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P R O C E E D I N G

1
2 CHAIRMAN GOLDNER: Okay. Good morning.
3 I'm Chairman Goldner. I'm joined today by
4 Commissioner Chattopadhyay.

5 This is the hearing on the
6 Liberty-Electric proposal for an updated
7 procurement approach for default service
8 presented in its January 19th, 2024, filing, and
9 held pursuant to the Commission's Supplemental
10 Order of Notice issued on February 8th, 2024.
11 The Company filed its Affidavit of Publication on
12 February 13th. We also acknowledge Liberty's
13 latest Wholesale Price Comparison table, timely
14 filed on February 27th, 2024.

15 As requested by the Commission, the New
16 Hampshire Department of Energy, through its
17 Analyst, Mr. Eckberg, filed its statement of
18 position on Liberty's proposal on March 6th,
19 2024.

20 Liberty filed its Witness and Exhibit
21 List for this proceeding on March 4th, 2024.
22 There was no indication of whether there is
23 assent by the DOE and OCA regarding this. So, we
24 ask the parties, when they make appearances, to

1 confirm that they have no objection to Liberty's
2 proposed Exhibit 15.

3 We welcome Liberty's witnesses, Green,
4 Doll, and Hayward-Hawkins, to our proceeding
5 remotely from Missouri, as approved by the
6 Commission in its February 29th proposal order.

7 We also note the February 20th
8 Community Power Coalition of New Hampshire Motion
9 for Intervention, for which there were no
10 objections filed. The Commission will address
11 the Community Power Coalition Motion to Intervene
12 from the Bench this morning.

13 When we take appearances, as there have
14 been no positions offered by the parties
15 regarding the Coalition's Motion, we would ask
16 that each party state their position regarding
17 this Motion.

18 We'll now take appearances, starting
19 with the Company.

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

23 CHAIRMAN GOLDNER: Thank you. And do
24 you have a position with Community Power?

1 MR. SHEEHAN: I have no objection to
2 the intervention.

3 CHAIRMAN GOLDNER: Okay. Thank you.
4 And the Office of the Consumer Advocate?

5 MR. CROUSE: Good morning,
6 Commissioners. My name is Michael Crouse, Staff
7 Attorney for the OCA, representing residential
8 customers in this matter. Joining me today is
9 our Director of Economics, Dr. Marc Vatter.

10 With respect to Exhibit 15, no
11 objections. With respect to CPCNH's
12 intervention, no objections.

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

15 MR. YOUNG: Good morning,
16 Commissioners. Matthew Young, on behalf of the
17 Department of Energy.

18 With respect to CPCNH, there is no
19 objections. And Exhibit 15, there's no
20 objections.

21 The Department would also request that
22 Mr. Eckberg's technical statement be added as
23 "Exhibit 16".

24 However, I would note, as the

1 Commissioners can probably tell, Mr. Eckberg is
2 not here today. He fell ill last night. So, we
3 are happy to take record requests for any
4 questions that the Commissioners may have.

5 CHAIRMAN GOLDNER: Okay. Do the OCA or
6 the Company have any objections to adding
7 Exhibit 10?

8 MR. SHEEHAN: It would be "16".

9 CHAIRMAN GOLDNER: Oh, "16". Sorry,
10 that was yesterday.

11 MR. SHEEHAN: And we do not object.

12 MR. CROUSE: No objections.

13 CHAIRMAN GOLDNER: Thank you. Just a
14 moment let me make a note. Okay. Thank you.

15 (The document, as described, was
16 herewith marked as **Exhibit 16** for
17 identification.)

18 CHAIRMAN GOLDNER: The Commission will
19 now confer regarding the Community Power
20 Coalition's Motion to Intervene.

21 *[Chairman Goldner and Commissioner*
22 *Chattopadhyay conferring.]*

23 CHAIRMAN GOLDNER: Okay. The
24 Commission has ruled that the Community Power

1 Coalition is granted discretionary intervention
2 under RSA 541-A:32, Part II. For clarity, this
3 intervention is granted to the Community Power
4 Coalition as an organization, and not necessarily
5 to any member or client town or city associated
6 with the Coalition. This ruling will be
7 memorialized in the Commission's decisional order
8 in this matter.

9 We may now proceed with Liberty's case
10 presentation by its witnesses in Missouri.
11 Following direct questioning by Liberty, cross by
12 the Community Power -- I'm sorry, cross by the
13 OCA, the New Hampshire Department of Energy,
14 Commissioner questions, and Liberty redirect,
15 we'll give the parties an opportunity to make
16 closing statements on the record.

17 Are there any other matters that we
18 need to cover today?

19 *[Multiple parties indicating in the*
20 *negative.]*

21 CHAIRMAN GOLDNER: All right. Seeing
22 none.

23 Mr. Patnaude, if you could please swear
24 in the witnesses.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 *(Whereupon **AARON J. DOLL,***
2 **CHRISTOPHER M. D. GREEN, and K. MYKA**

3 **HAYWARD-HAWKINS** were duly sworn by the

4 Court Reporter.)

5 CHAIRMAN GOLDNER: I heard everyone.

6 And, so, we'll begin Liberty direct, and Attorney

7 Sheehan.

8 MR. SHEEHAN: Thank you. We'll start

9 with the mechanics of introducing yourselves and

10 the exhibit.

11 **AARON J. DOLL, SWORN**

12 **CHRISTOPHER M. D. GREEN, SWORN**

13 **K. MYKA HAYWARD-HAWKINS, SWORN**

14 **DIRECT EXAMINATION**

15 BY MR. SHEEHAN:

16 Q Mr. Doll, we'll start with you. Please give your

17 name and your position with Liberty?

18 A (Doll) My name is Aaron Doll. I'm the Senior

19 Director of Energy Strategy at Liberty Utilities.

20 I work for Liberty Utilities Service Corp. I

21 oversee the marketing and fuel procurement of the

22 Central Region and the default service

23 solicitations for the East region.

24 Q Mr. Doll, did you participate in the drafting of

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 the technical statement that bears your name,
2 which has been marked as "Exhibit 15"?

3 A (Doll) Yes, I did.

4 Q And, for the portions you were responsible, any
5 corrections or changes you would like to bring to
6 the Commission's attention this morning?

7 A (Doll) Not at this time.

8 Q Thank you. Mr. Green, same question, please
9 introduce yourself and your position with
10 Liberty?

11 A (Green) Chris Green, Energy and Market
12 Operations -- Energy Market Operations. I work
13 for Mr. Doll. And my primary focus is default
14 service procurements all in the East.

15 Q And, Mr. Green, did you also participate in the
16 drafting of the technical statement that has been
17 marked as "Exhibit 15"?

18 A (Green) Yes, sir. I did.

19 Q And do you have any changes or corrections you
20 would like to bring to the Commission's attention
21 this morning?

22 A (Green) Not at this time.

23 Q Thank you. Excuse me. Last, Ms.
24 Hayward-Hawkins, please introduce yourself and

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 your position with Liberty?

2 A (Hayward-Hawkins) Yes. My name is Myka Hayward.
3 I'm a Project Specialist. And I primarily work
4 on several projects in our Department, and assist
5 Granite State with electric procurement.

6 Q And, Ms. Hawkins, did you participate in the
7 preparation of the technical statement that bears
8 your name, marked as "Exhibit 15"?

9 A (Hayward-Hawkins) Yes, I did.

10 Q Any changes you would like to bring to our
11 attention this morning?

12 A (Hayward-Hawkins) Not at this time.

13 Q Thank you. And just briefly, I guess, Mr. Green,
14 if you could just give us the one-paragraph
15 overview of the two options that the Company laid
16 out in Exhibit 15?

17 A (Green) Sure. I think that the first one is kind
18 of your standard, 20 percent is going to -- we're
19 going to operate and function with 20 percent
20 into the market with a Day-Ahead/Real-Time blend,
21 basically taking any kind of forecast and
22 offering it into the Day-Ahead Market, and then
23 settling up in Real-Time, with the reconciliation
24 process that mirrors what we did with the Large

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Customer Group last February through April time
2 period.

3 And, then, the alternative is really
4 just to kind of kick an idea out there of a
5 possible direction that we'd be willing to go, if
6 we had full support/buy-in from all the
7 different parties. It's not something we're
8 proposing to do in August, but it's something
9 that we would like to have at least a discussion
10 about.

11 Q And, as you stated, Mr. Green, what the proposal
12 is for this coming August is exactly what we did
13 last year?

14 A (Green) Yes. It mirrors that in a lot of ways.
15 I wouldn't say it's exactly the same, but --

16 Q Okay. And the -- I'm looking at the first
17 paragraph of the technical statement, and it has
18 a reference "10 to 20 percent" of the default
19 service, and that's a quote from the Commission's
20 order.

21 And I believe you said the Company is
22 proposing 20 percent. Is there a rationale
23 behind 20 percent, as opposed to 10 or some
24 number in between?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A (Green) Right. We felt like the last time we
2 were out there in a hearing, the Commission
3 really was gearing up to, like, "how can we
4 operate default service in maybe a fashion that
5 benefits customers a little more, and has some
6 downward pressure?" And we felt like 20 percent
7 of our load gave that some downward pressure for
8 the customers, that maybe 10 percent didn't do a
9 great job doing. So, --

10 Q And, Mr. Doll, we spoke briefly just before
11 this hearing, I think you indicated the
12 difference between 10 and 20 percent applied to
13 last winter would have been minimal, is that
14 correct?

15 A (Doll) Yes. I think what we looked at, when we
16 were making our determination, as far as a
17 recommendation, to be clear, we're comfortable
18 with 10 or 20 percent, but we recommended 20
19 percent.

20 When we assessed the bids from the last
21 February, March, and April period, and we created
22 a composite pricing, the 10 percent just didn't
23 have the downward pressure that I think we were
24 looking for. Now, to be fair, we know what the

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 wholesale market prices are, and, you know, we do
2 have that benefit of hindsight in that analysis.

3 But, when we look at some of the higher
4 priced bids, in particular, the 20 percent, I
5 think, gave a little bit better of a blend for
6 customers to try to create a little more
7 competitive pricing.

8 MR. SHEEHAN: Thank you. I have no
9 further questions.

10 CHAIRMAN GOLDNER: Thank you. We'll
11 turn now to cross, with the -- beginning with the
12 Office of the Consumer Advocate.

13 MR. CROUSE: Thank you. I just have a
14 few clarification questions that I'll ask of the
15 witnesses.

16 The first being, can you all hear me
17 just fine?

18 WITNESS GREEN: Yes, sir.

19 WITNESS DOLL: Yes, we can.

20 MR. CROUSE: All right. Perfect.

21 I'm going to ask a couple questions. I
22 don't mind if any of the witnesses wish to
23 supplement each other, or, if one feels they can
24 answer it better than the one I might direct it

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 to, please feel free to chime in.

2 **CROSS-EXAMINATION**

3 BY MR. CROUSE:

4 Q Mr. Green, you had just stated that you felt "20
5 percent had a better downward pressure than 10
6 percent." Could you expand a little bit more on
7 that analysis?

8 A (Green) So, based on our February initial load
9 data, we just recently did a "what would 20
10 percent look like for our load?" It's looking
11 like from 3 to 10 megawatts, from the low to the
12 high. That just, if we cut that in half and get
13 any smaller, just the work that we're going to be
14 doing is going to be the same either way. And,
15 like Aaron has mentioned, we don't -- we don't
16 care one way or the other whether it's 10 percent
17 or 20 percent. We just thought 20 percent
18 actually had some volume that could provide that
19 downward pressure that we're kind of looking for
20 here.

21 Q Thank you for that explanation. To the witnesses
22 generally, under the proposed Procurement Plan,
23 there's a brief statement talking about how the
24 Company will use a daily load forecast

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 subscription service. Is that a new
2 subscription service or one that Liberty already
3 has?

4 A (Green) We currently use Enverus for our load
5 forecasting in the Central. It would be what we
6 would use. And it's what we used last year in
7 February through April as well. So, we'll feed
8 them some of our historical load data and have
9 them spit out a load forecast on daily basis,
10 offer that into the Day-Ahead Market, and then
11 any kind of imbalance will be settled in the
12 Real-Time.

13 Q Thank you. And, if possible, do you know the
14 cost to that subscription software? Or, if you
15 can, in the alternative, do you expect it to have
16 a major impact on your proposed Procurement Plan
17 and the reconciliation of rates?

18 A (Green) I don't know the costs right off the top
19 of my head. I don't think it's very much.
20 Aaron, do you know that, by chance?

21 A (Doll) Yes. We'll be careful on the software
22 subscription price. But, in the grand scope of
23 the dollars that we're talking for a marketing
24 and default service, it would certainly be

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 considered *de minimis*.

2 Q Thank you. That was the major point I was
3 looking to clarify on.

4 With respect to the Alternative
5 Procurement Plan, there is discussions with Tyr
6 Energy and evaluation of alternative procurement
7 plans. Were there any alternatives other than
8 the LMP presented by Tyr, or was it just simply
9 the LMP call option was the best of those
10 options, or the only one?

11 A (Doll) So, we had some discussions with Tyr
12 Energy, who we have used in the past, of what we
13 were trying to accomplish, in particular, what
14 our concerns were, to the extent community
15 aggregation reduced our load to where we ended up
16 with some challenges on market liquidity.

17 I think the reason we settled on the
18 around-the-clock call option for the LMPs was,
19 after the December hearing with the Commission,
20 and the concern that was raised on sustained
21 market price spikes, we thought that that
22 provided a sort of insurance policy for -- and
23 provided a ceiling on locational marginal prices
24 for customers.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Obviously, if we're doing an LMP call
2 option, we'll probably have to make it a flat
3 product, where we can't move it up and down with
4 load. So, it wouldn't be the entire load, but
5 it would certainly be a portion of it. And it
6 would provide I think the price protection for
7 customers that was expressed as a concern during
8 the December hearing, to allow them to float down
9 with the market, to the extent wholesale prices
10 are lower than fixed prices, but still provide
11 that kind of upward price protection.

12 MR. CROUSE: Thank you for that
13 explanation. One moment. My Director of
14 Economics is asking a question.

15 MR. VATTER: May I ask him a question?

16 *[Chairman Goldner indicating in the*
17 *affirmative.]*

18 MR. VATTER: Thanks.

19 BY MR. VATTER:

20 Q Aaron, I think this is really interesting. And
21 I'm going to show a little of my own ignorance
22 here. What exchange would you be purchasing the
23 call options on?

24 A (Doll) Right. We didn't dive too deep into this.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 This would be a product that would likely be
2 discussed with some various banks. The reason we
3 didn't propose it for this period is (a) we
4 wanted to make sure that we had support from the
5 different parties, and (b), to set up these kinds
6 of financial options, you have to set up a
7 certain amount of paperwork and execute ISDAs and
8 things of that nature.

9 So, I don't think I can answer
10 precisely what exchange we would have these on at
11 this particular point. But, if it's something
12 that is of interest of the various parties, that
13 is something we can bring forward during the next
14 kind of technical conference.

15 MR. VATTER: May I continue?

16 *[Chairman Goldner indicating in the*
17 *affirmative.]*

18 BY MR. VATTER:

19 Q So, yes, I mean, my understanding of the
20 exchanges that are available is there is a
21 structure for ISO-New England futures, but I
22 don't think there's a lot of liquidity at this
23 time in that market.

24 And I guess I would suggest also that,

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 you know, if you have a forecasted market heat
2 rate, you could use gas futures, as long as gas
3 is on the margin, and there's lots of liquidity
4 in those markets as well.

5 A (Doll) Yes, a couple things. So, I presume
6 you're talking about the "heat rate call
7 options", otherwise known as the "HRCOs", --

8 Q Yes, you could use those market prices. But you
9 could tie the electricity price to the gas
10 futures price using a -- some kind of forecast of
11 a market heat rate. A heat rate option would be
12 fine.

13 But that's not what I was thinking, but
14 good idea.

15 A (Doll) Okay. And you did say the "futures". So,
16 the New England futures market or, you know, a
17 gas futures market, it depends on how you
18 structure those sort of hedge agreements. If
19 those hedge agreements are settled, you know, so,
20 for example, we procure a significant amount of
21 gas in the Central Region. You've got -- you'll
22 have basis risk associated with depending on how
23 you structure your futures contract, between, you
24 know, for example, a Henry Hub contract, and

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 where you want to settle with New England ISO, if
2 it's Algonquin, Tennessee Zone 6, *et cetera*.

3 But, to the extent you can even hedge
4 that, are you hedging the beginning-of-the-month
5 gas price or the daily spot? I think what we've
6 seen, as we've been monitoring New England ISO,
7 is the daily spot market really shows the most
8 volatility.

9 So, it's an interesting idea. But it's
10 something I think we would have to construct to
11 make sure that we provided the necessary hedging
12 requirements.

13 MR. VATTER: Yes, absolutely right.
14 You have to structure that. And you can try to
15 do it at Dracut, or you can deal with the basis
16 risk and do it at Henry. But, I mean, I just,
17 again, I don't know how liquid that market for
18 electricity is, the futures market for
19 electricity is in New England. And I think
20 there's more liquidity in gas at Dracut. There
21 should be liquidity in the basis futures market.
22 And, of course, there's lots of liquidity at
23 Henry Hub.

24 And, so, you know, you can -- but I

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 think -- I think a lot of this is relatively
2 small, compared to the difference between a spot
3 market and a futures market. I mean, that's -- I
4 mean, the spot markets are -- the spot market for
5 electricity is very volatile, and your point is
6 extremely well-taken, that it's not the kind of
7 risk that a lot of customers would be in a good
8 position to respond to. And you're going to get
9 a lot more efficiency bang just by including some
10 kind of futures market in your procurement.

11 MR. CROUSE: If I could succinctly
12 summarize, I think the OCA is interested in
13 furthering those discussions about the LMP option
14 at a future time. And we thank you for offering
15 that as an option.

16 With respect to the remaining cross
17 from the OCA, we just have probably one or two
18 more questions.

19 BY MR. CROUSE:

20 Q With either the proposed Procurement Plan or the
21 Alternative Procurement Plan, is Liberty
22 expecting to have to take on additional staff in
23 order to facilitate these options?

24 A (Green) Not at this time.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 MR. CROUSE: All right. Just turning
2 back to my Director to make sure he has no
3 remaining questions, that should end.

4 *[Atty. Crouse and Dir. Vatter*
5 *conferring.]*

6 MR. CROUSE: All right. Thank you.
7 That's all the OCA has.

8 CHAIRMAN GOLDNER: Thank you. And
9 we'll turn now to the New Hampshire Department of
10 Energy.

11 MR. YOUNG: Thank you, Mr. Chairman.
12 And thank you to the witnesses for appearing
13 remotely today.

14 BY MR. YOUNG:

15 Q So, I have one question regarding, I guess, what
16 the witnesses just categorized as "downward
17 pressure". So, the Company is proposing to
18 purchase 20 percent of its Small Customer
19 Group -- or, to take 20 percent of the Small
20 Customer Group to the ISO-New England Market.
21 And I believe it was just categorized that the
22 Company, I guess, landed on that 20 percent
23 figure because that would provide "a downward
24 pressure" they were looking for.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 And I'm wondering if you can just
2 clarify, and maybe this is for my own
3 understanding, of what exactly the "downward
4 pressure" described there is? Is that downward
5 pressure on prices overall?

6 A (Doll) So, I can go ahead and try to take that
7 one. You know, for example, we looked at the
8 bids that were received in the prior February,
9 March, and April period. And just for kind of
10 round figures, a market price bid that was around
11 the \$420 per megawatt-hour, to the extent it had
12 10 percent of it was self-supply and 90 percent
13 goes to the fixed price bid, \$420 moves that
14 price down to around \$388. So, it does have some
15 downward pressure, but it's not as significant.

16 To the extent you have that same \$420
17 fixed price bid, and you took 20 percent to the
18 market, knowing the information that we have
19 today, that moves that 420 down to \$356. So, it
20 just cuts it a little bit more, down to the
21 wholesale prices.

22 We felt like 10 percent and 20 percent,
23 both were very reasonable. But, to the extent we
24 were looking to try to create some pressure, and

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 truly create some sort of a blended cost of
2 energy, that we thought 20 percent would maybe
3 accomplish that in a more significant way than
4 the 10 percent would.

5 Q Thank you. That's a helpful clarification. I
6 think I was maybe focusing too much on the
7 "downward pressure" term.

8 So, does the Company have any concerns
9 about how -- concerns, or I guess thoughts, on
10 how this 20 percent tranche of self-supply would
11 impact the bids for the remaining 80 percent in
12 the next RFP?

13 A (Green) I think that there's -- I don't think
14 that there's a big risk to the bids coming up in
15 the next RFP. I do think that we are monitoring
16 the participation that we're getting in that
17 generally anyways. And I think that this could
18 have impacts, I think the 10 percent could have
19 impacts as well, but I definitely think that
20 there could be some participants who think that
21 maybe 90 or 80 percent is too small.

22 Q Okay. So, just to clarify, that the participants
23 might think that 90 or 80 percent, okay, is too
24 small for them to bid on?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A (Green) Correct.

2 Q Okay.

3 A (Green) I don't venture to guess what's led to
4 the participation decreases over the past seven
5 or eight years. But I would imagine that
6 community aggregation, and if we were to
7 introduce a self-supply, we would have at least
8 bidders asking questions at a minimum.

9 Q Okay. Moving to the Alternative Plan, I guess,
10 outlined in Exhibit 15, the technical statement
11 states that "Liberty has collaborated with a
12 consultant, Tyr Energy, to evaluate the
13 alternative procurement plan".

14 So, I guess I'm wondering, is there a
15 cost associated with that consultant of this
16 Alternative Plan? Would the Company be seeking
17 recovery of that, of those consulting costs here?

18 A (Doll) I can take that one. So, to the extent, I
19 mean, we do a decent amount of business with Tyr
20 Energy. So, having a discussion about what
21 particular options are available is not really
22 going to come with a cost.

23 To the extent we get to where all
24 parties are interested, and we want to start

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 having some technical conferences, there would be
2 some what I'd consider probably fairly small time
3 and material type costs associated with that.

4 To the extent we had them assist with
5 the actual hedging of the product, there would be
6 some costs associated with that. But, again, in
7 the grand scope of the self -- or, the default
8 service procurement, I don't think those costs
9 would be very significant.

10 Q Okay. That's helpful. Thank you. Sticking with
11 the Alternative Plan, and I believe this is my
12 last question, the technical statement outlines
13 that, with the Alternative Plan, "the Company
14 would not be constraining to the proposed 10 to
15 20 percent of the Small Customer Group for
16 self-supply."

17 Am I -- I read that almost to say "the
18 Company would be taking more than 20 percent to
19 the ISO Market." Is that an accurate way to
20 understand the Alternative Plan?

21 A (Doll) Well, so, I think what we are thinking on
22 the Alternative Plan is, it is going to provide a
23 ceiling for any of the default service. So, in
24 the same way that I think the 10 or 20 percent

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 tranche procurement plan, to try to provide
2 downward pressure, and to end up with a blended
3 cost of energy, this would allow you to take, you
4 know, what I would consider maybe a base load
5 amount of your energy. Right? Something that
6 would be around-the-clock, kind of the lower
7 levels of what's the energy that needs to be
8 procured, and it would essentially just cap that.

9 So, you would still have some exposure
10 when you would have a peak within your load data.
11 To the extent you wanted to shape some of that
12 with an on-peak/off-peak product, that would be
13 something we would have to explore. But it
14 wouldn't prohibit you from providing a price
15 ceiling for the entire load.

16 In the same way that just taking 10 to
17 20 percent to the market, I've got to believe the
18 reason we're doing the -- the proposal for the 10
19 to 20 percent is to not expose 100 percent of
20 load to any kind of sustained market price spike.
21 This would essentially mitigate that. So, it
22 wouldn't prohibit you from taking more than 10 to
23 20 percent. You could take, essentially, your
24 whole load, acknowledging that it would only be a

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 portion of your load.

2 Q Thank you. I believe I followed that. But I
3 think the Department would be interested in
4 exploring that in a further technical session.

5 A (Doll) Absolutely.

6 MR. YOUNG: That is all the cross the
7 Department has, Mr. Chairman.

8 CHAIRMAN GOLDNER: Thank you.

9 We'll turn now to Commissioner
10 questions, beginning with Commissioner
11 Chattopadhyay.

12 CMSR. CHATTOPADHYAY: Good morning.

13 BY CMSR. CHATTOPADHYAY:

14 Q This is something that we probed a bit in the
15 other dockets as well, or, you know, with the
16 other two utilities.

17 So, I have a good sense now, but you
18 can confirm, that the 20 percent, you know,
19 piece, as a percentage of entire New Hampshire
20 load is really minuscule. Would that be a
21 correct assessment?

22 A (Green) I believe that's correct, yes.

23 Q My quick calculation would suggest it's probably,
24 roughly, 0.025 percent. That's how small it is.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A [Witness Green indicating in the affirmative].

2 Q Do you -- when you go for the energy supply, even
3 in the existing the framework, not the one that
4 is being considered right now, you have a good
5 sense of what's going on with the community power
6 aggregation, right?

7 A (Green) Yes, sir.

8 Q And can you tell me how much of that -- how much
9 of the utility's load has migrated to community
10 power aggregation, as well as, you know,
11 energy -- competitive suppliers?

12 A (Green) So, I think the first question was "How
13 much has already migrated?"

14 Q Yes.

15 A (Green) And I believe that number is just over 43
16 percent.

17 Q Forty three (43) percent. And that is --

18 A (Green) And I didn't quite catch the second
19 question, I apologize.

20 Q So, what I was trying to get a sense of was, for
21 both community power aggregation, as well as what
22 percentage lies with competitive suppliers
23 already?

24 A (Green) Right. So, I believe the current

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 competitive supply has taken about 43 to 45
2 percent of our load.

3 Q Okay.

4 A (Green) Leaving us with about 55.

5 Q Okay. And you don't have a sense of where
6 community power aggregation is going still?

7 A (Green) We have a couple towns that have at least
8 shown interest in -- at least shown interest in
9 going to community aggregation. Pelham being the
10 next one that could go, and that's roughly
11 another 15 percent of our load.

12 Q And the other town is?

13 A (Green) This one is a very -- it's just rumblings
14 that we've heard, and it's Salem. If we lose
15 Salem, we lose another 65 percent.

16 Q Did I hear that right? Like, if you lose Salem,
17 you're going to lose a big chunk?

18 A (Green) Yes, sir.

19 Q Okay. Can you just explain how the LMP call
20 option will work generally? So, get into the
21 nitty-gritties a little bit more. So, there will
22 be a cap set. But, as I look at it, the premium
23 that bids will reflect is going to be higher, if
24 you set the cap to be lower, is that a fair

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1 characterization?

2 A (Doll) Yes, that would be correct. I think, to
3 the extent this is an option that we pursue, I
4 think the reason we thought the around-the-clock
5 LMP call option would be an attractive option to
6 continue to explore was, it would allow you, to
7 the extent you could get some competitive bids,
8 it would allow you to create a budget. So, you
9 could secure what is a reasonable premium, and
10 what sort of protection does that provide you?

11 But I think, you know, it just depends
12 on what the Commission is looking for and what
13 the stakeholders are looking for. And,
14 certainly, the tighter you put the ceiling, the
15 lower the LMP you put the ceiling, the more cost
16 is going to be associated with the premium.

17 And, so, I think it just does allow you
18 to come up with some sort of an indicative
19 budget, if, for nothing else, comparison against
20 the fixed price bids, or just going straight to
21 the market using the electricity futures.

22 Q You may have already responded, but I didn't pick
23 it up properly. Are you already tracking data
24 like that, and sort of getting a sense of, you

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 know, what the premiums are, depending on what
2 the caps would be, based on historical data?

3 A (Doll) No, we have not done any analysis on what
4 the premiums would be based on various price
5 caps. I think, at this point, we just wanted to
6 see if the structure was of interest to the
7 Commission and the stakeholders before we
8 proceeded any further.

9 Q So, it's fair to assume that such call option has
10 not been implemented anywhere that you work, you
11 know, in, right?

12 A (Doll) Well, I would say that the primary area
13 that I market, I work with a vertically
14 integrated affiliate of Granite State. And, so,
15 there isn't the same sort of exposure, because we
16 are both the supplier of electricity, making
17 sales into the market, and then a consumer of
18 electricity, making purchases from the market.

19 So, there is an inherent hedging
20 activity with our own procurement. And, so, the
21 only exposure we would have is to fuel prices,
22 and those we do some hedging activities with.

23 But we have not, at this point, had a
24 need for an LMP call option.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Q Have you seen anything like that being
2 implemented anywhere else, like, based on your
3 research?

4 A (Doll) That's why we had sort of discussions with
5 Tyr Energy, who have worked with other
6 counterparties, in particular, maybe
7 counterparties that aren't vertically integrated,
8 that would have some exposure.

9 And, so, I have not personally seen any
10 of these. But the structure of them makes sense
11 from our experience in the market.

12 Q And I think I -- how do you pronounce "T-Y-R"? I
13 know I've said it already, but I don't want to
14 mess it up.

15 A (Doll) It's "Tere".

16 Q "Tere", okay. So, Tyr Energy, you know, they
17 probably know a little bit more, and -- because
18 that's what they do. Is it possible for them to
19 prepare a white paper that might help the parties
20 here? And, if so, if you know it, is it going to
21 cost a lot of money or still would be not, you
22 know, a lot of money?

23 A (Doll) I wouldn't suspect that it would. But
24 it's certainly some information we can solicit

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 from Tyr Energy, and provide it back to the
2 Commission, before we make a further engagement.

3 Q Okay. So, just to be clear, you're not
4 suggesting that it is also -- let me put it
5 differently.

6 Do you think it's okay to even have an
7 approach where you have, for example, 20 percent
8 going to the market entirely, not having any call
9 options, and another percentage that goes through
10 the call option route?

11 A (Doll) I think you would want to match your LMP
12 call option to the load that you are trying to
13 hedge. So, if you're talking about a proposal
14 where you're kind of blending the two, where
15 you're taking 20 percent to the market, and then
16 you're also price capping that 20 percent with a
17 call option? Is that the question?

18 Q Not really. But I think I'm also learning from
19 what you were just saying, but let me clarify
20 what I meant.

21 So, out of the 100 percent load, let's
22 say we have a situation, this is purely
23 hypothetical, 20 percent, you are completely
24 exposed to what happens in the Day-Ahead and

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1 Real-Time Market. And, then, let's say you have
2 another 30 percent going to -- you have a
3 tranche, you know, I'm calling it "tranche" very
4 loosely, which is about locational -- sorry, LMP
5 call option. So, 30 percent is call option, 20
6 percent is totally exposed to the market. And,
7 then, the rest of the 100 percent, meaning
8 50 percent, is fixed price option.

9 Have you thought about anything like
10 that or do you think that's not what would make
11 sense?

12 A (Doll) Oh. So, we're talking a blend of all
13 three, a fixed price, from a solicitation, and
14 then some sort of composition of purely market
15 exposed percentage, and the other portion is
16 market exposed with a call option, is that
17 correct?

18 Q Yes. Yes. But feel free to vary the
19 percentages, you know, the way you think might
20 work the best.

21 A (Doll) Sure. I think what we would want to do in
22 something like that, and if it's something we
23 would want to do in this engagement going
24 forward, is we would want to evaluate some

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1 different hypotheticals, in particular, what is
2 the different load volumes associated with that,
3 to try to come up with some price exposures. And
4 I think, when you do that, I think you'll have --
5 I would have a better sense of what sort of price
6 protection this would provide.

7 Obviously, with three different options
8 kind of all blended together, it will provide
9 some level of price protection. You'll have
10 fixed price, you'll have a ceiling, and you'll
11 have pure exposure.

12 We'd want to make sure that we have
13 significant volumes enough that we didn't harm
14 the liquidity of any of those options. So, I
15 think we'd just have to look at that altogether.

16 But, if it's -- if it's of interest, I
17 think that's something that we could also take a
18 look at.

19 Q To understand what your Alternative Procurement
20 Plan is, as it is memorialized in the technical
21 statement, I think what you were really saying
22 was 20 percent, that would be also in the "call
23 option" category, and -- but you were kind of
24 also suggesting that the call option could be

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1 extended all the way to 100 percent, even as you
2 go with 20 percent of, you know, exposure to the
3 market rates, up to the cap. Right?

4 And I'm just trying to understand
5 exactly what you were saying in the proposal.

6 A (Doll) So, let me maybe describe it a different
7 way.

8 Last February through April, we were
9 unsuccessful in getting a default service bid.
10 We tried a second solicitation, and we ended up
11 in the exact same circumstance. So, the Large
12 Customer Group in that period was 100 percent
13 exposed to the market.

14 To the extent we found ourselves in
15 some sort of similar situation in the future,
16 what I would not want to do is, to the extent
17 there was a lot of concern about price spikes,
18 the same price spikes, in particular, that we
19 discussed during the December hearing, is try to
20 propose something hastily for the Commission and
21 stakeholders to discuss, in particular, when
22 we're talking about kind of complex financial
23 options.

24 So, our thought, when laying out this

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1 framework was, to the extent we continue to have
2 community aggregation erode some of the default
3 service load, and/or we end up with less
4 liquidity in the default service solicitations, I
5 think it's possible we could end up in a similar
6 situation with some of the different customer
7 groups, where it's just complete exposure to the
8 market.

9 At this point, you know, for the Large
10 Customer Group, from the February, March, and
11 April period, it ended up working to their
12 benefit. That may or may not always be the case.

13 So, I think what we wanted to do was to
14 propose a framework, so, to the extent we ended
15 up in a similar situation, it wasn't a brand-new
16 framework that had never been discussed with the
17 stakeholders and the Commission before for a
18 quick proposal.

19 And, so, I think you can layer this
20 sort of proposal in any way you want. But I
21 think the reason we found it attractive to us was
22 that it introduced some concepts that, to the
23 extent we ended up in some sort of default
24 service solicitations where we're just not

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1 getting any sort of bids, that we could still
2 propose some sort of price protection for
3 customers, while allowing them to still settle in
4 the market.

5 And, with the LMP around-the-clock call
6 option, we could do it on a budget, where you
7 set, you know, whatever the Commission believes
8 is a reasonable premium, and then you can lock in
9 what your price caps are in respect to that.

10 Q And I don't have enough expertise on such a
11 concept. So, my questions are really
12 rudimentary. And, you know, in some ways, could
13 be even naive. But I'm just trying to get a good
14 sense.

15 So, I think it's also possible that,
16 with a significant reliance on the LMP option,
17 that can impact liquidity as well? Or, I think
18 I'm reading a part of your technical statement,
19 that you're saying that it has less of an issue
20 with liquidity, as opposed to going fixed price.
21 So, I didn't understand that point. You know,
22 can you clarify?

23 A (Doll) You're saying on the Alternative
24 Procurement Plan, with the --

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Q Yes. Yes.

2 A (Doll) -- with the LMP call option?

3 Q Yes.

4 A (Doll) I think what we are trying to say in that
5 particular instance was, to the extent we
6 continue to have some sort of liquidity issues
7 from the default service solicitations, this
8 would be a way for default service to essentially
9 float with the market, but still provide some
10 sort of price protection, to the extent New
11 England ISO ends up a sustained price spike
12 market.

13 Q Can that have the same liquidity problem as
14 otherwise?

15 A (Doll) Oh, could there be a lack of liquidity in
16 around-the-clock LMPs?

17 Q Yes.

18 A (Doll) I'm sure it's possible.

19 Q Okay. If you go to the technical statement, I'm
20 just looking at Table 1, and, you know,
21 Section G. Let me know when you're there?

22 A (Green) I'm there.

23 Q You're there. Okay.

24 A (Green) Yes.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Q So, these are -- obviously, these are estimates
2 right now, you're looking at something. For the
3 energy estimate, what were you using?

4 A (Green) So, those are 20 percent of our
5 forecasted loads for that six-month period.

6 Q Yes. But I'm asking, like, the price, Row B?

7 A (Green) Oh, the "Energy Estimate", the dollars,
8 okay. The dollars are from the NYMEX power
9 forwards.

10 Q Okay. They're from NYMEX, okay. And, if you
11 were -- if you're going to go ahead and do this,
12 which is what -- it looks quite reasonable, this
13 will be the approach to set the total supply cost
14 estimate, right?

15 A (Green) That's correct.

16 Q Okay. And this would be set later, of course,
17 because this is going to be -- the prices are
18 going to be set for August through July. So, you
19 will have -- you will update the data?

20 A (Green) Correct.

21 Q Okay. The one last question I have is, in the
22 second paragraph of Section A, I just want to
23 understand whether this is -- are anyone of you
24 that are the authors of this, are you attorneys?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A *[Witness Doll indicating in the negative].*

2 A (Green) No.

3 A (Doll) I am not.

4 CHAIRMAN GOLDNER: No, they are not,
5 but Mr. Sheehan is. So, I think, if you'd like
6 to ask that question, we can address it to
7 Attorney Sheehan directly.

8 CMSR. CHATTOPADHYAY: Okay. I mean,
9 so, my question --

10 MR. SHEEHAN: Sure. Orient me again
11 please.

12 CMSR. CHATTOPADHYAY: So, if you go to
13 the technical statement, Section A.

14 MR. SHEEHAN: A.

15 CMSR. CHATTOPADHYAY: Second paragraph.

16 MR. SHEEHAN: Yes. So, the concern,
17 it's not a concern, we were just flagging there
18 are a bunch of orders that tell us how to do
19 solicitations. And, to the extent this order
20 tells us to do something different, it's just a
21 recognition that we would appreciate, frankly, a
22 statement that this is modifying the prior
23 orders. That's all.

24 CMSR. CHATTOPADHYAY: Okay.

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1 MR. SHEEHAN: We are, of course, bound
2 by them, until you tell us otherwise.

3 CMSR. CHATTOPADHYAY: You -- and the
4 last three lines of that paragraph says: "As
5 stated in Order Number 24,577, at 12, default
6 service must be designed to assure universal
7 access and system integrity; it should be through
8 the competitive market; and the administrative
9 costs should be borne by the customers in a
10 manner approved by the Commission."

11 You do agree, though, that this -- even
12 doing this is still through the competitive
13 markets?

14 MR. SHEEHAN: Yes.

15 CMSR. CHATTOPADHYAY: Okay.

16 MR. SHEEHAN: Just in a different way,
17 of course.

18 CMSR. CHATTOPADHYAY: Okay. That's all
19 I have. Thank you.

20 CHAIRMAN GOLDNER: Okay. I think I'll
21 start with, that the Commission appreciates the
22 Company's proposal. I think the Company,
23 obviously, listened very carefully to the
24 December session, and came back with something, I

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 have to say, was more thoughtful than the other
2 two utilities in New Hampshire. So, a lot of
3 thought has gone into this. The Commission
4 appreciates that. Both in terms of thinking
5 through the percentage, and the call option idea,
6 which was -- which was a creative solution to one
7 of the problems or perceived problems.

8 So, first, a note of appreciation
9 before I begin.

10 So, the second question is a follow-up
11 on some of the call option questions from the
12 parties and Commissioner Chattopadhyay.

13 BY CHAIRMAN GOLDNER:

14 Q I'm just trying to think about how to sort of
15 quantify the impact and look at this. And I
16 understood, the concept is very clever and
17 creative, in terms of creating a budget, and
18 then -- and then turning that budget into
19 something that would provide some price
20 protection.

21 And I guess what I would ask is, if
22 it's possible for the Company to sort of do a
23 simulation? So, prior to August 1st, put
24 together something, let's say the budget is 10

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1 percent, a 10 percent adder to the -- to the
2 pricing for that period. So, use some number,
3 I'll just say "10 percent" for now. And, so that
4 we -- all the parties and the Commission can
5 understand, in that simulation, what this would
6 look like. What kind of coverage would you get
7 for 10 percent? And maybe do another scenario
8 with 20 percent, or something like that. And
9 that simulation I think can inform us going into
10 the next cycle.

11 So, would that be, I guess I'll address
12 the question to Mr. Doll, is that something that
13 would be possible?

14 A (Doll) Yes. I think what I heard was, look at
15 some various percentages of the estimated energy
16 cost, 10 percent, 20 percent. And what does the
17 10 or 20 percent premium buy you, as far as your
18 price protection level?

19 Q Yes.

20 A (Doll) I believe we should be able to get, at the
21 very least, indicative pricing.

22 Q Excellent. That would be extremely helpful.
23 And, actually, what we're looking for is kind of
24 a simulation, indicative pricing.

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1 And, then, what I'd also request is
2 that, you know, there's price history going back
3 in ISO-New England probably as far as anyone
4 wants to go. But, if one looks at the last five
5 to seven years, which clearly cover a lot of
6 perturbations in the market, in looking at that
7 history, in terms of what the price spikes look
8 like, and what that environment looks like,
9 understanding how these -- how this call option
10 would have worked in historical time periods
11 might also inform us, in terms of what we can
12 expect in the future.

13 So, those would be two requests, I
14 guess. Mr. Doll, would there be any concerns
15 with that kind of analysis?

16 A (Doll) So, historical LMP data shouldn't be an
17 issue for us to obtain. I just want to make
18 sure, what we wouldn't have would be what
19 historical premiums would have been at those
20 times.

21 But, to the extent you're looking to
22 see where price protection makes sense, you know,
23 you set it at too high of an LMP, that ends up
24 being, you know, four intervals out of 8,760 a

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 year, you know, whether that's legitimate price
2 protection or not.

3 So, I think, if we're just looking for
4 LMPs as sort of a barometer for where kind of
5 price spikes occur, frequency, magnitude, et
6 cetera, I think that's a reasonable request.
7 That shouldn't be an issue for us.

8 Q Thank you. Thank you. I'll just note that
9 Liberty's operation is more sophisticated than
10 the other two utilities in New Hampshire,
11 including the largest utility in New Hampshire.
12 So, we very much appreciate the sophistication
13 that the Missouri operation brings to the table.

14 Okay. Excellent on that piece. And I
15 think I just wanted to clarify one of
16 Commissioner Chattopadhyay's question. I think I
17 have this right, but I just want to verify.

18 So, I think you're using the NYMEX
19 price to determine the energy price for the
20 upcoming cycle, August through January, and that
21 you're just adding in the capacity and ancillary
22 markets, and the other pieces, to determine what
23 that estimate was, in your tables at the bottom
24 of the technical statement?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A (Green) That's correct.

2 CHAIRMAN GOLDNER: Okay. Thank you.

3 And I'll just mention this for the
4 purposes of the Company and the parties, in terms
5 of my understanding of how all three utilities in
6 New Hampshire would work. And one of the reasons
7 that maybe there's less of a concern than there
8 was when we started these hearings a few days
9 ago, and maybe there isn't. So, I'll look at the
10 parties as I make this statement.

11 But what's happening here is that we're
12 talking about going directly to the ISO-New
13 England Market for a portion of the load, 10 to
14 20 percent of the load in this case. And that --
15 but that the rate is set, from a ratepayer
16 perspective, that rate is fixed and set by the
17 Commission, I guess there are June hearings. So,
18 the rate will be set for six months. So, no
19 matter what happens in the market, the rate
20 remains the same. So, ratepayers won't see
21 any -- they won't have any market exposure, so to
22 speak, in that six-month period, the price is
23 fixed. Then, any over/under is collected over a
24 twelve-month period out in time, out in 2025.

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[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 So, it's collected out then. And, so, that the
2 over/under, if one period is bad, the next period
3 might be good, it's going to go back and forth
4 over time, statistically. And, over time, all
5 that gets smoothed out.

6 So, from my perspective, and I would
7 like to hear from the parties in closing on this,
8 from my perspective, I see a very interesting and
9 robust process by which ratepayer exposure is
10 really minimized because of this averaging
11 process. It looks to me like we have a very
12 smooth process, where, to the extent that there's
13 any exposure, I would say that the thing that the
14 Commission is interested in is the lowest-cost
15 solution for ratepayers, without having, you
16 know, wide variations or perturbations in the
17 price.

18 So, if going directly to the ISO-New
19 England Market, without any hedging, without any
20 call options, without any of those things,
21 results in the lowest price, with reasonable
22 price stability, well, I think all the parties
23 would be very interested in that solution.

24 And I think we may have gotten to that

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 kind of place with what the Company is proposing
2 here, even without the call option. We're still
3 very interested in the call option. So, I'll
4 signal that right now. Commissioner
5 Chattopadhyay and I are interested in exploring
6 the call option. We want to keep all the options
7 on the table.

8 But this going directly to the market
9 option looks like it provides both price
10 stability, and what seems to be likely, the
11 lowest market cost available to New Hampshire
12 ratepayers.

13 So, I would like to hear from the
14 parties in closing on that topic.

15 And, then, maybe a follow-up on that,
16 again, for Mr. Doll.

17 BY CHAIRMAN GOLDNER:

18 Q The call option I think is designed to minimize
19 costs in the short run. So, that six-month
20 period, it's really designed to minimize risk in
21 that time period. But, over the long run, the
22 call option would cost money, and that's what any
23 insurance policy would be, right? You're going
24 to pay more for the insurance policy than it's

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1 going to return over time. So, it's really a
2 strategy around minimizing any perturbations over
3 that six-month period. Is that fair?

4 A (Doll) That is a very fair assessment. Hedging
5 should not be considered "least-cost planning
6 options", but it is a price protection. And the
7 perfect metaphor is what you used, it's an
8 insurance policy.

9 CHAIRMAN GOLDNER: Okay. Thank you,
10 Mr. Doll. And, then, just a couple of maybe
11 follow-up questions, and then we'll take a break
12 before redirect.

13 BY CHAIRMAN GOLDNER:

14 Q If the Commission were to allow a higher
15 percentage, higher than the 20, down the road,
16 and let's just say, you know, 40 or 50 percent or
17 something like that, without the call option,
18 would the Company be comfortable moving forward,
19 or would the Company have concerns with a higher
20 percentage?

21 A (Doll) I can speak from a mechanical perspective.
22 There's no issues. It honestly doesn't change
23 our process, if it's 10 percent, if it's 50
24 percent, if it's 100 percent.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 I think, if we go 100 percent to the
2 market, I think, as long as there is
3 acknowledgment that, you know, that there is
4 market risks that will be borne by the customers,
5 you know, I don't think that there is any issue
6 on our side, as long as the different
7 counterparties are in agreement.

8 Q Okay. And I'll just follow up on that briefly
9 with sort of, I know, mechanically, you said that
10 there would be no issues, and that is helpful.

11 Would there be any strategic concerns?
12 I think what you're saying is, you sort of
13 answered the strategic question at the same time,
14 meaning that there's this exposure that's a
15 potential. But, as I sort of mentioned at the
16 outset, there's no exposure from the customers in
17 that six-month period, because we fix the price.
18 What they're exposed to is the over/under as we
19 correct for it and adjust to it in the following
20 twelve-month period.

21 So, I guess the question -- oh, I'm
22 sorry, Mr. Doll, go ahead.

23 A (Doll) Correct. The fact that the rates are
24 determined ahead of time, and then the over/under

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1 ends up being levelized over a twelve-month
2 period, sort of smoothing out any volatility that
3 you have in there, there is, I believe, some
4 price -- I wouldn't say there's "price
5 protection", necessarily, but there's sort of
6 leveling out of costs to be able to smooth out
7 costs for customers, and maybe make it easier for
8 people to budget their power costs.

9 CHAIRMAN GOLDNER: Thank you. And,
10 again, from the parties in closing, if you wish
11 to touch on it, twelve months is the current
12 recovery process. That's been in place for many
13 years. If the parties would like to propose now,
14 or in the future, a longer recovery period or a
15 shorter recovery period, the Commission would
16 certainly be interested in that. Because, and,
17 Attorney Sheehan, you can correct me on this if I
18 get this wrong, but, because the over/under is
19 carried in both directions at the Prime Rate,
20 they're sort of -- it's sort of the -- the time
21 value of money is attended to with the carrying
22 charge.

23 Is that carried at the Prime Rate,
24 Attorney Sheehan?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 MR. SHEEHAN: I believe so. I think
2 most of the carrying charges on the reconciling
3 always refer back to the same rate. But I do
4 know there's a couple that don't. So, I have an
5 asterisk.

6 CHAIRMAN GOLDNER: I know that
7 Eversource presented that it was recovered at
8 Prime Rate, at least in their tariff. So, I
9 assume it's the same for everyone.

10 And, then, just a couple of follow-ups.
11 And I'll address this one to Mr. Doll again.

12 BY CHAIRMAN GOLDNER:

13 Q Has the Company -- if the Company's already done
14 this price spike behavior that we were talking
15 about a few minutes ago, that would be helpful
16 for the Commission to know. I know you're
17 dealing with lots of different entities, and lots
18 of different regions. I don't know how much New
19 England, itself, you study, but I think the
20 Commission would be very interested in any
21 differences in behavior in the ISO-New England
22 Market, versus the other regional entities that
23 you're in.

24 Do you see more or less, in terms of

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 variability in the ISO-New England Market?

2 A (Doll) Yes. I think, before the February through
3 April period, we did a deep-dive into the
4 historical ISO-New England LMPs. In particular,
5 Mr. Green, I know, looked at those in great
6 detail, had some conversations with Tyr Energy.

7 I would say maybe the one -- the one
8 difference that kind of jumped out to us was,
9 from the New England ISO, where Liberty settles
10 its load, there didn't seem to be the same amount
11 of congestion impacts that we've seen in the
12 Southwestern Power Pool and some different areas.

13 The access to be able to use some of
14 the hub settlements, which are a little bit more
15 liquid trading hubs to do some financial
16 instruments with. In the Southwest Power Pool,
17 we have quite bit of congestion basis, in which
18 case there would be some exposure still to those
19 sort of LMPs.

20 And, so, I'll let Mr. Green supplement,
21 if we wishes. But that was probably the one area
22 to us that jumped out, was just the lack of
23 congestion, at least in relation from the Granite
24 State LMP load node to the nearest hub.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 A (Green) Yes. And I have nothing to add there.
2 That was the biggest takeaway that we had there.

3 CHAIRMAN GOLDNER: Okay. Thank you,
4 both.

5 Okay. I think, at this point, we'll
6 take a brief break before redirect, and return
7 at -- let's return at 10:25. Off the record.

8 *(Recess taken at 10:09 a.m., and the*
9 *hearing reconvened at 10:27 a.m.)*

10 CHAIRMAN GOLDNER: Okay. We'll go back
11 on the record. And move to Commissioner
12 Chattopadhyay, who has a few follow-up questions.

13 CMSR. CHATTOPADHYAY: So, this is to
14 the witnesses. I just have a curiosity here.

15 BY CMSR. CHATTOPADHYAY:

16 Q Do you in any way look at what premiums are
17 embedded in the NYMEX futures prices?

18 If you don't, then do you have a sense
19 whether Tyr Energy does?

20 And this is just a curiosity-based
21 question.

22 A (Green) That, I don't look into what premiums are
23 already baked into a NYMEX forward. And I'm not
24 sure that Tyr would have that information

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 either.

2 Q Okay.

3 A (Green) But Mr. Doll could correct me, if I'm
4 wrong.

5 CMSR. CHATTOPADHYAY: But you can
6 certainly ask them, you know, if we keep talking
7 about that in the future.

8 I think this would be -- I'm not sure
9 whether the witnesses deal with tariff issues.
10 So, probably, this is a question for you,
11 Attorney Sheehan.

12 So, this is, do you think there are any
13 limitations -- before I phrase this, I want to
14 confirm that the reconciliation charge that is
15 set, so, for example, when this goes into play
16 right now from August through January, the
17 reconciliation, the deviations will be picked up
18 next year, beginning August 2025, right?

19 MR. SHEEHAN: That's my understanding.

20 CMSR. CHATTOPADHYAY: Yes. I think
21 that's --

22 MR. SHEEHAN: That's an annual
23 reconciliation.

24 CMSR. CHATTOPADHYAY: Right. So, I

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 think that's how the tariff is.

2 So, I'm just curious whether there are
3 limitations, if any, of moving to setting the
4 reconciliation charge every six-month, though
5 still setting rates to allow recovery over the
6 following twelve months? So, it's --

7 MR. SHEEHAN: Yes. I don't think
8 that's -- that's a math problem. I'm sure we
9 could calculate -- yes. I think that short
10 answer, it would require some modest changes in
11 the tariff. It would be a timing issue of the
12 calculation. So, we're setting a rate in
13 December, to go in effect February 1. We
14 wouldn't have that whole six-month period
15 over/under calculated. So, there would be some
16 estimates there. But we do that all the time.
17 And, so, --

18 CMSR. CHATTOPADHYAY: That is my
19 understanding, but I wanted to get a
20 confirmation. Okay.

21 And this is a question for everyone.
22 I'm just, you know, would you be, I was asking
23 about a white paper that, you know, and do you
24 think that would be helpful to the other parties?

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 So, DOE, as well as OCA?

2 And do you want me to clarify even
3 more, but --

4 MR. CROUSE: I was just trying to be
5 polite and not over-speak my fellow attorneys
6 here.

7 But I think that is something the OCA
8 is interested in.

9 CMSR. CHATTOPADHYAY: And how about
10 DOE?

11 MR. YOUNG: Yes. I think any
12 information, and this is the white paper from Tyr
13 Energy regarding --

14 CMSR. CHATTOPADHYAY: Yes.

15 MR. YOUNG: -- the alternative plan for
16 the call option?

17 CMSR. CHATTOPADHYAY: Correct. And
18 would be, I mean, I also wanted to get a sense of
19 how much it's going to cost. But we don't know
20 for sure, but I got the sense it's not going to
21 be too much. But that's something that's going
22 to be very helpful. So, we can look at different
23 kind of scenarios and understand better what is
24 the trade-off between premium and, you know, the

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 cap. So, that's the crucial question for me.

2 But you'll be --

3 MR. YOUNG: Yes. Yes. I think the
4 Department would be interested.

5 CMSR. CHATTOPADHYAY: Thank you.
6 That's all I have.

7 CHAIRMAN GOLDNER: So, just a couple of
8 quick topics before we wrap up and go to closing.

9 So, first, I'm looking at the Company's
10 Monthly Comparison Report. And just a request
11 for in the future, you have Table 1 with the
12 market prices, and then Table 2 with the Energy
13 Service solicitation price, and there's no
14 "Total" on Table 1.

15 Happily, the other utilities had a
16 "Total" column on there, at least Eversource did,
17 and Unitil did, too, I think. So, then, we can
18 directly compare apples to apples. And, since
19 the market is the market, the price should be the
20 same.

21 So, Eversource was reporting a total of
22 \$48.70 a megawatt-hour for the period just ended,
23 ended in January '24, and that compares to
24 Table 2, which is \$122 a megawatt-hour.

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 So, recognizing that things change, and
2 if we go back and we look at over time, these
3 numbers obviously change. But there's a huge
4 difference between the market price in the period
5 just ended, \$48, and the price that we
6 collectively charged the ratepayers of \$122 in
7 the period just ended.

8 And, I'll also point out, just for the
9 record, that, in the IR docket, which I think was
10 22-053, we also looked going back to I think
11 2018, and we looked across periods there, and we
12 see the same kind of impact when we go back in
13 time. And it, of course, varies, sometimes it's
14 greater, sometimes it's less. But we see a
15 substantial ratepayer savings by this going to
16 the ISO-New England Market directly.

17 So, I'll just make that comment. And
18 request the Company, when we do these tables in
19 the upcoming six months, please include a total.

20 And, then, finally, I just wanted to
21 follow up on something that Commissioner
22 Chattopadhyay addressed to Attorney Sheehan
23 earlier. So, we noted, in the legal analysis at
24 the bottom of Page 1 of the Joint Technical

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 Statement, that indicated this reliance on the
2 "alternative means" provisions of RSA 374-F:3, V,
3 (e), would be required for the Commission to
4 approve the Company's plan presented here.

5 So, would it be fair to say that such
6 reliance is unnecessary, insofar as the
7 Commission has the authority to modify its past
8 orders pertaining to default service under its
9 authority, such as 365:28, after hearing, as it
10 has done in the past for the electric utilities'
11 past changes to the default service procurement
12 approaches, such as the timing of rate periods
13 and solicitations, and as Liberty attempts to
14 procure this self-supply directly from the
15 competitive, that is the ISO-New England Market?

16 MR. SHEEHAN: Yes. As your predecessor
17 often said, "All orders are final until changed."
18 And, so, yes, I think that's clear.

19 CHAIRMAN GOLDNER: Thank you. Okay.
20 That's helpful.

21 All right. Commissioner Chattopadhyay,
22 any additional questions?

23 *[Cmsr. Chattopadhyay indicating in*
24 *the negative.]*

[WITNESS PANEL: Doll|Green|Hayward-Hawkins]

1 CHAIRMAN GOLDNER: Okay. All right.
2 Well, thank you, Attorney Sheehan. We'll move to
3 redirect.

4 MR. SHEEHAN: I have none. Thank you.

5 CHAIRMAN GOLDNER: Okay. Thank you.

6 Okay. So, thank you to the witnesses.
7 The witnesses are excused.

8 And having heard no objections, we'll
9 strike identification on Hearing Exhibit 15,
10 Hearing Exhibit 16. And we'll reserve Hearing
11 "Exhibit 17" for this question we discussed
12 earlier with the simulation and the history of
13 the call options.

14 And I'll just ask Attorney Sheehan, who
15 will probably want to ask his witnesses, would
16 two weeks be enough time to do that analysis, or
17 would the Company need more time?

18 MR. SHEEHAN: Mr. Doll?

19 MR. DOLL: I think just -- I don't
20 have -- I have not had any discussions yet with
21 Tyr Energy on this. So, I don't want to presume
22 that they could begin on this work right away, or
23 give us a cost estimate.

24 So, just to be clear, Chairman, are you

1 asking can we get a cost estimate for the white
2 paper within two weeks, or are we looking for
3 just the LMP analysis?

4 What -- I know there was a couple
5 requests out there.

6 CHAIRMAN GOLDNER: Yes. What we could
7 do is, maybe in two weeks there could be a status
8 update. Give you a chance to talk to Tyr Energy,
9 and understand what it would take to produce the
10 white paper.

11 The specific -- I was actually
12 referring to a different request, but we can do
13 some bundling here to make it more efficient, I
14 was actually talking about the "call option"
15 discussion we had earlier, relative to the budget
16 of 10 and 20 percent in the simulation, and then
17 looking forward.

18 And, then, also, to the extent that the
19 Company can look backward at the history, in
20 terms of recent four or five years of history and
21 price spikes and so forth, to see what this call
22 option would have done for us or could
23 potentially have done for us in the historical
24 period.

1 So, it was really those two things.
2 And, if that's -- if that's unclear, this is a
3 good time to sort of sort it out.

4 But sort of a status update in two
5 weeks would be fine, and the Company can let us
6 know when it can deliver both the white paper and
7 this simulation.

8 MR. SHEEHAN: And I think that's clear.
9 Just to restate it, in two weeks we file
10 something saying we either "have a cost estimate
11 for the white paper, it's X", or "we will have it
12 in, say, two more weeks." And --

13 CHAIRMAN GOLDNER: I'm sorry, let me
14 couple it, and timing of when it would be
15 delivered, in two months or whatever it is, yes.

16 MR. SHEEHAN: And similar, for the
17 internal simulation, if there is a marginal cost,
18 "it's X", otherwise "it can be prepared by X
19 date."

20 CHAIRMAN GOLDNER: Exactly, that
21 simulation. Which is, you know, you proposed a
22 budget. And, so, maybe some different scenarios
23 on what that budget would be, and then how that
24 would -- how would that work, in terms of the

1 call option and the protection that it would
2 provide?

3 And maybe that's all incorporated in
4 the white paper. So, maybe that would all be one
5 thing. But those were the specific requests.

6 MR. SHEEHAN: So, Mr. Doll, I think the
7 first question is, do you understand what's being
8 asked of you? If not, now is your chance to ask,
9 and I don't want to be the interpreter.

10 And, second, does it make sense for, at
11 a minimum, a status report in two weeks of what
12 we can do and when and how much, or at least when
13 we can get an estimate?

14 MR. DOLL: Yes. I think, in two weeks,
15 that would be a reasonable timeframe for us to
16 communicate with Tyr, the specific request, and
17 get some sort of estimate to provide to the
18 Commission.

19 And I think, Chairman, the proposal to
20 just include it bundled all into the white
21 paper, where it's a description of the process,
22 what some historical simulations would show,
23 *et cetera*, I think that makes a lot of sense.
24 So, we could give a status report on what that

1 process would look like, both from a timeline and
2 a cost perspective, to provide back to the
3 parties within two weeks' time.

4 CHAIRMAN GOLDNER: Okay. Thank you
5 very much.

6 So, that would be April 3rd for the
7 update. And, then, we can see what that looks
8 like, and go from there, in the spirit of getting
9 ahead of the next six-month cycle.

10 So, very good. Thank you. Thank you,
11 Mr. Doll, and thank you, Attorney Sheehan. That
12 seems clear. So, we'll reserve "Exhibit 17" for
13 that.

14 *(Exhibit 17 reserved for the Record*
15 *Requests noted earlier)*

16 CHAIRMAN GOLDNER: And, so, now, we'll
17 move to closing statements from the parties,
18 beginning with the New Hampshire Department of
19 Energy, and Attorney Young.

20 MR. YOUNG: Thank you, Mr. Chairman.

21 The Department has reviewed the
22 Company's proposal, and does believe that this
23 Procurement Plan satisfies the Commission's
24 previous directives.

1 However, as laid out in the
2 Department's technical statement, if the
3 Commission does approve this proposal, the
4 Department believes this scheme should run for
5 this default service period only, with an
6 opportunity for the parties to come together
7 afterwards and sufficiently analyze the
8 experience and relevant data.

9 And to touch on a couple of points I
10 think the Chairman has highlighted and asked to
11 be included. I think, in terms of whether a
12 longer recovery period would be appropriate, I
13 think that opportunity to do a look-back after
14 this experience would be beneficial, and coming
15 to a conclusion there. I'm not sure, sitting
16 here today, I could opine on a longer recovery
17 period.

18 And I also, I guess, wanted to address
19 some of the discussions between, I think -- I
20 guess it was delineated as "price stability" and
21 "price protection". And I think I just want to
22 clarify, from the Department's perspective, under
23 the scheme, ratepayers are still exposed to the
24 markets. I guess it's just a matter of when they

1 would be paying or receiving the benefit of that
2 exposure over time.

3 I think that is all I have in closing.
4 And I do thank the witnesses for their time
5 today, and the Commissioners for their questions.

6 CHAIRMAN GOLDNER: Okay. Thank you,
7 Attorney Young.

8 Let's move now to the Office of the
9 Consumer Advocate, and Attorney Crouse.

10 MR. CROUSE: Thank you.

11 The OCA is certainly interested in
12 seeing how the benefits of the proposal would
13 actually benefit residential customers in this
14 matter. So, with respect to the proposed [sic]
15 offered by Liberty, the OCA does not object.

16 As we have indicated strongly, we have
17 a great interest in discussing that LMP call
18 option with all the parties, and the Commission,
19 should they choose to have a technical session
20 that includes them.

21 With respect to the questions that
22 you've presented, Chairman Goldner, on the matter
23 of -- I'll just generalize it as the "future of
24 default service", and whether exposure to the

1 markets make sense. I did reach out to the
2 Highest Powers of the OCA over the recess. And,
3 at this time, we're not yet prepared to make such
4 a policy determination on-the-fly, but we do want
5 to be responsive to that question.

6 And, so, if it's to the Commission's
7 interest, whether filing a position or exploring
8 that, I don't know if a brief would be
9 appropriate, but a letter exploring that
10 opportunity, we would certainly be interested in
11 better developing our position on that matter.

12 But, with respect to some of the
13 concerns that the Department has raised, we're
14 also very interested in seeing the report that
15 was I think characterized as "imminently coming",
16 and reviewing that, and having an opportunity to
17 see if that affects any position we would take.

18 CHAIRMAN GOLDNER: Okay. I'll just
19 say, Attorney Crouse, that the Commission always
20 welcomes filings from its sister government
21 agencies, and other parties that are interested.

22 So, would you, if you were interested
23 in filing something, or the Higher Power was
24 interested in filing something, would two weeks

1 be enough time, so it would come in at the same
2 time as the Liberty update?

3 MR. CROUSE: That sounds reasonable to
4 me.

5 CHAIRMAN GOLDNER: Okay.

6 MR. CROUSE: And I'll make sure the
7 Highest Power is aware.

8 CHAIRMAN GOLDNER: Thank you. So,
9 we'll make that April 3rd on any filing there.

10 And, of course, if the Department would
11 like to file something as well, Attorney Young,
12 that's, of course, always welcome.

13 Okay. Let's turn now to the Company,
14 and Attorney Sheehan.

15 MR. SHEEHAN: Thank you.

16 Of course, today's hearing was to
17 present a proposal that the Commission asked us
18 to present, and we were happy to do so, and
19 described it in detail today. We'll certainly
20 carry that out, if that's what the Commission
21 orders. And, based on the order I saw from
22 Unitil, I suspect we'll get some form of approval
23 today as well.

24 I just have a few odd -- odds and ends

1 to mention.

2 Earlier, when the questions came up
3 about "community aggregation", and how much we
4 have left, I saw some eyebrows go up. And I just
5 want to give a little description. As you
6 probably know, our service territory is in three
7 distinct areas. The southern is just the Cities
8 of Salem and Pelham; then, there's the
9 Charlestown area, which is relatively small, it's
10 Charlestown and few small towns; and then it's
11 Hanover/Lebanon, and a few towns surrounding.

12 So, Hanover/Lebanon are the population
13 centers up there, both have gone to community
14 aggregation. Charlestown has gone to community
15 aggregation. And I say with a caveat, I scrolled
16 through the dockets, they have either been
17 approved or have filed. And, then, in the
18 southern, Pelham has been -- has filed just
19 recently. And, as you heard the witness say,
20 Salem is "rumbling about it".

21 With Pelham and Salem going, that's, I
22 think, over half of our overall customer count.
23 Salem is 16,000 customers; our total is just
24 under 50. So, it's a long way of saying that

1 it's likely the vast majority of our customers
2 will go to community aggregation in the near
3 term.

4 Second, the costs to do the work that
5 we talked about today, we would expect those to
6 roll into the other administrative costs that we
7 routinely recover as part of default service.
8 These folks' time gets charged specific to
9 Granite State for this, and *et cetera*. So,
10 that's what we would plan to do, is to simply
11 include that line item for the white paper.
12 Obviously, you will see that number before we
13 give them the go-ahead.

14 And that's all I have. Thank you.

15 CHAIRMAN GOLDNER: And I'll just
16 comment post closing here that, if one assumes
17 what I'll call or characterize as the "success of
18 community aggregation", that is most of the load
19 goes to community aggregation, there will always
20 be customers on default service, even if it's
21 only, you know, one guy.

22 So, this work that we're doing now, to
23 go partially to the market, if community
24 aggregation is successful, it may be inevitable

1 that it goes to 100 percent, because there's not
2 that many customers left.

3 And, so, I would just encourage the
4 Department and the Consumer Advocate to think
5 about that sort of long-term view, I'm sure you
6 already are, and how that plays out, and how we
7 can successfully support customers across New
8 Hampshire, that's at the forefront of the mind of
9 the Commission, and what that looks like over
10 time, assuming the community aggregation takes
11 hold, which it certainly looks like it is, it is
12 today.

13 Okay. Is there anything else that we
14 need to cover today?

15 *[Atty. Sheehan indicating in the*
16 *negative.]*

17 CHAIRMAN GOLDNER: Okay. Thank you.

18 So, the Commission will consider the
19 record in this case and issue a dispositional
20 order in this matter prior to April 1st, as
21 requested by the Company.

22 We, again, thank the witnesses for
23 their excellent testimony today, and probably
24 early in the morning in Missouri. So, we do

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appreciate that. And the hearing is adjourned.

***(Whereupon the hearing was adjourned
at 10:46 a.m.)***