

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

April 20, 2023 - 1:31 p.m.
21 South Fruit Street
Suite 10
Concord, NH

DAY 1

RE: **DE 23-014**
UNITIL ENERGY SYSTEMS, INC.:
Petition for Step Adjustment.

PRESENT: Cmsr. Pradip K. Chattopadhyay, *Presiding*
Commissioner Carleton B. Simpson

Alexander Speidel, Esq./*PUC Legal Advisor*

Doreen Borden, Clerk

APPEARANCES: **Reptg. Unitil Energy Systems, Inc.:**
Patrick H. Taylor, Esq.

Reptg. New Hampshire Dept. of Energy:
Paul B. Dexter, Esq.
Molly Lynch, Esq.
Karen Moran, Audit Division
Jay Dudley, Electric Division
(*Regulatory Support Division*)

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

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EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Petition for Approval of Step Adjustment Filing	<i>premarked</i>
2	Response to DOE Data Request 1-002, with Attachment	<i>premarked</i>
3	Response to DOE Data Request 1-003	<i>premarked</i>
4	Response to DOE Data Request 1-004	<i>premarked</i>
5	<i>Not used</i>	
6	Revised filing, including Revised Tariff Pages, with redlined version, and Revised Schedules CGKS-3, CGKS-4, CGKS-5, and CGKS-6	<i>premarked</i>
7	Response to DOE Data Request TS-1	<i>premarked</i>
8	RESERVED FOR RECORD REQUESTS (See Procedural Order dated April 21, 2023 submitted in Docket DE 23-014)	100

ALSO PLEASE NOTE:

<i>Procedural Order issued following this hearing on 04-21-23 with two record requests, Record Request 1-1 and Record Request 1-2, as noted by Cmsr. Chattopadhyay</i>	96
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P R O C E E D I N G

CMSR. CHATTOPADHYAY: So, on the record. I'm Commissioner Pradip Chattopadhyay, and I will be presiding over today's proceedings. I'm joined today by Commissioner Simpson. Chairman Goldner is unavailable.

So, we are here this afternoon in Docket DE 23-014 for a hearing regarding the Petition by Unitil Energy Systems, or UES, for approval of its 2023 Step Adjustment filing, filed pursuant to the Settlement Agreement filed in Docket DE 21-030, which was approved, with modifications, by the Commission in Order Number 26,623, on May 3rd, 2022. Following a procedural order issued on March 10th, 2023, the Commission commenced this adjudicative proceeding and scheduled this hearing in the docket.

UES filed its original Petition for approval of its step adjustment on February 12, 2023, requesting approval by the Commission in advance of rates to take effect on June 1st, 2023. UES modified and updated its Step Adjustment proposal with an additional filing made on April 18th, 2023, this past Tuesday

1 afternoon. We also see that the Department of
2 Energy has attempted to late file an Exhibit 7
3 today, which we will address.

4 After we take initial appearances, the
5 Commission will address preliminary matters for
6 this hearing today.

7 So, let's start with appearances.
8 Let's go to the Company.

9 MR. TAYLOR: Good afternoon,
10 Commissioners. Patrick Taylor, Chief Regulatory
11 Counsel for Unitil Service Corp., appearing on
12 behalf of Unitil Energy Systems, Inc.

13 CMSR. CHATTOPADHYAY: Let's go to DOE.

14 MR. DEXTER: Good afternoon,
15 Commissioners. Paul Dexter and Molly Lynch,
16 appearing on behalf of the Department of Energy.
17 I'm joined today by Jay Dudley, from the
18 Department's Electric Division.

19 CMSR. CHATTOPADHYAY: Thank you. Is
20 there anyone else? I don't see the OCA.

21 *[No indication given.]*

22 CMSR. CHATTOPADHYAY: Okay. So, let us
23 now address exhibits.

24 We have premarked and prefiled, on the

1 revised Joint Exhibit List filed by UES on
2 April 18th, 2023, five exhibits. Exhibit 1 and
3 Exhibit 5 are UES-filed exhibits, with Hearing
4 Exhibit 5 being the revised Schedules CGKS-3,
5 CGKS-4, CGKS-5, and CGKS-6, which were originally
6 presented by UES in its proposed Exhibit 1, the
7 February 14th Petition. Exhibits 2, 3, and 4 are
8 offered by the DOE, and are data responses by UES
9 to DOE inquiries.

10 So, there is a bit of uncertainty for
11 the Commission as to whether UES's witness panel
12 will adopt these Exhibits 2, 3, and 4 on the
13 stand, as there does not seem to be a DOE witness
14 or witnesses for today's proceeding.

15 Also, we note that the Excel schedules
16 for the new Exhibit 5 were labeled by the Company
17 as "Exhibit 6", at least that's what I've
18 noticed. Also, the DOE late-filed exhibit is
19 labeled as Hearing "Exhibit 7", which is likely
20 mistaken as well. So, we can cross that bridge
21 when we get to it on opening statements, and the
22 Company and DOE can clarify.

23 Does the Company or DOE expect to file
24 additional exhibits or updates to exhibits today?

1 MR. TAYLOR: Unitil does not have any
2 additional exhibits to submit today. And, when
3 the Commission is ready, I can provide some
4 clarification on the discrepancy in the exhibit
5 numbering.

6 CMSR. CHATTOPADHYAY: First of all, I
7 don't know the order here, but I'll ask it. Are
8 there any objections to these exhibits, from
9 either side? No?

10 MR. DEXTER: Well, maybe I should
11 answer the question you asked a minute ago first.
12 The Department of Energy also does not expect to
13 introduce any additional exhibits today.

14 CMSR. CHATTOPADHYAY: Uh-huh.

15 MR. DEXTER: And, no, there is no
16 objection from the Department to any of the
17 exhibits that have been listed and discussed.

18 CMSR. CHATTOPADHYAY: Okay. So, can we
19 get some clarity on the labeling? I just want to
20 make sure I have the right exhibit numbers.

21 So, I would let both of you chime in.
22 So, let's start with the Company first.

23 MR. TAYLOR: Sure. And I will take
24 responsibility for leading the Department of

1 Energy down the wrong path with their exhibit
2 numbering.

3 When I submitted what was intended to
4 be Hearing "Exhibit 5" on the 18th, the hearing
5 exhibits were actually labeled as Hearing
6 "Exhibit 6". And, so, if one were to open the
7 exhibit, that's how it's marked, that's how the
8 Excels are marked as well. And, so, that is the
9 source of the confusion, was the discrepancy
10 between what's on the Exhibit List and what's
11 actually marked on the exhibit itself.

12 And, so, what I would propose to the
13 Commission, I think the easiest way to remedy
14 that would be to submit a new Joint Exhibit List
15 that reflects the addition of our exhibit, as
16 well as the Department's exhibit, with some sort
17 of notation that Hearing Exhibit 5 was not used,
18 and retain Hearing Exhibit 6 and Hearing
19 Exhibit 7, because that's how they have been
20 marked and submitted to the Commission.

21 That's how we would propose to do it,
22 we think that's the easiest thing.

23 CMSR. CHATTOPADHYAY: So, as a
24 nonlawyer then, the exhibits are 1, 2, 3, 4,

1 you're not retaining 5, you'll have 6 and 7. Is
2 that how I should view this?

3 MR. TAYLOR: That's what we're
4 proposing, yes.

5 CMSR. SIMPSON: Works for me.

6 CMSR. CHATTOPADHYAY: Okay.

7 *[Cmsr. Chattopadhyay and Atty. Speidel*
8 *conferring.]*

9 CMSR. CHATTOPADHYAY: So, any thoughts
10 on that from the DOE?

11 MR. DEXTER: DOE supports that
12 proposal. We actually noticed the discrepancy
13 between 5 and 6 sometime last night or this
14 morning, and opted to number our late exhibit
15 number "7". The reason it was filed late is it's
16 a response to a tech session data request that
17 the Department just received yesterday. So, we,
18 basically, filed it as soon as we reviewed it,
19 and determined that it would be relevant to
20 today's hearing.

21 CMSR. CHATTOPADHYAY: You are aware of
22 the waiver requirement, the five-day filing,
23 right?

24 MR. DEXTER: Yes, we are. And next

1 time we will formally request a waiver to file it
2 late.

3 But I can do that orally, if you'd
4 like?

5 CMSR. CHATTOPADHYAY: That would be
6 appreciated.

7 MR. DEXTER: Yes. So, we do request a
8 waiver from the Department rules to file the
9 exhibit late. As I said, the reason is,
10 Exhibit 7 consists of a response to a request we
11 made to the Company in a technical session --
12 well, let me back up a little bit. We issued a
13 round of data requests about three weeks ago; we
14 got responses from the Company. We had a tech
15 session following that. The tech session
16 resulted in one additional data request that we
17 thought was important to have in writing. So, we
18 issued it in writing; the Company responded in
19 writing, all in a very timely fashion. I'm not
20 trying to indicate that the Company dragged their
21 heels or anything. It's just that, with the
22 passage of time, we just got that response
23 yesterday, April 19th.

24 As I said, we reviewed it, thought it

1 would be relevant to today's topic. So, we filed
2 it early this morning as a proposed exhibit.

3 CMSR. CHATTOPADHYAY: Since the Company
4 already mentioned Exhibit 7, I'm going to assume
5 that you have no objection to the waiver?

6 MR. TAYLOR: No objection to the
7 waiver.

8 CMSR. CHATTOPADHYAY: Okay. Thank you.
9 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
10 *conferring.]*

11 CMSR. CHATTOPADHYAY: So, we will
12 accept that as well, as the Commission. The
13 waiver, you know, is not needed at this point.

14 MR. TAYLOR: Commissioner, if I may?
15 Given that our exhibit was also filed, I guess,
16 within the five-day period, we filed it on the
17 18th. To the extent that the Commission would
18 like to request for waivers, we --

19 CMSR. CHATTOPADHYAY: Yes. So, thank
20 you. We would request that, and, you know, you
21 can make it orally, like the DOE did.

22 MR. TAYLOR: I will, yes.

23 CMSR. CHATTOPADHYAY: Okay.

24 MR. TAYLOR: We would --

1 CMSR. CHATTOPADHYAY: And, again, DOE
2 doesn't have any objection?

3 MR. DEXTER: No objection.

4 CMSR. CHATTOPADHYAY: Yes. So, we are
5 waiving that requirement here.

6 MR. TAYLOR: Thank you.

7 CMSR. CHATTOPADHYAY: So, this is
8 something I want to explore. Would it be
9 possible for us to take administrative notice,
10 pursuant to the rule in Puc 203.07 of
11 Eversource's Step Adjustment Petition filing and
12 schedules in Docket Number DE 22-030 to help our
13 line of questioning today?

14 So, what I'm going to ask is perhaps,
15 if it's okay, the DOE could move to take
16 administrative notice of this mentioned docket.
17 And, if the Company has issues with it, please
18 let us know.

19 MR. DEXTER: I'm not sure I followed
20 you, Commissioner. You'd like the DOE to make a
21 motion?

22 CMSR. CHATTOPADHYAY: Yes.

23 MR. DEXTER: To take administrative
24 notice of the pending Eversource Step Adjustment?

1 CMSR. CHATTOPADHYAY: It's the --

2 MR. DEXTER: The 22-030, so, last
3 year's step adjustment?

4 CMSR. CHATTOPADHYAY: Yes. That docket
5 number doesn't look right to me.

6 Can we verify whether I have the docket
7 number right? I think it's --

8 MR. DEXTER: So, Commissioner, maybe we
9 should go off the record?

10 CMSR. CHATTOPADHYAY: Yes. Please do.

11 *[Off-the-record discussion ensued.]*

12 CMSR. CHATTOPADHYAY: So, first, I'm
13 confirming that the docket number that I
14 mentioned is correct. And this is a closed
15 docket. There has already been an order in it.
16 So, I'm just -- so, you can take a look at DE
17 22-030, and let me have your opinion.

18 MR. TAYLOR: Commissioner?

19 MR. DEXTER: Well, I have -- oh.

20 MR. TAYLOR: Sorry, if I may. I just
21 want to address what may be a -- oh, actually,
22 no, I'm going to correct myself. I was going to
23 say "22-030" I thought was a Unutil docket, but
24 I'm thinking of "21-030". So, I --

1 CMSR. CHATTOPADHYAY: That was the same
2 confusion I had when I looked at it. So, yes.

3 MR. DEXTER: Let me answer it this way,
4 Commissioner. I have a pretty good
5 reconciliation of that docket, because, and Mr.
6 Dudley does as well, we were assigned to it, and
7 spent a long afternoon here, I think, last
8 summer. So, I don't need to refresh my memory
9 about the docket.

10 As far as administrative notice, I'm
11 not sure that's required. I haven't looked at
12 this in a long time. But we refer to prior
13 dockets often in hearings, certainly orders that
14 have been issued, which are, you know, which I
15 don't think need to be taken administrative
16 notice.

17 I guess I'd like to know what, in
18 particular, the Commission wants to raise, before
19 I could say whether I think it requires a motion
20 for administrative notice.

21 Having said that, I certainly don't
22 have any objection, if the Commission wants to
23 reach into a docket that's available to
24 everybody, to ask questions. I think that's a

1 good idea. I think that's what we do all the
2 time.

3 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
4 *conferring.]*

5 CMSR. CHATTOPADHYAY: Can we go off the
6 record?

7 *[Off-the-record.]*

8 (Off the record)

9 *[Cmsr. Chattopadhyay, Cmsr. Simpson and*
10 *Atty. Speidel conferring.]*

11 CMSR. CHATTOPADHYAY: On the record. I
12 think I appreciate your response. We will just
13 proceed from here, you know, and we don't need to
14 worry -- think about that issue at this point.
15 Okay.

16 MR. TAYLOR: Commissioner, if I may?

17 CMSR. CHATTOPADHYAY: Sure.

18 MR. TAYLOR: And I understand the way
19 you're going to proceed. I feel like I just
20 ought to point out that, to the extent that
21 you're going to be referring to an Eversource
22 step adjustment docket, that is not something
23 that we came prepared to address today. And I
24 just -- you'll have to assume that we know

1 nothing about the docket when you ask any
2 questions.

3 CMSR. CHATTOPADHYAY: As the Presiding
4 Officer, I'm sort of confirming that we will not
5 go there. I was just seeing whether it's
6 possible or not.

7 MR. TAYLOR: Understood. Thank you.

8 CMSR. CHATTOPADHYAY: Okay. Are
9 there any other preliminary matters to be
10 addressed?

11 *[No verbal response.]*

12 CMSR. CHATTOPADHYAY: No, right?

13 MR. DEXTER: None from the Department.

14 MR. TAYLOR: None from Unitil.

15 CMSR. CHATTOPADHYAY: Okay. Is the DOE
16 going to have its witness here?

17 MR. DEXTER: We are not planning any
18 witnesses today.

19 CMSR. CHATTOPADHYAY: Okay. So, let's
20 swear in the witnesses who are in the box from
21 the utility. Go ahead.

22 *(Whereupon* **CHRISTOPHER J. GOULDING,**

23 **KEVIN E. SPRAGUE,** and **DANIEL T.**

24 **NAWAZELSKI** were duly sworn by the Court

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Reporter.)

2 CMSR. CHATTOPADHYAY: Thank you. So,
3 let's go to the UES direct.

4 MR. TAYLOR: Thank you, Commissioner.

5 I will address the panel, starting with
6 Mr. Goulding.

7 **CHRISTOPHER J. GOULDING, SWORN**

8 **KEVIN E. SPRAGUE, SWORN**

9 **DANIEL T. NAWAZELSKI, SWORN**

10 **DIRECT EXAMINATION**

11 BY MR. TAYLOR:

12 Q Mr. Goulding, can you please state your name,
13 employer, the position that you hold with the
14 Company, and your responsibilities in that
15 position?

16 A (Goulding) My name is Chris Goulding. I'm
17 Director of Rates and Revenue Requirements for
18 Unitil Service Corp. And my responsibilities
19 include all rate and regulatory filings related
20 to the financial requirements of Unitil Energy
21 Systems, Inc., and its affiliates.

22 Q Hearing Exhibit 1 is the Company's initial filing
23 in this case. Included in this exhibit are the
24 prefiled testimony that you co-sponsored with

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Mr. Sprague, as well as supporting exhibits.

2 Does your test -- or, was your testimony and the
3 supporting attachments prepared by you or under
4 your direction?

5 A (Goulding) Yes, they were.

6 Q Do you have any corrections to your direct
7 testimony that you wish to make on the stand
8 today?

9 A (Goulding) No, I do not.

10 Q If you were asked the same questions in your
11 direct testimony today, would your answers be the
12 same?

13 A (Goulding) Yes, they would.

14 Q Do you adopt your written testimony as your sworn
15 testimony in this case?

16 A (Goulding) Yes, I do.

17 Q Hearing Exhibit 6 includes revised Exhibits
18 CGKS-3, 4, 5, and 6. Can you please explain the
19 reason for providing these updated exhibits?

20 A (Goulding) Sure. So, last week we participated
21 in a tech session with the Staff of the
22 Department of Energy. There was some discussion
23 on a particular cost of one of the projects. As
24 a result, Unitil has made the decision to

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 voluntarily remove \$47,081.63 of costs used to
2 calculate the proposed step increase. This
3 adjustment reduced the overall revenue
4 requirement by about \$6,000. So, the removal of
5 those costs necessitated a revised CGKS-3,
6 revenue requirement calculation; CGKS-4, rate
7 design calculation; CGKS-5, revenue per customer
8 calculation; and CGKS-6, bill impacts; as well as
9 a revised tariff.

10 Q Thank you. And having had that explained, I'm
11 going to revisit my question about your direct
12 testimony actually.

13 To the extent that your direct
14 testimony references the amount that the Company
15 is requesting in the step increase, can you
16 please inform the Commission as to what the
17 revised amount is?

18 A (Goulding) Yes. Give me one second.

19 Okay. So, in the initial testimony, it
20 had a revenue requirement increase associated
21 with this step adjustment of "\$1,212,421". The
22 revised amount is "\$1,206,209".

23 Q Thank you. Turning back to Hearing Exhibit 6,
24 were these updated schedules or revised schedules

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 prepared by you or under your direction?

2 A (Goulding) Yes, they were.

3 Q Do you have any corrections to the revised
4 schedules as submitted?

5 A (Goulding) No, I do not.

6 Q And do you adopt the revised schedules as part of
7 your sworn testimony in this case?

8 A (Goulding) Yes, I do.

9 Q I'll turn to Mr. Sprague. Mr. Sprague, please
10 state your name, employer, the position that you
11 hold with the Company, and your responsibilities
12 in that position?

13 A (Sprague) My name is Kevin Sprague. I am the
14 Vice President of Engineering for Unitil Service
15 Corp. And I have responsibility over all
16 engineering-related matters for the Company.

17 Q Hearing Exhibit 1 is the Company's initial filing
18 in this case. And included in this exhibit are
19 the prefiled testimony that you co-sponsored with
20 Mr. Goulding, as well as supporting exhibits.
21 Was your direct testimony and the supporting
22 attachments prepared by you or under your
23 direction?

24 A (Sprague) Yes, they were.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q Do you have any corrections to the direct
2 testimony, other than the correction that
3 Mr. Goulding just made, that you'd like to make
4 on the stand today?

5 A (Sprague) Not at this time.

6 Q And, if you were asked the same questions in your
7 direct testimony today, would your answers be the
8 same?

9 A (Sprague) Yes, they would.

10 Q Do you adopt your written testimony as your sworn
11 testimony in this case?

12 A (Sprague) Yes, I do.

13 Q And, finally, to Mr. Nawazelski. Mr. Nawazelski,
14 please state your name, employer, the position
15 that you hold with the Company, and your
16 responsibilities in that position?

17 A (Nawazelski) Good afternoon. My name is Daniel
18 Nawazelski. And I'm the Manager of Revenue
19 Requirements for Unitil Service Corp. In this
20 capacity, I'm responsible for the preparation and
21 presentation of distribution rate cases, as well
22 as in support of other various regulatory
23 proceedings.

24 Q Hearing Exhibit 1 is the Company's initial filing

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 in this case. And included in this exhibit are
2 the prefiled testimony that Mr. Goulding and
3 Mr. Sprague co-sponsored, as well as supporting
4 exhibits. Did you assist in the preparation of
5 the direct testimony and the supporting exhibits?

6 A (Nawazelski) Yes, I did.

7 Q And are you aware of any corrections to the
8 direct testimony, other than the correction that
9 Mr. Goulding made, that you wish to address on
10 the stand today?

11 A (Nawazelski) No.

12 Q Are you qualified and prepared to answer
13 questions in support of the direct testimony
14 today?

15 A (Nawazelski) Yes, I am.

16 Q Hearing Exhibit 6 includes revised Exhibits
17 CGKS-3, 4, 5, and 6. Did you assist in the
18 preparation of these revised schedules?

19 A (Nawazelski) Yes, I did.

20 Q And are you aware of any corrections to the
21 revised Exhibits CGKS-3, 4, 5, and 6, that you
22 wish to address on the stand today?

23 A (Nawazelski) No, I am not.

24 Q And are you qualified and prepared to answer

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 questions in support of revised Exhibits CGKS-3,
2 4, 5, and 6?

3 A (Nawazelski) Yes, I am.

4 MR. TAYLOR: I have no further
5 questions for the witnesses.

6 CMSR. CHATTOPADHYAY: Let's go to DOE.
7 Sorry. Let's go to DOE.

8 MR. DEXTER: Thank you, Commissioners.
9 Can you hear me okay? I'm having a hard time
10 getting close to the mike today.

11 CMSR. SIMPSON: Loud and clear.

12 MR. DEXTER: Okay. So, I have some
13 general questions about the rates that are
14 proposed, and then specific questions about three
15 or four of the projects that are included in the
16 step adjustment that make up the proposed rates.

17 **CROSS-EXAMINATION**

18 BY MR. DEXTER:

19 Q But I wanted to start by asking, where in the
20 filing the actual rates that are proposed for
21 approval can be found? I'd just like to
22 highlight those for the Commission please.

23 A (Goulding) The rates are in two places. They're
24 in the rate design -- or, three places, actually.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 They're in the Rate Design file, which is revised
2 Schedule CGKS-4; they're also in the Bill Impact
3 analysis, Revised Schedule CGKS-6; and also
4 revised Schedule CGKS-5, Monthly RPS, the last --
5 Monthly RPC, excuse me. The last page, Page 7,
6 has all the tariffed rates.

7 And, additionally, we provided a copy
8 in the tariffs, and those have all of the
9 rates -- all of the rates being proposed have
10 been reflected in the tariffs.

11 Q So, thank you for that. But I only know them by
12 exhibit numbers. So, I wasn't able to follow.
13 So, if you could repeat the answer, but refer to
14 an exhibit number please?

15 A (Goulding) Sure. So, in Exhibit 6, revised
16 Schedule CGKS-4, --

17 Q Excuse me, I just want to interrupt. Is there a
18 Bates page? Because I am not seeing the "CGKS"
19 designation in the version I'm looking at, which
20 I think is what was filed as the exhibit.

21 So, I'm looking at Exhibit 6, and it's
22 40 pages, and it's Bates stamped.

23 A (Goulding) Okay. Yes. So, Hearing Exhibit 6,
24 the rates being proposed, you'll see them on

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Page 1. And then, we have the tariff pages,
2 which begin on Bates Page 004, 005, 006, 007.
3 And then, when we go to Page 8 of that package,
4 that's the redline from the current rates to the
5 proposed rates.

6 Q That's fine. I just wanted the reference, so we
7 could talk about them. I don't need you to list
8 every place, but I appreciate that.

9 So, I was looking at Bates Page 001 of
10 Exhibit 6. And there's a lot of rates across the
11 top here. Am I correct that the only rates that
12 are proposed to change in this docket are labeled
13 "Distribution Charge", it's about three columns
14 over from the left?

15 A (Goulding) Yes. I think it's probably easiest to
16 look at Bates Page 008, that has the redline
17 version. So, it shows the rates that are being
18 proposed to change in this docket. And they are
19 the Distribution Charges only. Not the Customer
20 Charge, just the kWh charge and the kilowatt and
21 kVa charge.

22 Q Okay. So, on Page 8, are those all the rates, or
23 are there others?

24 A (Goulding) Those are all the -- those are the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Residential and the G2 and G1 rates. And then,
2 on the subsequent page, Page 9, those are the
3 time-of-use rates that are changing.

4 Q And, again, on Page 9, it's just the
5 "Distribution Charge" column?

6 A (Goulding) Correct.

7 Q Okay. All right. Thanks. Did the underlying
8 Settlement in DE 21-030 specify a rate design for
9 the step adjustment that's proposed today?

10 A (Goulding) Yes. It was to be consistent with the
11 methodology employed in 21-030, which did not
12 change the Customer Charge. So, it was a
13 proportional change to the volumetric charge for
14 all rate classes, an equal proportional change to
15 all rate classes.

16 Q And how were demand charges handled in that rate
17 design?

18 A (Goulding) They were handled the same way. So,
19 the revenue from that class was increased by the
20 overall percent increase, and then divided by the
21 test year demand.

22 Q And what was that percentage -- overall
23 percentage increase that results from the request
24 today?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Goulding) So, overall, it was roughly a 1.8
2 percent increase in total revenues. If we go to,
3 again, Hearing Exhibit 6, Bates Page -- beginning
4 on Bates Page 034, you'll see the different
5 increases for the different rate classes: 034
6 has the Residential class; 035, G2, and so on.

7 Q Can I ask a question about Page 34? Were you
8 finished or --

9 A (Goulding) Yes.

10 Q Okay. So, on Page 34, this is a bill impact
11 analysis for the typical Rate D, residential
12 customer, correct?

13 A (Goulding) Yes, it is.

14 Q And, so, the percentages that are shown on the
15 right-hand side compare a residential customer's
16 total bill, correct?

17 A (Goulding) That's correct.

18 Q All right. So, my question before was, you had
19 mentioned a "1.8 percent increase in total
20 revenues". That's just distribution revenues,
21 correct?

22 A (Goulding) Yes, and I misspoke. It's 1.8 percent
23 of total revenues, including street lighting.
24 But, because street lighting was not included in

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 the step adjustment consistent with the
2 Settlement Agreement, it was a 1.9 percent
3 increase.

4 Q So, if I went back to Exhibit 6, Bates Page 008,
5 the redline version with the rate changes, and I
6 did the math, and I compared the numbers that are
7 proposed, versus what's existing, all of those
8 would be roughly a 1.9 percent increase, is that
9 right?

10 A (Goulding) They would not, because we also have
11 to account for the annualization of the step
12 increase removal. If you recall, at the last
13 step hearing, we collected the annual revenue
14 requirement over a 10-month period.

15 Q Uh-huh.

16 A (Goulding) So, we basically had to ratchet those
17 rates back, to account for them being -- the
18 revenue requirement being collected over an
19 annual basis, and then increase from that level.

20 So, essentially, the current rates are
21 artificially high. So, it's not a 1.9 percent
22 increase over the current rates.

23 Q Okay. Thanks for that explanation. But,
24 basically speaking, if someone wanted to know the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 impact of this filing, I guess it's fair to say
2 that the volumetric rates increased by 1.9
3 percent?

4 Well, as I say that, I don't like my
5 own question. I'm going to withdraw it. And I
6 think your explanation was clearer than me trying
7 to restate it. So, we'll leave it at that. And
8 thanks for the explanation about the 10-month --
9 12-month recovery over 10 months from last time.

10 Okay. So, I had some questions about,
11 as I said, I want to go through three or four of
12 the projects that we identified. And I want to
13 refer to Exhibit 2 and Exhibit 7. Both of them
14 have to do with a project that is listed on
15 Exhibit 1 as I think it's called "TOU testing",
16 "time of use testing". And that project appears
17 in Exhibit 1, in the multipage sheet that lists
18 all the projects that are proposed, it appears at
19 Line 48. Do you see that?

20 MR. TAYLOR: Paul, do you have a Bates
21 number?

22 MR. DEXTER: I will in just a minute.
23 The list of projects begins at Bates Page 037, in
24 Hearing Exhibit 1. In the original filing, it

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 was Bates Page 016. So, Hearing Exhibit 1, Bates
2 Page 037, Line 48, references a project called
3 "TOU Testing", "Time of Use Testing". Do you see
4 that?

5 A (Goulding) Yes, I do.

6 Q Okay. Can you explain what that project
7 involved?

8 Yes. And my questions are to the
9 panel. I didn't mean to just be directing
10 questions to Mr. Goulding.

11 A (Sprague) Okay. Now that I'm there, can you just
12 restate your question please?

13 Q Yes. Yes. I had asked if you could provide a
14 general description of the project that's
15 entitled "Time of Use Testing"?

16 A (Sprague) Yes. So, this was a project that
17 was -- the purpose of it is to design, build, and
18 configure, and test adjustments/changes to
19 various different software systems, including
20 CIS, our advanced metering system, and a couple
21 other systems that are associated with CIS. And
22 this project in and of itself, we built a test
23 environment to simulate the changes and the
24 changes in the rates. That test environment

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 includes servers, software, and integration
2 pathways to the metering system, the CIS system.

3 And it's meant to essentially
4 build/test/configure the new rates that we're
5 putting into effect, test it in an environment
6 that does not affect customers. Making sure that
7 we have all of the bugs worked out prior to --
8 prior to releasing that to customers.

9 Q Was this project, a project of this nature,
10 unique to time-of-use rates, or is this something
11 that the Company does routinely when they make
12 rate changes or, for instance, go through a rate
13 case and perhaps change some rate design
14 parameters?

15 A (Sprague) This is a little bit different, because
16 of the time-of-use rates are very much different
17 than rates that we had in place prior. So, this
18 wasn't something that we had prebuilt, and we
19 were just adjusting rates. Every time we adjust
20 rates, we also do testing as well. But that's
21 more just testing the new rate, and doesn't
22 include a lot of software and networking and
23 integration that something of this scale would
24 require.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q Could you indicate what plant account this
2 project was charged to?

3 *[Witness Sprague and Witness Goulding*
4 *conferring.]*

5 **BY THE WITNESS:**

6 A (Sprague) I believe it is in Account 303. But
7 I'm not the plant accountant. So, subject to
8 check, I'll say.

9 BY MR. DEXTER:

10 Q Okay. Is there a title that goes along with that
11 number? Is that for software or --

12 A (Sprague) Yes.

13 Q Okay. Do you know what the depreciable life or
14 the useful life of this project would be, from an
15 accounting standpoint?

16 A (Sprague) Five years.

17 Q Five years. And is the product still being used,
18 now that the TOU rates have been implemented?

19 A (Goulding) Yes. The project was to allow for the
20 implementation of the TOU rates, and to enable
21 the offerings to be made.

22 Q Right. That's why I assume it's called a "TOU
23 Test". But, now that the TOU rates have been
24 approved, and have been implemented, does this

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 product serve any useful purpose anymore? In
2 other words, is the testing phase over?

3 A (Goulding) Well, there was work done to develop
4 the time-of-use rates. And there were system
5 modifications to the different systems that
6 Kevin -- that Mr. Sprague identified.

7 So, yes, those are still in place,
8 because that's what's being used to offer the
9 time-of-use rates.

10 Q So, I think I heard you say that you had to
11 "purchase servers and software in order to do the
12 testing." Did I understand that correctly?

13 A (Sprague) That's a portion of it. There's also a
14 portion of it that is internal labor. There's
15 software licensing. There's integration
16 development that happens, which is programming.

17 One thing I forgot to mention before
18 is, so, all of these changes are built in this
19 development environment, and then that -- and
20 then those changes and those integrations and
21 programming changes are then applied to the
22 production environment, which is the environment
23 that is used for billing customers.

24 Q Okay. I wanted to look at the specific cost

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 detail that was provided. I'm looking at
2 Exhibit 2, which was the response to DOE Data
3 Request 1-002. And I'm looking at the second
4 page. I just want to make sure I understand.

5 The portion of the costs that are on
6 this page that applicable to this step adjustment
7 appear at the top half of the page, is that
8 correct? They total \$416,081?

9 A (Sprague) So, the amount that we are adding for
10 this is the 416,081.36, minus the 47,081.63 that
11 Mr. Goulding had indicated that we removed.

12 Q Okay. And the bottom of the page, where there's
13 more numbers, and the subheading above those
14 starts with an "F", does that "F" refer to
15 "Fitchburg", in that these were costs that were
16 incurred for your Massachusetts affiliate?

17 A (Sprague) Yes. A project such as this would be
18 allocated across our affiliates.

19 Q And, moving to the top of page, the subheading
20 before the costs that are at issue here or that
21 are proposed for recovery here, starts with a
22 "C", the "C" stands for the "Capital District",
23 is that right, or is it "Concord"? I forget, we
24 went over this last summer.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Sprague) Correct.

2 Q Which one?

3 A (Sprague) It's --

4 Q Either one?

5 A (Sprague) It's either one.

6 Q Okay.

7 A (Sprague) It just so happens that they both begin
8 with a "C".

9 Q Okay.

10 A (Sprague) But, historically, it was "Concord".

11 Q Okay. And is there a similar charge on
12 Schedule 2, which is the list of projects, for
13 the -- I think you called it the "Exeter" or the
14 "Seacoast Project", or is this the whole thing
15 for New Hampshire?

16 A (Sprague) My understanding is this is the whole
17 thing.

18 Q Okay. And, so, as you said, originally proposed
19 was \$416,000, and then the Company removed the
20 charges related to Concentric of about \$47,000, I
21 believe. Can you tell me, from an -- I
22 understand that you've taken it out of the step
23 adjustment, and, so, it's not proposed for
24 recovery in this case. Can you tell me, from an

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 accounting standpoint, what will happen to the
2 Concentric charges?

3 A (Goulding) They have only been removed from the
4 Step Adjustment request. So, they will continue
5 to be in the 303 account. And, similar to some
6 costs that we removed in our step adjustment last
7 year, where we mentioned or we say -- or, excuse
8 me, we indicated that we would present them and
9 review them as part of the rate case proceeding,
10 we could potentially be in the same situation
11 with these costs.

12 Q Okay. Thank you. Looking again at Page 2 [3?]
13 of Exhibit 2, which is the list of the detailed
14 costs, I see -- I think I see four vouchers
15 listed for costs, totaling -- well, totaling
16 about \$100,000, I think. The first one is called
17 "ENEL X NORTH", \$12,000. Could you explain
18 briefly what that is?

19 A (Sprague) I'm not sure what vendor that is.

20 CMSR. SIMPSON: Could someone just
21 restate the Bates Page please?

22 MR. DEXTER: Yes. I'm in Exhibit 2,
23 Bates Page 003.

24 CMSR. SIMPSON: Thank you.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 BY MR. DEXTER:

2 Q The next voucher that's listed, there's two
3 consecutively, totaling about \$90,000, the
4 vendor's name is "APOGEE", A-P-O-G-E-E. Can you
5 explain what that is?

6 A (Goulding) That vendor, from what I know from the
7 plant records, it was the vendor that was
8 selected to increase the time of use registers
9 for three periods as part of the time-of-use rate
10 design. And there was some other issues related
11 to calculation of low-income discounts and
12 billing of retail choice.

13 So, that vendor was employed by the
14 Company or contracted with the Company to do work
15 on the project.

16 Q So, are they software designers or consultants,
17 or do you know?

18 A (Goulding) I do not.

19 Q Okay. How about the next one, "SYSTEM & SOFT" it
20 says? That's, I think, \$1,400.

21 A (Sprague) That's the vendor of our CIS system.

22 Q Okay. The balance of the charges, which I think
23 total over \$250,000, are labeled "MISCELLANEOUS
24 PLANT ADJUSTMENTS". We asked about that

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 specifically in Exhibit 7, and we were told that
2 the miscellaneous plant adjustments are primarily
3 related to employee labor costs that are
4 capitalized as they work on the project. Can you
5 provide some more detail as what those
6 miscellaneous plant adjustments were for? What
7 services were provided by the internal labor?

8 A (Sprague) Yes. So, any time that we make changes
9 to the -- to the CIS system that would effect how
10 we're billing our customers, there would be a
11 rather large, I'll call it, group of individual
12 employees that are executing a test plan. And
13 that test plan is designed to not only test all
14 of the rates that we have in place to make sure
15 that those didn't change, but also to test all of
16 the different variations of the time-of-use
17 rates, to make sure that the rates that
18 ultimately get charged to the customer are the
19 rates that should be charged to the customer.
20 Because our goal, when we -- when this goes live
21 is that we have zero billing miscues.

22 So, these types of individuals, some
23 might be in the IT group, some might be in the
24 Call Center group, some might be in the Billing

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Department, some might be as part of the AMI
2 group. So, it's kind of a cross-section of
3 individuals or subject matter experts that
4 interact with and have knowledge of how the
5 system should be operating and the rates that
6 should be billed.

7 Q Okay. Thanks. And I'm still -- I'm still
8 interested in -- so, those are Unitil Service
9 employees, I take it?

10 A (Sprague) In general, yes.

11 Q Okay. And it's not unusual for Service Company
12 employees to have some of their time capitalized,
13 is that right?

14 A (Sprague) When they work on specific projects,
15 yes, we would capitalize their time.

16 Q Right. Right. And, in other projects I looked
17 at, and we're going to get to them later, when I
18 see payroll charges for presumably Unitil Service
19 Company employees, it's listed as "payroll
20 straight time" and then "payroll overtime". And
21 I can point you to them, but I think you're
22 familiar with them. Can you explain why these
23 aren't charged as payroll? Why are they listed
24 as "Miscellaneous Plant Adjustments"?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Sprague) Those individuals tend to be
2 individuals that work specifically -- they're not
3 Service Company employees. So, when they charge
4 their time, they charge their time directly to a
5 project, as opposed to a Service Company
6 employee, that charges their time to a job order
7 number, that job order number is then charged to
8 this individual project. So, that's why it comes
9 across as a "Miscellaneous Plant Adjustment".

10 Q Okay. The other ones that I was referring to
11 that we're going to get to, you're saying are
12 not -- probably not Service Company employees?

13 A (Sprague) Correct.

14 Q Those would be --

15 A (Sprague) Those would be like a lineman --

16 Q Okay.

17 A (Sprague) -- who's work on a project.

18 Q Okay. All right. So, I want to get back to the
19 notion of what was actually -- what was actually
20 produced at the end of this project, because I'm
21 having troubles with that.

22 So, I understand that you said that all
23 these people got together, some vendors, mostly
24 employees, to test whether or not the time-of-use

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 rates would work, and I understand that. And, at
2 some point, presumably, you determined that "Yes,
3 the system is going to work."

4 I would expect that at that point this
5 product or this effort that was untaken would be
6 finished. Can you explain to me why this effort
7 or product would have a useful life of five
8 years?

9 A (Sprague) So, not -- so, there are improvements
10 that have been made to the Company's "systems",
11 I'll call it. Those improvements are still being
12 used in the production environment.

13 Q And the time that's charged to this work order
14 resulted in those improvements?

15 A (Sprague) Correct.

16 Q And those systems that were improved have their
17 own accounts and their own project numbers, and
18 are depreciated over their own life, correct? In
19 other words, if I were to look into the Company's
20 books and records, I would find the account for
21 customer accounting and systems, and other
22 software systems, which would have their own
23 balances and their own depreciation schedules,
24 and everything else, right?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Sprague) Correct. It's not uncommon for us to
2 have a system that initially gets deployed, and
3 that starts depreciation -- depreciating as it's
4 deployed and as it's used and useful. Over time,
5 improvements are made to those systems. Each
6 time one of those improvements are made, and
7 capitalized, then those improvements are then
8 capitalized -- I mean, are depreciated over a
9 certain period of time.

10 Q And that's what we have here?

11 A (Sprague) Correct.

12 Q Okay. Okay, I'm going to move to a different
13 project. This one was described in Exhibit 3.
14 It's titled "North Main [State?] Street Concord -
15 Conduit". And I'm looking at Hearing Exhibit 1,
16 Bates Page 037, which is the list of all the
17 projects that are proposed for recovery. And I
18 find that on Line 17, is that right?

19 A (Sprague) That is correct.

20 Q Okay. Could you give us a brief description of
21 this project please?

22 A (Sprague) Yes. So, there was some work that was
23 ongoing at the Legislative Office Building in
24 downtown Concord. During that construction,

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 they -- and the digging for that construction,
2 they had exposed the conduits into the facility.
3 When they exposed those conduits, it appeared at
4 some point in time in the past they had
5 experienced some severe heat damage. And the
6 conduits themselves had deformed and collapsed.

7 Q And what was the final cost of this project?

8 *[Short pause.]*

9 MR. TAYLOR: Commissioners, can I
10 address the witnesses?

11 CMSR. CHATTOPADHYAY: Yes.

12 MR. TAYLOR: Would it be helpful if I
13 provided you a copy of Hearing Exhibit 3, which
14 Attorney Dexter is referring to?

15 WITNESS SPRAGUE: Sure.

16 *[Atty. Taylor handing document to*
17 *Witness Sprague.]*

18 **BY THE WITNESS:**

19 A (Sprague) Okay. So, the total -- the total
20 expenditures for this project is \$41,481, with an
21 installed cost of \$40,804 and a cost of removal
22 of \$678.

23 BY MR. DEXTER:

24 Q Okay. Thanks. So, I wanted to ask you about the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 detail behind that \$41,000. And I believe I
2 found that in Hearing Exhibit 1, Bates Page --
3 starting at Bates Page 128. And that was Bates
4 Page 106 from the original filing.

5 A (Sprague) I'm there.

6 Q Okay. And just to sort of close the loop on the
7 discussion we were having earlier, the first two
8 charges I see there are \$9,000 for payroll
9 straight time and about \$600 for payroll
10 overtime. That's what you were talking about
11 before, when you said these would be utility
12 company employees, as opposed to Service Company
13 employees, is that right?

14 A (Sprague) That is correct.

15 Q Okay. Good. So, I looked through these charges
16 fairly carefully. I looked mostly at the dates
17 on the left-hand side. And I see that virtually
18 all of the \$41,000 was incurred in the year 2020,
19 most of it in the late half of 2020, most of it
20 in November and December. Am I reading that
21 correctly, using the numbers on the left-hand
22 side of the page?

23 A (Sprague) That would be an accurate
24 characterization.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q It would be an inaccurate characterization?

2 A (Sprague) No, I said it would be --

3 Q Oh, "an accurate".

4 A (Sprague) "An accurate".

5 Q Okay.

6 A (Sprague) Sorry about that.

7 Q No problem. So, I wanted to find some costs that
8 were recorded for 2021. And I thought I saw, for
9 instance, about a quarter of the way down on
10 Page 128, under this -- it's called "M&S ISSUE",
11 I understand that's a Materials and Supplies
12 loading charge, or Materials and Supply charge.
13 I see an amount for "\$168.06", that seems to have
14 been recorded in January of 2021. Do I read that
15 correctly? It's under the bold heading "27-804".

16 A (Sprague) I see that. Yes, that would be January
17 of 2021.

18 Q Okay. And there's a few others like that in this
19 list, correct?

20 A (Sprague) Correct.

21 Q Okay. So, my question is -- oh, and one other
22 question. When was this project -- what's the
23 date completed that's included on the horizontal
24 sheet, that lists all of the projects, up at the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 beginning, I think it's Bates Page 029 we said?

2 A (Sprague) That says "April of '22".

3 Q April of 2022. And I think we went over this
4 last summer, is that the date that the project
5 was physically completed and put into service, or
6 is that the date from an accounting standpoint it
7 was put into plant in service?

8 A (Sprague) That is the data when it was -- when,
9 from an accounting standpoint, when it was put
10 into service.

11 Q Okay. And you said "April of 2022". Can you
12 explain why there was it sounds like, roughly, a
13 16-month lag between when the costs -- majority
14 of the costs were incurred in 2020 and when this
15 project was closed in 2022?

16 A (Sprague) Yes. Maybe I can describe the process
17 in general, and then try to hit more on your
18 question.

19 So, the way the projects are completed,
20 so, authorization is completed, a work order is
21 taken out, that's all approved, and then
22 construction starts. Charges continue to hit
23 that on a monthly basis. Once the fieldwork is
24 complete, the supervisor that's in charge of that

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 fieldwork says "All right, all the fieldwork is
2 complete." And they put together all their
3 documentation, and they hand it over to our Plant
4 Records team. So, the Plant Records team then
5 make -- there's a period of time when work is
6 physically completed and all of the invoices are
7 received and paid. That can sometimes be rather
8 quickly, that can sometimes drag out over a
9 period of time.

10 Once we have a fairly high confidence
11 that all of the charges have been invoiced and
12 paid, then the project -- the Plant Records group
13 can close that project, put the package together,
14 send it to our Plant Accounting team, the Plant
15 Accounting team then closes it to plant.

16 So, to answer your question "why it
17 took so long?" There are very -- there are
18 various reasons why it can take long. I talked
19 about it could be delays in waiting for
20 invoicing. It could be delays in the project
21 itself. There could be, you know, periods of
22 time when a project starts and a project pauses
23 and the project starts again.

24 And there are situations where it could

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 be that a project just isn't closed. In this
2 case, I think it's probably the project just
3 wasn't closed in a timely manner.

4 Q Would you agree that the payroll that was charged
5 to this project was incurred in November of 2020?

6 A (Sprague) The lion's share of it, yes.

7 Q And that the vouchers that I see here, I only see
8 really one group of vouchers, called "NEW ENGLAND
9 TRA". Maybe you can tell us what that is, before
10 I ask the question?

11 A (Sprague) Yes. That's traffic control.

12 Q That means "traffic control". Those were
13 billed -- or, those were recorded in December of
14 2020?

15 A (Sprague) That is correct.

16 Q Okay. So, can we infer from this that the actual
17 work in the field was done in 2020?

18 A (Sprague) I think, if I recall right, our field
19 supervisor gave the package -- or, deemed the
20 package complete I believe it was February of
21 '21.

22 Q Okay.

23 CMSR. CHATTOPADHYAY: Attorney Dexter,
24 do you know how more minutes you will have?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 MR. DEXTER: Well, I have about five
2 minutes on this project, and then I have one more
3 project, which will probably take 15 or 20
4 minutes.

5 CMSR. CHATTOPADHYAY: Then, why don't
6 we take a ten minutes break now.

7 MR. DEXTER: Okay. Thank you.

8 CMSR. CHATTOPADHYAY: And we'll be
9 back. Okay. Off the record.

10 *(Recess taken at 2:41 p.m., and the*
11 *hearing resumed at 2:55 p.m.)*

12 CMSR. CHATTOPADHYAY: On the record.
13 So, let's continue.

14 MR. DEXTER: Thank you.

15 BY MR. DEXTER:

16 Q If this project that we've been talking about in
17 Concord had been closed to plant in 2021, would
18 it have been included in last year's step
19 adjustment?

20 A (Sprague) That is correct.

21 Q Was last year's step adjustment, as proposed, at
22 the cap that's imposed on the step adjustments by
23 the Settlement Agreement?

24 A (Goulding) We're checking.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 *[Short pause.]*

2 **BY THE WITNESS:**

3 A (Goulding) No, it was under the cap. And that
4 cap was established based on the list of projects
5 that were closed to plant for 2021. So, this
6 project would have probably been -- would have
7 been in that list to establish the revenue
8 requirement of those projects. But, either way,
9 it is under the cap. The cap was 1,377,000, and
10 the total revenue requirement last year was
11 1,304,000.

12 BY MR. DEXTER:

13 Q What was requested last year at the outset of the
14 case, do you have that?

15 MR. TAYLOR: Sorry, could you specify
16 what you mean when you say "the start of the
17 case"?

18 MR. DEXTER: The start of the step
19 adjustment case from last year, the initial step
20 adjustment request.

21 **BY THE WITNESS:**

22 A (Goulding) 1,376,786. So, under \$500 under the
23 cap or a thousand dollars under the cap.

24 BY MR. DEXTER:

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q If this project, hypothetically, had been
2 \$500,000, rather than \$50,000, what impact would
3 that have had on last year's step adjustment,
4 considering the cap that we've been talking
5 about?

6 *[Witnesses conferring.]*

7 **BY THE WITNESS:**

8 A (Goulding) Sorry, we're working on the math. The
9 approximate revenue requirement on a half million
10 dollar project is \$65,000.

11 BY MR. DEXTER:

12 Q So, would that have been over the cap?

13 A (Goulding) It would have been over the cap that
14 was established in the Settlement. I'm trying to
15 avoid getting into the settlement discussions.
16 But there was a process that was in place that
17 came up with the establishment of the cap, that
18 looked at the projects that were closed to plant.
19 I think there was an illustrative calculation
20 that was provided as one of the Settlement
21 attachments.

22 Q Yes, I think what you're saying, and I don't want
23 to put words in your mouth, but I'm dealing in
24 hypotheticals, and I understand that's difficult.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Had this project been closed in 2021, it would
2 have been on the list, and it may have had an
3 impact on the cap, is that what you're saying?

4 A (Goulding) Yes, exactly.

5 Q I understand. Okay. All right. I'm going to
6 move from this project.

7 And I want to talk briefly about the
8 project that's listed on Exhibit 4, it's called
9 "Convert Route 125 Kingston". And I'd like you
10 to please describe that project in general
11 please?

12 A (Sprague) So, this project -- this project is
13 designed to improve voltage and capacity to a
14 portion of the Town of Kingston.

15 Q And could you provide the total amount that was
16 related to this project that's included in the
17 Step Adjustment, not the revenue requirement, but
18 the closed to plant, the rate base value?

19 A (Sprague) It is \$873,680.

20 Q Thank you.

21 CMSR. SIMPSON: Do you have a reference
22 for that figure?

23 WITNESS SPRAGUE: It is in Exhibit 1, I
24 believe -- I don't have the Bates pages in front

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 of me, but, for the list of projects, it is on
2 Line 119. And, if you go over to the "Plant in
3 Service" column, you'll see the 873,000.

4 CMSR. SIMPSON: Thank you. Sorry to
5 interrupt.

6 MR. DEXTER: No, Commissioner. I
7 apologize. I'm having a hard time finding the
8 cost detail in the 2,800-page exhibit. Could I
9 just go off the record for a second and consult?

10 CMSR. CHATTOPADHYAY: Sure.

11 *[Atty. Dexter and Mr. Dudley*
12 *conferring.]*

13 MR. DEXTER: I'm all set, if we're
14 ready?

15 CMSR. CHATTOPADHYAY: Thank you. We
16 are.

17 MR. DEXTER: Thank you for that break.

18 BY MR. DEXTER:

19 Q I'd like to direct your attention to Bates Page
20 1551 of Hearing Exhibit 1, and confirm that this
21 is the cost detail for the Route 125 project
22 we've been talking about?

23 A (Sprague) I apologize. The one in front of me,
24 Bates Page 1551 is the authorization for the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 project.

2 Q Right.

3 A (Sprague) Okay.

4 Q Yup, that's where I am, for this project that
5 we're talking about.

6 A (Sprague) Correct.

7 Q Right. Now, in the third paragraph under the
8 heading "Description/Scope", there's reference of
9 "supplying a proposed commercial development".
10 Do you see that?

11 A (Sprague) There was -- there is a commercial
12 development that was one of the driving factors
13 for needing an improved capacity to that portion
14 of the system.

15 Q And can you describe that development please, in
16 terms of size or number of customers or load, or
17 whatever sort of characteristics you can come up
18 with?

19 A (Sprague) Yes. So, there's, off the top of my
20 head, there is -- it's a rather I'll call it
21 "small development". The plan is for three
22 commercial buildings of various different use.

23 Q Do you know what the uses are?

24 A (Sprague) I do not.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q Do you have an idea of the square footage or
2 anything like that? I'm just trying to get a
3 picture of what this looks like?

4 A (Sprague) Not off the top of my head, I don't
5 have the square footage.

6 Q Okay. But is it a strip mall or apartment
7 building? Or, do you have any details at all?

8 A (Sprague) No, I would -- I would characterize it
9 as "industrial space".

10 Q Industrial. Okay. The next page down, under
11 "Justification" of the project, I see a reference
12 that says "The new development will consist of
13 three buildings with 1200 amp services each."
14 Can you, for the non-engineers, tell us, you
15 know, what that translates to, in terms of is
16 that a lot of load or a little load or --

17 A (Sprague) So, 1200 amp service is a good size
18 service.

19 Q Okay. The next sentence says "The existing 4kV
20 infrastructure at this location cannot support
21 this added load." Is that right?

22 A (Sprague) So, the area of the system where this
23 is located was originally served from step-down
24 transformers that, when this load was added, we

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 could not continue to provide safe and reliable
2 service to the area.

3 Q And when was the load added at this commercial
4 development?

5 A (Sprague) I believe the first meters were added
6 in August of this past year.

7 Q And do you know if one, two, or three of the
8 buildings is taking service now?

9 A (Sprague) There's one building, and I believe
10 there's seven meters in that one building.

11 Q Does the Company have an estimate of annual
12 revenue to be received from this development?

13 A (Sprague) I'm not sure on an annual basis. But
14 we did a calculation, based upon some
15 conversation that we had at the technical
16 session. And, between August of last year to
17 year-to-date, there's been \$2,400 of revenue.

18 Q That's between August and what did you say, like
19 March of 2023?

20 A (Sprague) Correct.

21 Q When you, I don't know if "agreed" is the right
22 word, but when you agreed to take on this
23 customer, was there some sort of a customer -- a
24 CIAC, customer -- customer contribution in aid of

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 construction, was there a calculation performed?

2 A (Sprague) So, we don't agree to take on
3 customers; we have a -- we have to serve them.

4 Q Right.

5 A (Sprague) So, in this situation, there was not
6 a -- there was not a customer contribution in aid
7 of construction.

8 Q And why was that?

9 A (Sprague) The facilities that were installed
10 directly to serve the customer, and to serve the
11 new load, was the service, the transformers, and
12 the meters. The improvement to the distribution
13 system not only provide service to this customer,
14 but also provides benefit to all of the customers
15 on that circuit.

16 Q Right. But what would go into the decision not
17 to charge a CIAC to the development, the
18 commercial development that's referenced here?

19 A (Sprague) So, for this part of the project, so,
20 what we don't see here is, we don't see the
21 service or the meters or the customer
22 transformer -- or the transformer serving the
23 customer. There may have been a contribution
24 associated with that portion of the project.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 But, since this portion -- since this project
2 right here is not designed with the sole purpose
3 of serving this customer, it's not the
4 requirement of this customer to fund this project
5 that provides a benefit to the rest of the
6 system.

7 Q Sure. Sure. No, I wasn't asking if there was a
8 CIAC associated with this project. I meant with
9 the serving of the customer? And I think your
10 answer was "There may have been" or --

11 A (Sprague) There may have been.

12 Q May have been.

13 A (Sprague) Associated with -- I mean, there's a
14 calculation that happens for the line extension,
15 the transformer, the service, and the meters.
16 I'm just not -- I'm just not sure of that level
17 of detail.

18 Q Sure. That's what I was getting at. I wanted to
19 ask what the revenue assumption was in that CIAC
20 calculation?

21 A (Sprague) I'm not aware of that.

22 Q Okay. Do you believe that the \$2,400 that you
23 mentioned in revenue from August of 2022 to March
24 of 2023 is representative of what's going on at

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 this location for the foreseeable future? Or, do
2 you expect that that amount would increase as the
3 development is built out?

4 A (Sprague) I would say that the \$2,400 is not
5 representative of three 1200 amp services.

6 Q Okay. But you don't have a revenue forecast for
7 that specific development you said?

8 A (Sprague) I do not.

9 Q Okay. Now, in your answer to our question on
10 Exhibit 4, you, and I'm not sure who the witness
11 is on this one, the Company doesn't have it, but
12 the Company states that "Growth related projects
13 consist of line extensions, new customer
14 services, new transformers, and customer meters
15 used to directly service known new load."

16 "System capacity increases are
17 categorized as non-growth because the project is
18 not only designed to provide capacity to known
19 load, but also capacity to serve load growth in
20 the future."

21 Where did those definitions come from?

22 A (Sprague) Those were definitions that the Company
23 has used for quite some time, for multiple cases,
24 rate cases. I believe that the initial concept

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 of "growth" and "non-growth" projects probably
2 predates our 2010 rate case. And the concept
3 behind the growth and non-growth is more from a
4 revenue standpoint than it is a growth
5 standpoint. You know, maybe it should have been
6 defined as "revenue-producing" and
7 "nonrevenue-producing".

8 So, back in history, when these step
9 adjustments were contemplated, and ultimately
10 agreed to, the idea was for these projects that,
11 in between rate cases, that maybe our lumpy
12 investments that don't have corresponding revenue
13 associated directly with the amount of capacity
14 that's being installed, those projects would be
15 allowed to be recovered in a rate case.

16 Q Do you have an idea as to what the level of
17 investment would be for what you've defined as
18 "growth related projects", line extensions,
19 services, transformers and meters, in connection
20 with this commercial development, as compared to
21 the 873,000 that you referenced as the amount of
22 the backbone investment?

23 A (Sprague) I am not sure off the top of my head.

24 Q Okay. Just as I whispered to my colleague that

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 "I think we're all set", I actually want to go
2 back and have one follow-up question on the
3 "miscellaneous plant adjustments" that we were
4 talking about, in regard to the TOU Testing
5 project. Do you recall that discussion? You had
6 said that the "miscellaneous plant adjustments
7 are primarily related to labor costs", and you
8 explained that those were Service Company
9 employees, do you recall that?

10 A (Sprague) Correct.

11 Q Okay. I believe that, unless I'm mistaken, that
12 the Concentric costs that were taken out were
13 also labeled as "miscellaneous plant
14 adjustments", is that right?

15 A (Sprague) Yes. You can have miscellaneous plant
16 adjustments for other reasons. I believe your
17 question was "were those miscellaneous plant
18 adjustments predominantly Service Company labor?"
19 So, that's why I answered it the way that it was.

20 But you can have a miscellaneous plant
21 adjustment when charges or costs are reclassified
22 from one project or one account to another
23 project or another account.

24 Q Is the charging of -- capitalizing of a Service

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Company employee, is that the typical accounting
2 treatment, miscellaneous plant adjustment? Or is
3 there another, as you said, I think it's not
4 uncommon for a Service Company employee's payroll
5 to be capitalized, is that the typical journal
6 entry, or is it usually described as something
7 else?

8 A (Sprague) There are a couple different ways that
9 Service Company employees are capitalized. One
10 is, for those employees who are not typically
11 capitalized, they would get charged through as a
12 miscellaneous plant adjustment. For those
13 employees that are generally capitalized, like
14 engineers, those go through as overheads.

15 Q As overheads.

16 A (Sprague) It will show up as overheads.

17 MR. DEXTER: Okay. All right. That's
18 all the questions I have.

19 Oh, excuse me, if I could just consult.

20 *[Atty. Dexter and Mr. Dudley*
21 *conferring.]*

22 BY MR. DEXTER:

23 Q I just have one question to close with, on the
24 Kingston Project now. Is that project, both the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 875,000 that was here that you described as
2 "backbone infrastructure", and the meters and
3 services for the particular development was
4 identified, is that all done, as we sit here in
5 April of 2023, or is there more, more work to be
6 done by Unitil at that location?

7 A (Sprague) There will be more work associated with
8 main -- with a line extension to the new
9 buildings, the transformers associated with the
10 new buildings, and the meters associated with the
11 new buildings.

12 Q Okay.

13 A (Sprague) But, for this project, this project is
14 complete.

15 MR. DEXTER: Okay. Thank you.

16 CMSR. CHATTOPADHYAY: Thank you. Let's
17 go to Commissioner Simpson.

18 CMSR. SIMPSON: Thank you. Thank you
19 for being here.

20 BY CMSR. SIMPSON:

21 Q So, I'm looking at the Settlement Agreement from
22 21-030. And Section 5 appears to outline the
23 methodology for the Company's step adjustment.
24 Am I interpreting that correctly?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Goulding) Give me one second to bring up the
2 Settlement Agreement. I didn't have that printed
3 up.

4 Q I'm really just looking to confirm that this is
5 the methodology that the Company has applied in
6 calculating the proposed step adjustment?

7 A (Goulding) Yes. That is the methodology.

8 Q Okay. So, then, when I look at Exhibit 1, Bates
9 037, starting on Bates 037, this appears to be
10 really the overall listing of projects within the
11 scope of capital additions, is that correct?

12 A (Sprague) Yes. Those were all the projects that
13 were closed in 2022.

14 Q So, recognizing the methodology from the
15 Settlement Agreement, I see in the eighth column
16 of this table "Growth versus Non-Growth", and
17 you've identified each respective project as
18 either "Growth" or "Non-Growth", correct?

19 A (Sprague) Correct.

20 Q So, if, fundamentally, the step adjustment is
21 to -- or, I should ask, would you agree with the
22 premise that step adjustments are generally
23 intended to reduce the impacts of regulatory lag
24 for non-revenue or non-growth projects?

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 A (Sprague) Correct. Maybe I can cut you off. The
2 growth-related projects are not included in the
3 projects that we're asking for here. They are
4 shown on the list as projects that were closed,
5 but that's, you know, as far as they go. They're
6 not included in the amount that we're seeking a
7 revenue requirement for.

8 Q So, then, in Section 5 of the Settlement, it
9 discusses "Change in Non-Growth Net Plant",
10 "Change in Net Plant multiplied by percent of
11 Non-Growth Net Plant." And, really, what I'm
12 trying to understand is, why are there growth
13 projects listed here? Like, is there a factor of
14 growth projects that is relevant for the overall
15 calculation of the requested step adjustment?

16 A (Goulding) Yes. There is the factor of growth to
17 non-growth, so, a percentage. I think it was
18 79.49 percent non-growth additions in 2022. So,
19 we use that factor to determine how much of the
20 change in net plant is what is associated with
21 non-growth projects for the year.

22 Q Why would you do that? And I recognize that's
23 what's in the Settlement Agreement. But what's
24 the thinking behind that, as opposed to just

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 relying on the figures for non-growth related
2 plant?

3 A (Goulding) Because the other item that comes into
4 play in the calculation is the ongoing
5 depreciation expense.

6 Q Uh-huh.

7 A (Goulding) That impacts the change in net plant
8 also. So, if we just took the non-growth
9 investments, ignored that depreciation expense
10 altogether, by not applying the factor, --

11 Q Uh-huh.

12 A (Goulding) -- we would have an overstated step
13 increase, because it would no longer be "change
14 in net plant", it would just be return on and of
15 the capital additions, the non-growth capital
16 additions.

17 Q Is that typical? Is that how the Company
18 utilized step adjustments in the past? Or, in
19 your experience, do you know if other utilities
20 use a similar methodology?

21 A (Goulding) So, historically, it's been -- that's
22 how the electric utilities have done it. I know,
23 in the 2009 PSNH rate case, they did a
24 non-growth -- excuse me -- change in net plant

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 associated with non-growth, by multiplying it by
2 80 percent. It was a proxy for -- they looked
3 back historically, roughly, 20 percent of
4 projects were growth, 80 percent were non-growth.
5 So, they applied that to their change in net
6 plant to establish the step increase.

7 In Unutil's case, in 2010, we had the
8 same approach; 2016, the same approach; and then,
9 2021, the same approach.

10 Historically, there have been a little
11 bit different methodology recently on the gas
12 side. It was more of a list approach, which
13 actually just takes the specific projects, and
14 multiplies those by the return and the
15 depreciation rate to come up with the revenue
16 increase.

17 Q So, first question about the proxy, the 20/80
18 proxy, I think you said that, here, it was about
19 79.something percent, it was the ratio?

20 A (Goulding) Yes. So, for the current year, 2022,
21 our growth to non-growth projects was 79 and a
22 half percent non-growth and 20.5 percent growth.

23 Q And that's at the bottom of Bates 039? That's
24 the "Capital Additions Percentage Split",

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Line 209 through 212?

2 A (Goulding) Yes. Exactly.

3 Q Okay. So, then, that -- the historical proxy is
4 pretty reflective here then, would you agree?

5 A (Goulding) Yes, it holds.

6 Q And then, what do you think is unique about the
7 gas utilities versus electric utilities, in terms
8 of the methodologies applied for steps? Are
9 there distinctions that should be factored?

10 A (Goulding) We don't really have a lot of
11 knowledge on why they were different. They were
12 different divisions, an electric division and a
13 gas division. They were led by different
14 individuals, and maybe it was just different
15 preferences on how it was done.

16 Essentially, it got to the same answer.
17 It was supposed to give you rate relief
18 associated with non-revenue producing projects in
19 between rate cases.

20 A (Sprague) Right. And, so, all of those were
21 settlements.

22 Q Uh-huh.

23 A (Sprague) So, it was a combined approach that
24 both the Company, I believe the Consumer

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Advocate, and Staff, at the time, agreed to.

2 Q Okay. That's helpful context. Thank you. So,
3 looking at this three-page list in Exhibit 1,
4 Bates 037 through 039, you know, what are the
5 major projects that are you think important for
6 us to know?

7 A (Sprague) Could you expand a little bit more on
8 that?

9 Q Well, there's over 200 -- or, I guess there's
10 exactly 200 distinct projects that are listed
11 here. You know, we've gone through some of them
12 through the Department's questioning, which has
13 been extremely helpful.

14 You know, one could look at just
15 overall the installation cost, one could look at
16 the year in which the project started, versus the
17 date completed. But, you know, you all have the
18 best sense of the work that you've done over the
19 past couple of years, and the capital investment
20 that's been made by the Company.

21 So, I'm really just looking for
22 insight, as you look through this list, what do
23 you think is relevant for us to consider, when we
24 evaluate the step adjustment that's been

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 proposed?

2 A (Sprague) So, what you have in front of you is a
3 comprehensive list of projects that all have the
4 appropriate justification and authorization to be
5 considered as prudent. Each of these projects
6 have been closed, or are portions of the -- the
7 portions of these projects that are on this list
8 are all closed in 2022. Some of the work may
9 have happened in '21, or even 2020. That doesn't
10 mean that it was imprudent that those projects
11 were not closed until 2022.

12 In a situation where we have a step
13 adjustment, does it benefit us to close the
14 projects as quick as we can? Yes. In a perfect
15 world, you know, the day it's done, it would be
16 closed.

17 In some cases, you know, for -- you
18 know, for one of the projects that Attorney
19 Dexter was pointing at, yes, there was some time
20 that had passed in between there. That doesn't
21 mean that that project shouldn't be considered,
22 that doesn't mean it was an imprudent project.
23 It just means that that's when it was closed.
24 And, so, that's when it shows up on this, in this

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 step adjustment.

2 So, all of these projects are designed
3 to provide safe, reliable service to our
4 customers. Some are -- some are to allow us to
5 bill our customers properly, some are, you know,
6 physical improvements to our system to serve the
7 customers properly. But all are focused on
8 ensuring the safe and reliable service to our
9 customers.

10 Q Are there any -- thank you. That's very helpful.
11 Are there any projects that you, as you look
12 through the list, that you think are meeting
13 unique or considered needs -- considerable needs
14 that the Company identified over the two or so
15 years that many of these projects were
16 undertaken?

17 Like, I look at Line 10,
18 "ADMS-Grid Mod", you know, maybe you might
19 elaborate on that one a little bit, or identify
20 some other projects that you identified
21 significant reliability needs or safety needs?
22 Just to give us some context.

23 A (Sprague) Sure. So, the ADMS Project, that
24 stands for "Advanced Distribution Management

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 System", that is a project to improve the
2 monitoring and control of our distribution
3 system. It's designed to improve reliability,
4 improve our ability to control and monitor
5 further out on our distribution systems. That is
6 a -- that's a rather large project that we
7 started, and will be continuing to work on over
8 the foreseeable future.

9 Let's see. Let me --

10 Q I see a lot of "reclosers".

11 A (Sprague) Right. There's a bunch of reclosers,
12 that are designed to improve reliability, improve
13 the ability to automatically reclose and try to
14 clear faults, to improve reliability, to
15 sectionalize our system, to produce automated
16 switching. We have some -- there's, on Line 32,
17 there's a reconductoring that we completed, to --
18 that was primarily due do a condition
19 replacement. Again, just making certain that the
20 system that we have is reliable and safe for our
21 customers.

22 We've done some cable injection. Cable
23 injection is a technology that's used to,
24 historically, polyethylene cable was direct-bury

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 in the ground, as opposed to in conduits. Over
2 time, those, because they're not in conduit,
3 those cables tended to degrade. This cable
4 injection is a rather interesting technology,
5 that it actually injects an insulating medium
6 down the strands of the conductor -- or, the
7 cable, so then you don't have to replace it, to
8 try to extend the life of the cable, as opposed
9 to replace the cable.

10 Q There's a big line item for "Distribution Pole
11 Replacement", 1.2, almost 1.3?

12 A (Sprague) Yes. So, "Distribution Pole
13 Replacement", that's a blanket that we have every
14 year. We test 10 percent of our system every
15 year. And, based upon the results of those
16 tests, we replace the poles that failed to meet
17 certain criteria, and that criteria is
18 essentially to -- that the pole is going to
19 remain safe for the next ten years, until the
20 next time we go out and touch that pole. You
21 know, depending on the given year, we'll -- you
22 know, that pole replacement project will
23 fluctuate, based upon those results.

24 We had some communication projects and

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 some SCADA projects, again, to improve that
2 visibility and control of our distribution
3 system.

4 We had porcelain cutout replacements.
5 Porcelain cutouts are known to have -- are known
6 to be a failure point in the industry. And the
7 industry is actively working to eliminate all of
8 those. Over time, the porcelain will crack, and
9 the cutout will essentially fall apart, and
10 ultimately cause an outage. So, we proactively
11 are trying to get -- eliminate those porcelain
12 cutouts, in favor of a polymer-based cutout that
13 is not susceptible to the same cracking issues.

14 We had some, you know, some smaller
15 substation upgrade projects, making sure that the
16 equipment that we have out there is safe and
17 reliable. We had a -- I think we had a
18 transformer failure at Bow --

19 *[Court reporter interruption.]*

20 **CONTINUED BY THE WITNESS:**

21 A (Sprague) -- a transformer failure at Bow Bog
22 Substation. And, in that situation, we actually
23 reused a transformer from another that had been
24 taken out of another substation. So, that, you

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 know, just to try to, you know, manage costs of
2 that project.

3 We have some crossarms on what we call
4 the "3342 and 3353 Lines". We had, several years
5 back, we had replaced wooden crossarms with
6 fiberglass crossarms at the time. And now that
7 we're some time down the road, we've learned that
8 those crossarms that we had used have aged much
9 faster than we had expected, due to UV lighting
10 from the Sun, and degraded those. So, those
11 crossarms needed to be replaced.

12 BY CMSR. SIMPSON:

13 Q Just generally speaking, when you look at this
14 list, how much of it do you feel is reactive,
15 that you didn't expect to have to make capital
16 replacement, but you identified an issue that you
17 wanted to address, versus how much of it is more
18 long-term, like, you're on an asset management
19 cycle? And it might be reflected in your LCIRP,
20 not on individual projects, but an area of
21 investment, or you know you could forecast it in
22 your last rate case?

23 A (Sprague) I would say the lion's share of this
24 work is something that we -- that we have known

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 and can forecast. If you look at the "Budget #"
2 column on that listing, the projects that have an
3 "N" in the budget number means "non-budget".

4 Q Just a dash that I'm seeing?

5 A (Sprague) No. Like look at Line 98. So, this
6 was "Relocate the Water Department line out of
7 the right-of-way." So, the budget number is
8 "DPNC". So, DP stands for "Distribution
9 Project", "N" stands for "Non-budgeted", "C"
10 stands for "Concord" or "Capital". And "01" is
11 just an incremental number of non-budget
12 projects. So, that -- that identifies that that
13 project was not known at budget time.

14 Q And is that also representative of the lack of a
15 definitive figure in the third from the last
16 column that's labeled "Budget", as opposed to
17 "Budget #"?

18 A (Sprague) Correct.

19 Q You didn't have a budgeted --

20 A (Sprague) Correct.

21 Q -- line for it?

22 A (Sprague) Correct. It was not known at budget
23 time. So, as you can see that, you know, just as
24 you visually go down there, down that list, --

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q Uh-huh.

2 A (Sprague) -- the lion's share of those projects
3 are budgeted projects. They were known at budget
4 time. They have budget estimates. And we work
5 to manage to those budget estimates. And, in
6 situations where conditions in the field or the
7 scope of the project changes, those projects are
8 authorized for a larger amount, based upon that
9 change in scope.

10 Q Okay. That's helpful context. I want to just
11 clarify a couple of areas; one with respect to
12 depreciation, one with respect to cost of
13 removal.

14 So, from the Company's perspective, how
15 should depreciation be treated, when we
16 differentiate new versus existing projects?

17 A (Goulding) Are you referring to within the step
18 increase or in general?

19 Q If there is a distinction, maybe you might
20 explain that for me.

21 Maybe if you start in general, that
22 would be most helpful. And then, we can talk
23 about the step specifically.

24 A (Goulding) Yes. So, in general, we have

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 depreciation rates that have been approved in our
2 rate case, and for each asset account and as
3 dollars flow in there, they're depreciated at
4 those approved depreciation rates.

5 Within the step increases, we have our
6 plant additions associated with non-growth, and
7 we multiply it by the average depreciation rate,
8 which was calculated as part of the Settlement
9 Agreement, and on one of the revenue requirement
10 schedules within the Settlement attachments.
11 I'm going to say Settlement Attachment 1 is the
12 revenue requirement. So, that is applied to the
13 plant additions to calculate the depreciation
14 expense or return of the non-growth investments
15 within the step increase. And that appears on
16 Line 15 of the step increase, Page 1.

17 Q Line 15, Page 1. Which exhibit?

18 A (Goulding) It would be Hearing Exhibit 6, Bates
19 Page 015. So, if you look on Line 15, there's
20 the "Depreciation Expense on Non-Growth Plant
21 Additions". And what that is doing is
22 multiplying the non-growth plant additions times
23 the 3.35 percent, to come up with \$510,342 of
24 depreciation expense associated with those

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 non-growth investments that's recovered through
2 the step increase.

3 Q Okay. And then, looking at this same schedule,
4 can you explain the cost of removal calculation
5 for me please?

6 A (Goulding) So, the "cost of removal" is the
7 actual cost of removal charges associated with
8 the non-growth and growth plant additions. But
9 those are specific to the growth and non-growth
10 plant additions.

11 Q Is it based on an allocation of fixed percentage
12 for removal? No?

13 A (Goulding) No.

14 Q Do you itemize the cost tracking to calculate the
15 actual cost of removal or is it general?

16 A (Goulding) I believe it's a general amount that's
17 applied to each project, depending on the type of
18 project. But I'm not 100 percent certain.

19 Q Do you know how it's treated for accounting
20 purposes? Do you deduct that from your
21 accumulated depreciation?

22 A (Goulding) Yes. And you'll see it showing up on
23 Line 9. So, this is -- this calculation is meant
24 to duplicate what would happen on the accounting

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 system.

2 CMSR. SIMPSON: Okay. Thank you, all.
3 I don't have any further questions for the
4 Company.

5 I would like to ask Attorney Dexter a
6 question. Can we anticipate a recommendation
7 from the Department in closing today?

8 MR. DEXTER: Yes.

9 CMSR. SIMPSON: Okay. Thank you. I
10 don't have any further questions, Mr. -- or,
11 Dr. Chattopadhyay.

12 CMSR. CHATTOPADHYAY: Thank you.

13 BY CMSR. CHATTOPADHYAY:

14 Q So, let's go back to the question on
15 depreciation. Just bear with me. Are any one of
16 you three experts in depreciation matters?

17 A (Goulding) No.

18 Q Okay. So, when you were speaking about
19 "depreciation" at some point, just a while ago,
20 it was still just your general thinking about it?

21 A (Goulding) Correct. We don't -- I don't have the
22 underlying expertise to calculate depreciation
23 rates, with survivor curves and calculating
24 salvage values, and so forth, that roll into the

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 overlying -- or, underlying depreciation rates.

2 Q Do you, going back to the Settlement, do you
3 remember whether the Commission then had
4 expressly authorized the approach that you had,
5 that you have used here, for the step increase?

6 A (Goulding) In the Settlement, there was -- order,
7 there was language that result in us modifying
8 the calculation to break out the growth and
9 non-growth investments into separate columns
10 within the step increase, which is what you see
11 on Hearing Exhibit 6, Page 15. We had -- the
12 original Settlement that we filed had "Total
13 Investment Column (A)", and then we had a percent
14 change in net plant that was then applied to the
15 change in net plant, to come up with the
16 non-growth. So, this was being more precise and
17 consistent with the language of the Settlement
18 order, and what was filed last year in this step
19 increase.

20 Q When you talk about "depreciation", if there is a
21 brand new project, do you need to depreciate
22 that?

23 A (Goulding) Yes.

24 Q Do existing projects depreciate or do new

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 projects depreciate?

2 A (Goulding) All projects depreciate. So, the
3 depreciate rate is multiplied by the gross
4 investment.

5 Q Are you responding as a depreciation expert here?

6 A (Goulding) No. I'm responding as a revenue
7 requirement expert.

8 Q So, let's change the tack here, okay? If the
9 Company had only invested in growth projects,
10 with nothing invested on non-growth projects, the
11 Company would not have requested any additional
12 revenue needed from such growth projects in a
13 step increase, right?

14 A (Goulding) correct. Because, in theory, all of
15 those growth projects would be supported by new
16 customer revenues. Maybe not one-for-one to
17 support 100 percent of those investments, but
18 that's the underlying theory on why growth
19 projects are not included in the step increase.

20 Q I am asking, if there was only a growth project
21 in a particular year, would you be requesting a
22 step increase for that? The answer would be
23 "no", right?

24 A (Goulding) Correct. No.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 Q So, let's go to the schedules now. Can we go to
2 your Exhibit 6. I kind of prefer using the Excel
3 files. So, we are talking about Schedule CGKS-3.

4 And do you have it in front? So, I'm
5 at Worksheet Page 1, or "P1". Sorry.

6 A (Goulding) Yes. We have it in front of us.

7 Q So, in this analysis, you have split the total
8 plant additions into "Growth" and "Non-Growth".
9 And those numbers appear in Cell F19 and Cell
10 G19, correct? And the references were Excel
11 references.

12 A (Goulding) Yes.

13 Q Okay. And, without changing anything else, if
14 there were no growth projects, so, you're just
15 playing with the non-growth projects here, to the
16 tune of \$15,227,771, can you estimate the revenue
17 requirement in this hypothetical example?

18 A (Goulding) Could you repeat that question?

19 Q So, on Page P1, which is your model, let's assume
20 there are no growth projects, okay? So, you
21 don't have that column Unitil references "(b)", I
22 think Column F. Essentially, I'm saying there is
23 no 4.015 --

24 *[Court reporter interruption.]*

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 BY CMSR. CHATTOPADHYAY:

2 Q Sorry. There is no \$4,015,855 in that cell. So,
3 basically, you have only non-growth investment
4 that year. So, I'm just asking you to -- can you
5 go through that hypothetical example and give me
6 what the number would be, if you -- for the
7 revenue requirement?

8 A (Goulding) So, in that case, we're -- I'm not
9 sure, are we using a list approach, or not a list
10 approach, or the approach that's here based on
11 change in net plant?

12 Q We don't need to worry about the list
13 approach/non-list approach. I'm just asking, in
14 this schedule, if you don't have anything to
15 do -- anything to add about non -- sorry, growth,
16 so, meaning that Column F is not relevant, it's
17 not there, what -- and you have only spent
18 15,227,771 on plant additions that are
19 non-growth, what would be the revenue
20 requirement?

21 A (Goulding) So, there's other changes I would have
22 to make, though. So, I'm just not sure of all
23 the assumptions you want me to make. How to
24 treat the retirements? How to treat the cost of

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 removal? The depreciation expense would be
2 different. It would not be \$12,883,781 of actual
3 expense like it was. It would be lower, if there
4 was no growth investments within '22, or 2022.

5 Q Okay. I think you're moving a little bit too
6 quickly for me. I understand you -- let's go
7 one-by-one. For the cost of removal, what I
8 understood was, even though the numbers that
9 appear here, for the cost of removal, the numbers
10 that appear here are based on some sort of an
11 assumption about what, you know, goes into
12 effect. I'm assuming you can just keep that
13 2,085,000, you know, intact. I just want to get
14 a sense. So, unless you're telling me that we'll
15 have to look at that number differently. But,
16 really, for the purposes of this hypothetical
17 example, because that number, the one that is
18 appearing in Cell G9 -- sorry -- is it 26? Yes,
19 G26, that -- there is a reason behind it. You
20 have assumed why that is what it is. So, just
21 use that and tell me what's going to happen to
22 the revenue requirement?

23 So, the only thing that you need to
24 change then is you're no longer splitting it, you

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 know, in 20/80, roughly. You're just going 100
2 percent, however you do it for the depreciation,
3 because there is no new growth projects.

4 And, if this requires more time to do,
5 I would be happy to let you take a break and work
6 through it.

7 A (Goulding) My colleague will take a crack at it.

8 A (Nawazelski) Sure.

9 Q Sorry, I missed -- I missed --

10 A (Goulding) My colleague, Mr. Nawazelski, will
11 take a crack at it.

12 A (Nawazelski) So, I'm going to step back maybe to
13 the plant additions shown on Cell G19 of the
14 15.22 million.

15 So, if you were calculating a revenue
16 requirement on just those non-growth additions in
17 2022, I would take that amount and calculate the
18 return on that level of non-growth additions,
19 which would be the 15.22 million, times the
20 pre-tax rate of return of 9.18 percent. Which
21 results in a Return and Taxes amount of 1.39
22 million.

23 Q So, where would the depreciation be then?

24 A (Nawazelski) So, that now covers -- I didn't want

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 to jump ahead, I apologize. That would recover
2 your return on the investment. Also included
3 would be the return of the depreciation expense,
4 which I would calculate as taking that same
5 amount of non-growth plant additions, the 15.22
6 million, times the composite depreciation rate
7 that was agreed to in the Settlement Agreement of
8 3.35 percent, which results in the same amount
9 that is shown in Cell G35, of "\$510,342".

10 Q Are you saying you're not going to take account
11 of depreciation expense at all?

12 A (Nawazelski) In your hypothetical of us just
13 capturing the return on and of those non-growth
14 additions placed in the year, --

15 Q That wasn't my question. I was simply saying, if
16 all your projects were non-growth.

17 If you need to go back and do this
18 calculation, maybe you can have a record request,
19 okay.

20 How would you do it? So, that's my
21 question. It's, I mean, using the same model
22 that you're applying here, okay?

23 If you're not prepared to answer that,
24 then we can always ask a record request later.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 But that will keep the record open.

2 A (Nawazelski) I'll take a -- I apologize for
3 misunderstanding you previously. I'll take a
4 shot at answering that.

5 So, if you were to go under that
6 approach that no -- there is only non-growth
7 investments in the year, and sticking with this
8 schedule, in Cell E24, that's the total
9 depreciation expense, so that amount shown is
10 "12,883,781", you would apply that total amount,
11 and roll that total amount forward in Cell G24.

12 Q Okay. And, so, -- and then, you also have to be
13 careful, because the way you did it, you had
14 coded the split, you had hard coded it, okay, you
15 had to use the numbers 520 [sic], so you need to
16 also take care of that.

17 So, you should be able to give me a
18 number what the revenue requirement would be.

19 A (Nawazelski) The total, including depreciation
20 and property taxes?

21 Q Yes.

22 A (Nawazelski) That would be 946,239.

23 Q Okay.

24 A (Nawazelski) And the one caveat I would make is

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 that depreciation expense of 12,883,781, for this
2 purpose, it did include some level of growth
3 investments that is included in that first year
4 depreciation expense.

5 Q You are calculating the depreciation expense
6 based on what your existing, you know, plans
7 were. So, I don't understand that. I mean, I
8 think what you just discussed, before what you
9 said at the end, is what I was interested in
10 knowing. So, you got a number that is "946,239"?

11 A (Goulding) Yes. The calculation you requested us
12 to do results in a number of "946,239".

13 Q Okay. Let's go to another exercise here. Let's
14 say you had, for whatever reasons, instead of
15 \$4,015,855 of growth projects, you had 14,015,855
16 for growth projects, okay? And I will qualify
17 that a little bit. I know, whenever you have
18 whichever new projects it is, you have to worry
19 about the cost of removal, you have some
20 assumptions that go in. So, if you're going to
21 have a bigger percentage of growth, then perhaps
22 the cost of removal there would be greater, okay?
23 But let's just abstract from that, but otherwise
24 do the calculation, like you did for the first

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 example?

2 A (Nawazelski) Can you restate the amount of growth
3 additions?

4 Q I'm simply adding another 10 million to that.

5 A (Nawazelski) Oh.

6 Q And, again, be careful about the percentage
7 split.

8 A (Goulding) As Mr. Nawazelski is doing that, I
9 will say, you did talk about the cost of removal
10 would, obviously, change, there would probably be
11 retirement changes. But that's just what's
12 between plant and depreciation. So, it has real
13 no impact.

14 But the Line 7, "Depreciation Expense",
15 that would also change, because --

16 Q Yes.

17 A (Goulding) -- as you add more investment, your
18 depreciation expense would increase.

19 Q Yes. And, because that was the reason why I
20 ended up asking, the split would change, and you
21 need to take account of that, in getting that row
22 calculated correctly. I'm talking about
23 depreciation expense.

24 A (Nawazelski) Just so I'm perfectly clear, can you

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 just restate the -- you want the revenue
2 requirement, assuming roughly \$14 million of
3 growth investment?

4 Q Yes. But don't change any -- don't change the
5 non-growth, it's there. Okay? So, all I'm
6 saying, only tweak Cell F19, and then make
7 necessary adjustments to the depreciation expense
8 and all of that. I understand, for the cost of
9 removal, it would be different. But, I mean, if
10 you're doing it on the fly here, I would still
11 want to -- I'm just saying you don't need to do
12 anything there, just tell me what the number is,
13 hypothetically.

14 And I think the growth would be --
15 growth/non-growth would be something like 48
16 percent/52 percent split.

17 A (Nawazelski) So, with that assumption, I've kept
18 cost of removal, salvage, and transfers just as
19 is, the total revenue requirement increase would
20 be \$1,256,877.

21 Q Repeat that please. 1,256,800 and --

22 A (Nawazelski) -- Seventy-seven (77).

23 Q Would you agree that this amount would be
24 greater, if we were also accounting for the cost

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 of removal? Because it's now a different number,
2 probably a bigger share goes to growth. Correct?

3 A (Nawazelski) I would agree with that.

4 Q Okay. So, what we just went through shows, and
5 when you don't have any growth projects, your
6 revenue requirement is \$946,239, per your
7 calculation, under the assumptions that we made.
8 When you increase the growth to \$4 million, your
9 revenue requirement associated with non-growth
10 projects at the same amount, which is 15,227
11 dollars -- sorry -- 227,771 dollars
12 (\$15,227,771), the revenue requirement goes up to
13 \$1,206,209. And then, when you increase the
14 growth projects to even more, which is, in this
15 case, 14,015,855, in the example that we walked
16 through, the revenue requirement for the
17 non-growth projects, even though you invested
18 \$15,227,771, is now \$1,256,877, which is even
19 bigger.

20 So, as you are still dealing with
21 non-growth revenue requirement, the more you
22 spend on growth projects, the more the revenue
23 requirement is for your non-growth projects. Was
24 that the intention of the Settlement, in docket

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 22-030 [21-030?], if you know?

2 A (Goulding) I feel like we're getting away from
3 the underlying calculation of change in net
4 plant. As I know, I watched the calculations
5 that got done, and I'm not sure what they're
6 really telling us, though. Because you could
7 very easily just take what's in Column (a), the
8 \$19 million, assume it's all non-growth. Add in
9 amounts on Line 12, 13, 14, 15, 16, and 17, which
10 is Excel Line, 31, 32, 33, 35, 36, and 37, and
11 end up with a change in net plant of 8.611
12 million, which would give -- give you a revenue
13 requirement of \$1,492,431. So, it's just a
14 different calculation.

15 So, I just wasn't following how it's
16 inconsistent with the Settlement, what we've
17 presented.

18 Q Okay. So, let me again repeat. As you're
19 increasing the dollar amount that is being spent
20 on invest -- sorry -- on growth projects, your
21 revenue requirement, which is meant for
22 non-growth projects, is going up. And, yes, you
23 may -- you may still be pondering about why my
24 examples are not necessarily how you would do it.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 So, you can go back and tell me how you would do
2 it, at least work on the 14 million example, and
3 what would you get? I would be happy to take a
4 look at that number.

5 So, maybe we should have a record
6 request on that.

7 A (Goulding) I think we should have a record
8 request on it. Because I think there's numerous
9 other modifications to the numbers that have to
10 be made, in order for it to flow through
11 properly.

12 Q Yes. But, in this construct, you have said that,
13 you know, the split changes, you agree?

14 A (Goulding) The split changes are based on growth
15 and non-growth.

16 Q Yes.

17 A (Goulding) But we don't have control over growth
18 projects. Growth projects are what they are. We
19 have customers that we have to make additions to
20 the system for.

21 Q Again, we are going -- we are going off the
22 point. I'm just -- if you had \$14,015,855, you
23 can go back and tell me how you would use the
24 same model, what would be the number? That's

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 what I'm trying to get at.

2 And the reason I'm asking is, if, once
3 you check that, if this is how things proceed,
4 meaning, as I spend more money on growth
5 projects, I actually get a bigger revenue for
6 non-growth, is that even -- was that the
7 intention of the Settlement?

8 And, if you don't have an answer,
9 that's fine. You know, we can ask that question
10 in a record request.

11 A (Goulding) We'll take the record request.

12 CMSR. CHATTOPADHYAY: Okay.

13 MR. TAYLOR: Hold on. I actually don't
14 know -- understand what the record request is.
15 As I heard, a request for a calculation, and then
16 I heard the question of "whether it was the
17 intent of the parties when they settled that the
18 revenue requirement would increase for non-growth
19 investments, if spending for growth investments
20 increased?"

21 So, those are two questions. And it's
22 unclear to me what the record request attached
23 to.

24 CMSR. CHATTOPADHYAY: Okay. That's why

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 I said "we will provide it in writing." And
2 you'll have it specifically, because, you know,
3 the way we would like it to be. So, it will be
4 related to the example.

5 And I think the point that you're
6 making about the intent, it probably would be not
7 worded like that, it would be more, you know, is
8 the trend, whatever that is, consistent with what
9 was perceived behind the Settlement?

10 So, I don't know how else to put it
11 right now. But we will make sure we have it in
12 writing. You have the right to respond, you
13 know, or ask us questions at that time, if it
14 doesn't make sense.

15 MR. TAYLOR: Okay. Because if you're
16 talking about the intent of the mechanism, the
17 intent of the Settlement Agreement, I'm sure that
18 we can answer that question.

19 CMSR. CHATTOPADHYAY: Okay.

20 MR. TAYLOR: Even if we have to take a
21 break.

22 CMSR. CHATTOPADHYAY: And, so, let's do
23 this. I think one of the -- you had retained
24 Exhibit 5. So, we can just use that number for

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 we will have a record request in writing, and
2 you'll get it. And then, you can respond to
3 that.

4 *[Record Requests to be submitted*
5 *within a procedural order to be issued*
6 *by the PUC.]*

7 CMSR. CHATTOPADHYAY: So, I think
8 that's all I have for the witnesses here. So,
9 you are excused.

10 MR. TAYLOR: May I --

11 CMSR. CHATTOPADHYAY: Sure, for
12 redirect, sorry.

13 MR. TAYLOR: Could we take a -- I know
14 it's getting late, can we take a ten-minute
15 break, so I can discuss potential redirect with
16 my clients?

17 CMSR. CHATTOPADHYAY: Off the record,
18 just I want to discuss something.

19 *[Cmsr. Chattopadhyay, Cmsr. Simpson,*
20 *and Atty. Speidel conferring.]*

21 CMSR. CHATTOPADHYAY: As there is a
22 hard stop today for us, I think what we will do
23 is we will continue the hearing some other day.
24 We will send the procedural order with the record

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 request, and we'll try to find a date that is
2 convenient for everyone.

3 MR. TAYLOR: I do have some redirect
4 for the witnesses.

5 CMSR. CHATTOPADHYAY: Continue. So,
6 please go with the redirect.

7 WITNESS GOULDING: Can I just cover
8 with counsel real quick on one question?

9 CMSR. CHATTOPADHYAY: Yes.

10 MR. TAYLOR: Okay. Yes. If we can
11 maybe just take a couple minutes to confer, we
12 can make this go, hopefully, quickly.

13 CMSR. CHATTOPADHYAY: Okay. Let's take
14 a five-minutes break. Off the record.

15 *(Recess taken at 4:16 p.m., and the*
16 *hearing resumed at 4:24 p.m.)*

17 CMSR. CHATTOPADHYAY: On the record.
18 So, I just want to make sure that you will go
19 with the redirect, but I think, because of the
20 record request, and I'll talk about it a little
21 bit, though we're going to be excusing the
22 witnesses today, depending on whether we need to
23 summon them again, we can always go back to it.
24 But you can certainly redirect today, right now.

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 MR. TAYLOR: Well, Commissioner, my
2 understanding is that we have a hard stop at
3 4:30.

4 CMSR. CHATTOPADHYAY: We will make it
5 4:35.

6 MR. TAYLOR: Even with a hard top of
7 4:35, I cannot do an effective redirect of my
8 witnesses --

9 CMSR. CHATTOPADHYAY: Okay.

10 MR. TAYLOR: -- in that period of time.
11 So, I guess I think we would take you up on the
12 opportunity to come in again. I will note that I
13 and Mr. Sprague are both out-of-state. I will be
14 out of the country next week, Mr. Sprague will be
15 out of the state next week. So, we would not be
16 able to come back next week. We could --
17 probably the earliest we could come back would be
18 the following week.

19 CMSR. CHATTOPADHYAY: Yes. We will --
20 and thank you for letting us know. We will look
21 at the times --

22 CMSR. SIMPSON: Yes.

23 CMSR. CHATTOPADHYAY: Please go ahead,
24 if you have to --

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 CMSR. SIMPSON: No, no. It probably
2 makes sense to then just leave the record open at
3 this point, and provide the record request, and
4 give the Company an opportunity to respond. Is
5 that amenable to you?

6 MR. TAYLOR: Yes. Yes. That is
7 amenable. I think the one other thing I will
8 note is that we've requested rates effective
9 June 1st.

10 CMSR. SIMPSON: Uh-huh. We understand
11 that.

12 CMSR. CHATTOPADHYAY: Yes. We
13 understand that.

14 *[Cmsr. Chattopadhyay and Cmsr. Simpson*
15 *conferring.]*

16 CMSR. CHATTOPADHYAY: Okay. So, I
17 think we will find a date. And I understand
18 you're -- that next week isn't workable. So, we
19 will make sure it's probably two weeks or so
20 after today.

21 So, otherwise, at this point, we can
22 just adjourn, right? Or, is there anything else
23 that people have in mind?

24 MR. TAYLOR: I suppose the one other

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 thing I would ask is that the due date of the
2 record request not be next week or early the
3 following week, so I have an opportunity --

4 CMSR. CHATTOPADHYAY: Can we talk about
5 a specific date? That would be helpful. We can
6 then work on it.

7 You can talk about it, but let me just
8 add something that I was told as I went back.
9 When I mentioned you have "retained Exhibit 5",
10 it's not going to be part of it, they told me
11 it's better to use number "8". Okay? So, that's
12 what we will do. Five won't be there. Okay?

13 *(Exhibit 8 reserved for Record*
14 *Request.)*

15 CMSR. SIMPSON: Yes. What date would
16 be amenable to the Company for the record
17 request, which I think we could probably get out,
18 and you'd be writing it. So, you think it would
19 be by tomorrow, end of the week?

20 CMSR. CHATTOPADHYAY: End of the week
21 would be fine. And Monday, I won't be here. So,
22 I'm trying to think. And then, how much time
23 would you need?

24 MR. TAYLOR: Can I just confer with my

[WITNESS PANEL: Goulding|Sprague|Nawazelski]

1 witnesses?

2 CMSR. CHATTOPADHYAY: Absolutely.

3 *[Atty. Taylor conferring with the*
4 *witnesses.]*

5 MR. TAYLOR: If we could have it due on
6 Wednesday, May 3rd, that would be --

7 CMSR. CHATTOPADHYAY: The responses?

8 MR. TAYLOR: Yes.

9 CMSR. CHATTOPADHYAY: Okay. Thank you.
10 Anything else?

11 *[No verbal response.]*

12 CMSR. CHATTOPADHYAY: The hearing is
13 adjourned for now.

14 ***(Whereupon the hearing was adjourned at***
15 ***4:28 p.m., and the hearing to resume at***
16 ***a date and time to be determined;***
17 ***which, as noted in the procedural order***
18 ***issued on April 21, 2023, the Day 2***
19 ***hearing is scheduled for May 9, 2023,***
20 ***commencing at 1:30 p.m.)***

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