



[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 order until much later, and that delays  
2 everything. So, that was the thinking of  
3 separating.

4 I'm not -- I don't have a strong  
5 position of "single docket" or "individuals".  
6 Clearly, everyone's tariffs are different. The  
7 way the tariffs incorporate these agreements are  
8 different. So, you know, there's an argument to  
9 be made that they should be treated separately.

10 As you've heard, the utilities have all  
11 coordinated with the Parties in the room on this,  
12 even though they're separate dockets. And I'm  
13 sure we would do the same. It would be our goal  
14 as well to get common language. It makes no  
15 sense for each supplier to have to worry about  
16 Unitil's language is different than Liberty's,  
17 and cause issues there.

18 I do think notice is required, or is  
19 certainly a good idea. There is some tension in  
20 this room over what the tariff changes and  
21 contract changes would be. Is it simply to  
22 incorporate POR and have firm guardrails around  
23 that? Or, as Mr. Below said, should we do a more  
24 comprehensive incorporation of community power

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 while we're at it? There's a good argument for  
2 both. I don't have a position, really. Part of  
3 me says "We're going to have to get there  
4 anyway." So, to the extent the 2200 rules have  
5 informed changes to the supplier agreements, now  
6 is as good a time as any. Maybe it will be  
7 harder to get to the same place, but I suspect we  
8 will eventually get there.

9 HEARINGS EXAMINER WIND: Thank you.

10 NRG?

11 MS. MIRANDA: Thank you. We also  
12 probably don't have a strong preference of  
13 "consolidated" versus "individual". And, for all  
14 the points made, it probably makes sense to just  
15 continue on individual.

16 And I think additional notice does make  
17 sense. Our concern is that we do not want the  
18 additional notice to open these agreements and  
19 terms and conditions up to any and all issues.  
20 Even if it -- it's not just a POR, it should be  
21 clear that it's just POR and CPA. Because, if  
22 it's anything beyond those, you will have a --  
23 probably a significant and delayed process to  
24 reach agreement through all the supplier

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 community, is my guess, just based on having  
2 dealt with this in other states in the past.

3 HEARINGS EXAMINER WIND: Okay. Thank  
4 you. Go ahead, Mr. Below.

5 MR. BELOW: Thank you.

6 I would observe that, to my knowledge,  
7 there's only three sort of teams or groups, if  
8 you will, working on implementing or offering  
9 community power aggregations, and two of them are  
10 represented, to some extent, here today.

11 Attorney -- all I can think of is your  
12 first name.

13 MS. MIRANDA: Miranda.

14 MR. BELOW: Attorney Miranda represents  
15 NRG, which includes Direct Energy, which is one  
16 of the two active CEPS supplying CPAs today.  
17 There is a third group that is working with some  
18 communities to implement community power  
19 aggregation as well.

20 So, I think, if an additional notice  
21 were to say it's "to consider amending the  
22 supplier agreements and terms and conditions to  
23 incorporate POR, as well as to incorporate  
24 community power aggregations generally", then you

[WITNESS PANEL: Below|Nixon|Noonan|Balise]

1 wouldn't be opening up the terms and conditions  
2 to other issues that other CEPS might be  
3 interested in. But it would give notice for  
4 potentially other -- the other known parties, and  
5 potentially unknown parties, who may want to  
6 serve community power aggregations, so that they  
7 could participate and, you know, have a say in  
8 how CPAs are treated under a supplier agreement  
9 and tariffs.

10 I agree with Attorney Sheehan that this  
11 is something we need to do in any case. So, it  
12 makes sense to do it here. And, quite honestly,  
13 having worked on those texts, it would be very  
14 difficult just to amend them without addressing  
15 the -- to only amend them relative to POR and how  
16 it applies to CPAs, and not address other aspects  
17 of how those terms and conditions and supplier  
18 agreements, but return to CPAs as distinct from  
19 the Puc 2200 rules and the RSA that applies.

20 HEARINGS EXAMINER WIND: Okay. Thank  
21 you. I think that that addresses all of my  
22 witness questions.

23 So, are there any follow-up or  
24 clarifying questions for any of the witnesses,

1 based on the discussion we just had?

2 [No verbal response.]

3 HEARINGS EXAMINER WIND: Okay. I would  
4 say "you can take your seats", but --

5 [Laughter.]

6 HEARINGS EXAMINER WIND: Whether we  
7 consider this going straight to closings, since  
8 NRG Companies did not put on a witness, I wanted  
9 to both thank you for your participation and  
10 referencing us to the Connecticut investigation.  
11 I found that useful. But you also raised an  
12 issue of the standard, as far as what applies in  
13 53-E:9, I, as a "public good" finding, as  
14 opposed to the Roman -- 53-E:9, II, which I think  
15 is -- would just be "is the purchase of  
16 receivables program consistent with the  
17 requirements of E:9, II?"

18 And I think that the Liberty -- I heard  
19 the Liberty witness say that it was consistent  
20 with, or at least, I don't want to put words in  
21 your mouth, but to the end that it was consistent  
22 with E:9, II's requirements.

23 Can we go around and have counsel  
24 address whether or not the Purchase of

1 Receivables Program meets the public good  
2 standard, and if that's the right standard to  
3 apply?

4 And let's start with you, Attorney  
5 Miranda, since I'm getting the question from your  
6 exhibit, which hasn't been sworn to, but  
7 certainly is before me as documentary evidence.

8 MS. MIRANDA: Thank you. So, as noted  
9 in the comments, the statute indicates that it --  
10 the POR will be implemented for CPAs, and could  
11 be implemented for other suppliers, if the  
12 Commission finds it's in the public good. And,  
13 for the reasons we set forth in the NRG Retail  
14 comments, we believe factually it supports that  
15 it would be in the public good.

16 In addition, based on discussions with  
17 the Company, this Company, as well as the other  
18 distribution companies, which we can talk about  
19 during the other hearings, trying -- if you only  
20 implement it for CPAs, then the Settlement  
21 Agreement, as it stands, could not work, because  
22 you would have -- that means every supplier would  
23 have to go -- that's not doing a CPA would have  
24 to go to direct billing. And we do know that

1 residential and small customers do not like two  
2 bills, they prefer a single bill. And, so, that  
3 creates an issue. Or, it creates additional  
4 implementation costs that could be significant,  
5 and make the POR Program untenable, and,  
6 therefore, not work for CPAs alone, because then  
7 they are the ones paying, basically, the entire  
8 cost, instead of all -- getting it spread out  
9 over more suppliers, who would likely come into  
10 the New Hampshire market, and help to have  
11 billings and so forth that would be used to  
12 capture the costs associated with the Program.

13 So, also, from a cost perspective, it's  
14 also in the public good to move forward. And  
15 I'll leave it to the witnesses to talk more about  
16 that, if they'd like.

17 But, thank you.

18 HEARINGS EXAMINER WIND: Thank you.

19 Mr. Below, do you have any comments on the  
20 "public good" standard?

21 MR. BELOW: I would concur with those  
22 remarks by Attorney Miranda. We did hear from  
23 all the utilities that it would be impractical or  
24 much more expensive to implement POR just for

1 community power aggregations. I think, in  
2 general, the way this is set up, to comply with  
3 53-E:9, II, meeting all those terms, we're  
4 avoiding cost-shifting onto non-participating  
5 customers. The entire implementation cost is to  
6 be recovered over five years, which sort of  
7 allows for the maximum customer base to develop,  
8 because community power aggregation, I think,  
9 each year, for the next several years, will see  
10 an increasing amount of customers being billed  
11 through consolidated billing. So, it makes the  
12 cost sort of reasonable, relative to CPAs or  
13 CEPSS chasing bad debt individually. So, it  
14 represents economic efficiency, which is part of  
15 what makes this for the public good.

16 So, we do feel strongly it meets the  
17 statutory requirements. And it is very much for  
18 the public good. And it sort of results in a  
19 rational and efficient way to manage bad debt,  
20 essentially.

21 HEARINGS EXAMINER WIND: Thank you.

22 The Department?

23 MS. LADWIG: I also concur with what  
24 Attorney Miranda and what Mr. Below said, as far



1 as the "public good" standard. So, I won't go  
2 too much more into that. I will just say,  
3 specifically, as it relates to 53-E:9, II, I  
4 think the utilities tailored their initial  
5 proposals pretty closely to the requirements of  
6 that. The Parties all examined that and what it  
7 required, when we were analyzing and evaluating  
8 the plans, and tried to just stick closely to the  
9 statute particularly, making sure, per the  
10 statute's requirements, that there was no risk  
11 that utilities or non-participating -- customers  
12 not participating in POR would bear any of the  
13 costs associated with its administration. And,  
14 so, a lot of discussion was tailored around that,  
15 and making sure the program complied with the  
16 statute, and no one who's not participating in  
17 POR has to bear any costs related to it.

18 So, I would, again, agree with Attorney  
19 Miranda and Mr. Below's remarks, as far as the  
20 "public good". And just kind of wanted to  
21 provide a little more detail as far as how it was  
22 tailored to the specific requirements of 53-E:9,  
23 and why we believe that it's consistent with the  
24 statute.

1 HEARINGS EXAMINER WIND: Thank you.

2 Liberty?

3 MR. SHEEHAN: Nothing further to add,  
4 other than the primary concern for us is having  
5 POR for some and not for others would have been  
6 not only a cost, but a major burden for us. So,  
7 that was an important reason.

8 Long-term, we expect most of our  
9 customers will end up on community aggregation.  
10 So, it's not like the -- to the extent there's a  
11 subsidy, it may start out the other way. But, as  
12 Mr. Below said, over time, the folks using POR,  
13 the CPAs using POR will be the bulk of our  
14 customers. I think it all washes out for the  
15 public good that way.

16 HEARINGS EXAMINER WIND: Okay. Thank  
17 you.

18 To the extent addressing the "public  
19 good" standard may have constituted closings, why  
20 don't we go around the room one more time and  
21 I'll take any further comments and closings.  
22 Let's start with NRG.

23 MS. MIRANDA: Thank you.

24 Just generally, NRG Retail supports the

1 Settlement. We believe it is in the public  
2 interest to approve the Settlement. The  
3 application, as we've said, to all suppliers,  
4 rather than just CPAs, is in the public good for  
5 all the reasons I just discussed, which I won't  
6 go through again.

7 And we do support the additional notice  
8 related to changes to the terms and conditions  
9 and the supplier agreements, but that that notice  
10 be limited to changes necessary to implement POR  
11 and to incorporate CPAs within those documents.

12 And thank you for the opportunity to  
13 speak.

14 HEARINGS EXAMINER WIND: Thank you.  
15 Mr. Below.

16 MR. BELOW: I would simply concur with  
17 those remarks, and strongly support the  
18 Settlement.

19 Thank you.

20 HEARINGS EXAMINER WIND: Thank you.  
21 Attorney Ladwig.

22 MS. LADWIG: And the Department agrees  
23 with the others. It's a fully negotiated  
24 Settlement after -- which is the product of

1           pretty comprehensive discussions. We believe,  
2           for the reasons everyone stated, that it implies  
3           with the statute and with the "public good"  
4           standard. And we would ask that the Commission  
5           approve the Settlement.

6                       HEARINGS EXAMINER WIND: And Attorney  
7           Sheehan.

8                       MR. SHEEHAN: Nothing further to add on  
9           that topic. I just wanted to circle back briefly  
10          to your questions about the payment being as the  
11          way the Commission approved. At a high level,  
12          the thought was, the way we now pay suppliers,  
13          would be followed when we pay the CPAs through  
14          the POR.

15                      There is a revenue -- there is a  
16          lead/lag component to energy service. I just  
17          pulled up one of our most recent filing, and  
18          there's whole schedules that apply the lead/lag  
19          numbers. And, as you've heard, they start with  
20          the rate case number, and just get adjusted  
21          annually through that process.

22                      So, it's really just adopting, it  
23          wasn't said this way, but it's sort of adopting  
24          the default service paradigm to this. And I

1 think that was the thinking behind that.

2 Thank you.

3 HEARINGS EXAMINER WIND: Great. We'll  
4 remove the identification on the proposed  
5 exhibits, noting that the one from NRG wasn't  
6 sworn to, but admit them all as exhibits.

7 For process going forward, once I close  
8 this hearing, the procedural order of  
9 September 1 directs the process. I'm going to  
10 write a report on this hearing and draft a  
11 recommended order. It might all have a cover  
12 letter to that that will give dates certain for  
13 any responses or exceptions to that report or --  
14 and draft order, sorry.

15 Are there any questions about the  
16 process going forward?

17 *[No verbal response.]*

18 HEARINGS EXAMINER WIND: Certainly, the  
19 opportunity to comment and take exceptions to a  
20 report and order I think is appropriate and needs  
21 to be given. But, to the extent that the Parties  
22 are in agreement with the report and order, I  
23 think you could make an earlier filing than the  
24 ten days to waive that, if, indeed, you don't

1 want to comment, take exception, and move it  
2 forward more quickly, I think that would be  
3 permissible.

4 So, with that said, I will thank  
5 everyone for their work on this docket, and have  
6 a great day.

7 ***(Whereupon the hearing was adjourned***  
8 ***at 10:18 a.m.)***

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