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PARKER LITTLEHALE
EDWARD A. DAVIS**

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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 Simpson and Chattopadhyay.

5 This is the continued hearing for the
6 Stranded Cost Recovery Charge components related
7 to the Berlin Burgess biomass plant under SCRC
8 Part 2 and Chapter 340 rates, which were put into
9 effect by the Company on a provisional basis on
10 February 1st.

11 This hearing was scheduled by the
12 Commission in a procedural order on February 8th,
13 2024. The next day, on February 9th, the Berlin
14 Plant owners filed a Chapter 11 bankruptcy in the
15 federal court, in Delaware, which resulted in the
16 Commission scheduling a hearing last Wednesday,
17 February 14th, which was held as scheduled.

18 In response to the Commission's order
19 of February 15th, the Company filed its record
20 request responses yesterday, February 20th, after
21 hours, at 6:00 p.m. So, the Commission needed a
22 little bit of time this morning to catch up on
23 that, and, hopefully, the other parties found
24 that extra time useful as well.

1 The Commission has not received a
2 proposed witness panel, though I can see that
3 there's witnesses. So, Attorney Wiesner can
4 bring us up to speed on that in moment.

5 We would expect that after
6 appearances -- we'd expect that, after
7 appearances, during which we'll ask the parties
8 to make quick summaries of their positions, we
9 will proceed with the Eversource case
10 presentation.

11 The goal of this hearing is to
12 understand Eversource's position and business
13 arrangement with respect to Berlin/Burgess,
14 including assumptions made by Eversource, so that
15 ratepayers are being charged or receiving refunds
16 based on the appropriate SCRC rate.

17 We also recognize that the bankruptcy
18 situation is dynamic, and may result in
19 additional updates and changes in the future.

20 I also see that Eversource has made the
21 correction in Delaware, as requested, related to
22 the Commission's interest, and not
23 "participation", in the bankruptcy proceedings.

24 We are aware of the loose end of the

1 Motion for Confidential Treatment. If we run
2 into any of this territory during the proceeding
3 today, I would ask Attorney Wiesner to highlight
4 for the parties, the Commission, and the Court
5 Reporter.

6 Are there any other preliminary matters
7 before we move forward with appearances?

8 *[No verbal response.]*

9 CHAIRMAN GOLDNER: Okay. Seeing none,
10 we'll begin. And, again, we'll take appearances,
11 and then the parties can each make a brief
12 opening statement, before we proceed with the
13 Eversource witnesses, beginning with Attorney
14 Wiesner and Eversource.

15 MR. WIESNER: Good morning, Mr.
16 Chairman and Commissioners. David Wiesner,
17 representing Public Service Company of New
18 Hampshire, doing business as Eversource Energy.

19 As you noted, our witnesses are sitting
20 in the witness box. And I will introduce you to
21 them at the appropriate time.

22 CHAIRMAN GOLDNER: Okay. Thank you.
23 Does the Company wish to make any kind of other
24 opening statement before we get started?

1 MR. WIESNER: Well, yes. I would like
2 to make an opening statement. I didn't know
3 whether you wanted to go around the room for
4 appearances, before we begin with the opening
5 statements?

6 CHAIRMAN GOLDNER: Yes. We'll change
7 things up a little bit today, and just go with
8 opening statements now. And, then, as we go
9 around with appearances, if everyone can make
10 their opening statement.

11 MR. WIESNER: That works just fine.

12 First of all, I want to apologize for
13 the late filing yesterday. We had some
14 challenges, in particular, with the very large
15 spreadsheet that was responsive to the Number 6
16 request, tracking the cumulative reduction since
17 the initial operation of the plant. As you can
18 see, 24 times 365 times 10 is a very large
19 number.

20 So, with that, I'll say that I just --
21 I'd like to reiterate again, and you've heard me
22 say it before, that, in this SCRC docket, the
23 only issue that's currently before the Commission
24 is whether there's reason to consider adjusting,

1 on an interim basis, the Part 2 and Chapter 340
2 Adder components of that rate, and, if there is
3 such a reason, whether it makes sense to
4 implement such an adjustment?

5 And, of course, as we know, the SCRC
6 rate, like other reconciling rate mechanisms,
7 represent a combination of forward-looking
8 estimates and reconciliations for prior periods,
9 based on actual results. Any difference -- any
10 differences between the estimated amounts and the
11 actual results are reconciled through what is now
12 an annual true-up process.

13 So, the relevant questions before us
14 today are whether the Company's estimates for
15 future periods are reasonable under the
16 circumstances, and whether there's any need to
17 further adjust the provisionally approved SCRC
18 rates. I'll just note that the Company is not
19 proposing any changes to those SCRC rates at this
20 time.

21 And I'll also remind the Commission, as
22 I said last week, that, as we speak, there's a
23 hearing ongoing before the Bankruptcy Court in
24 Delaware. And that hearing will address a number

1 of matters, including the Burgess Companies'
2 Motion to Reject the PPA and Related Option
3 Agreement, and Eversource's objection to that
4 Motion. It would be premature, in our view, to
5 reach any conclusions about the outcome of the
6 various motions and other pleadings filed in the
7 bankruptcy case at this time.

8 Simply put, we'll know more following
9 that hearing. And we will inform the Commission
10 of any material developments in the bankruptcy
11 case.

12 That said, it is clear from the
13 Debtors' Motion to Reject the PPA and the Option
14 Agreement that they do not intend to continue
15 operation of the Berlin power plant, if they are
16 not authorized to reject the PPA. In particular,
17 they have maintained in that motion, and I'm
18 quoting now, "The PPA and Option Agreement are
19 burdensome contracts, and their rejection would
20 benefit the bankruptcy estates."

21 And I'll quote further from what is
22 Paragraph 45 in the Debtors' motion: "Company
23 management for the Debtors, in the exercise of
24 their duties, reviewed the PPA and Option

1 Agreement in consultation with internal
2 management and advisors. Based on that review,
3 the Debtors determined that Berlin could not
4 survive as an operating business, if the PPA or
5 the Option Agreement is not rejected under
6 Section 365-A, as any crediting of the Excess CRF
7 against energy payments will vitiate Berlin's
8 cash flow, leaving it without payment for
9 production of energy."

10 Based on those representations made
11 publicly in the Burgess Companies' bankruptcy
12 pleadings, there would seem to be little or no
13 chance that the Berlin Station plant will
14 continue to operate with the PPA in effect.

15 I just wanted to offer that
16 introduction for background and context. And
17 I'll be happy to proceed with our witnesses, when
18 the time is appropriate.

19 CHAIRMAN GOLDNER: Thank you. We'll
20 move now to the OCA.

21 MR. CROUSE: Good morning,
22 Commissioners. My name is Michael Crouse, Staff
23 Attorney for the Office of the Consumer Advocate,
24 representing residential customers in this

1 matter.

2 The OCA does not have any opening
3 statement to make. But thank you for the
4 opportunity otherwise.

5 CHAIRMAN GOLDNER: Okay. And the
6 Department of Energy?

7 MR. YOUNG: Good morning,
8 Commissioners. Matthew Young, on behalf of the
9 Department of Energy. With me today are Stephen
10 Eckberg, who is a Utility Analyst in the Electric
11 Division; as well as my co-counsel, Marie-Helene
12 Bailinson.

13 And I think the Department does not
14 have any preliminary remarks either.

15 CHAIRMAN GOLDNER: Okay. Thank you.

16 So, we'll return to Attorney Wiesner
17 and Eversource. The witnesses have taken the
18 stand. And, Mr. Wiesner, I'll let you introduce
19 the witnesses. And I'll ask Mr. Patnaude to
20 maybe swear them in.

21 *(Whereupon **BRYANT K. ROBINSON,***
22 ***PARKER LITTLEHALE,** and **EDWARD A. DAVIS***
23 *were duly sworn by the Court Reporter.)*

24 MR. WIESNER: So, thank you.

[WITNESS PANEL: Robinson|Littlehale|Davis]

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BRYANT K. ROBINSON, SWORN

PARKER LITTLEHALE, SWORN

EDWARD A. DAVIS, SWORN

DIRECT EXAMINATION

BY MR. WIESNER:

Q I'll begin with Mr. Robinson. Mr. Robinson, for the record, would you please state your name and your position with the Company?

A (Robinson) Excuse me. Good morning. My name is Bryant Robinson. I'm Team Leader for the New Hampshire Revenue Requirements Group.

Q And what are your responsibilities in that role with the Company?

A (Robinson) I'm involved and familiar with the coordination and implementation --

[Court reporter interruption.]

BY THE WITNESS:

A (Robinson) I'm involved with the coordination and implementation of revenue requirement calculations for all the regulatory filings for the Company. In this docket, I participated with the initial and updated filings, Exhibit 1 and 2, as filed, and responses to various record requests.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 I'm able to address any questions based
2 on prefiled testimony and schedules submitted by
3 Ms. Chen, who is currently out of the country and
4 unavailable for this hearing.

5 Q And have you testified before the Commission
6 previously?

7 A (Robinson) Yes, I have.

8 Q Thank you. Moving on to Mr. Littlehale. Would
9 you please state for the record your name and
10 your title with Eversource?

11 A (Littlehale) Good morning. My name is Parker
12 Littlehale. I am a Manager of Wholesale Power
13 Supply in the Electric Supply Department at
14 Eversource.

15 Q And could you -- well, first of all, have you
16 testified previously before this Commission?

17 A (Littlehale) Yes. I manage the default service
18 procurements on behalf of PSNH small and large
19 customers, and have testified in those hearings.

20 Q And could you please briefly describe your
21 involvement in this SCRC docket?

22 A (Littlehale) So, I am part of the group of people
23 that administer the Burgess PPA Contract. And I
24 am involved and helped respond to Record Requests

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 001 -- RR-001 through RR-006, and RR-009-2.

2 Q Thank you. I'll move on to Mr. Davis now. Would
3 you please state your name and title with
4 Eversource for the record?

5 A (Davis) Good morning. Ed Davis, Director of
6 Rates for Eversource Energy.

7 Q And what is your -- what are your basic
8 responsibilities in that role?

9 A (Davis) I'm responsible for rate and
10 tariff-related matters of the Company.

11 Q And have you testified previously before the New
12 Hampshire Commission?

13 A (Davis) Yes, I have.

14 Q And could you please briefly describe your
15 involvement in this docket?

16 A (Davis) In this proceeding, I am involved in and
17 familiar with the prefiled testimony regarding
18 the Net Metering Adder and the SCRC cost
19 allocation, rate design, and bill impacts for
20 different customer classes. Those were submitted
21 previously as Exhibits 1 and 2 in this docket.

22 Under my direction, my group assisted
23 with the preparation of rate design and bill
24 impact scenarios, reflecting the expanded netting

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 against Burgess payments, any effects of the
2 updated reconciliations, and also a potential PPA
3 termination, as shown in the Record Requests 007,
4 008, and 009 submitted with the Commission.

5 MR. WIESNER: Thank you, Mr. Davis. I
6 have no further questions on direct exam, and the
7 witnesses are available for questioning by
8 parties and the Commission.

9 CHAIRMAN GOLDNER: Okay. I think, you
10 know, given the lateness of the filing, it might
11 be good, Attorney Wiesner, to orient the parties
12 and the Commission with respect to the filings.
13 I'm happy to move forward. But it might -- it
14 might be helpful to maybe provide some backdrop
15 and history for the parties.

16 MR. WIESNER: Okay. I will -- well,
17 let's take them -- let's focus on the record
18 requests, I think, and let's take them in order.

19 BY MR. WIESNER:

20 Q And I will ask Mr. Littlehale to briefly describe
21 the response that we provided to Record Request
22 006.

23 A (Littlehale) So, the Record Request 006 asked to
24 provide the detailed information behind the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Cumulative Reduction Factor calculation. And we
2 provided a very large spreadsheet that has
3 tracked the energy costs for the Burgess PPA over
4 the length of the PPA. It's very large. It has
5 hourly data that gets converted to monthly data.

6 So, the most appropriate way to begin,
7 from my perspective, is to look at the words from
8 the Record Request RR-006. And, in that
9 response, we provide a very simplified example of
10 how the Cumulative Reduction Factor is
11 calculated. We provide two hypotheticals, to
12 really, you know, cement the concepts.

13 So, if we begin with the first
14 hypothetical, we'll assume that Burgess facility
15 generated 40,000 megawatt-hours during a
16 particular month, which is roughly the amount of
17 production that the plant puts out on a monthly
18 basis. So, using this hypothetical example, if
19 the Contract rate for that particular month was
20 \$85 a megawatt-hour, the energy payments to
21 Burgess, at the PPA rate, is the product of
22 40,000 megawatt-hours, times \$85 a megawatt-hour,
23 which equals \$3.4 million.

24 Now, the value of that 40,000

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 megawatt-hours delivered to the wholesale power
2 market, let's, for example, consider a wholesale
3 power price at \$50 a megawatt-hour.

4 And, just as an aside, when we were,
5 you know, in the room waiting for the hearing to
6 begin, wholesale power prices in New Hampshire
7 right now are about \$25 a megawatt-hour this
8 morning, to just give you a sense of where
9 they're at.

10 But, for my example, I'm using \$50 a
11 megawatt-hour. So, it's the same 40,000
12 megawatt-hours, times \$50 a megawatt-hour, and
13 that's \$2 million of value of energy delivered to
14 the wholesale power market.

15 So, the way that the ECR is calculated
16 is the difference between the 3.4 that was paid
17 to Burgess, you subtract the \$2 million of the
18 value, and, in this monthly example, 1.4 would be
19 added to the ECR calculation.

20 Now, conversely, let's consider an
21 example, same 40,000 megawatt-hours, same
22 Contract rate at \$85 a megawatt-hour. So, that
23 math works out the same at \$3.4 million. But
24 let's consider a month that wholesale power

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 prices are \$125 a megawatt-hour, 40,000
2 megawatt-hours, times 125 per megawatt-hour, is
3 \$5 million. So, the difference between the 3.4
4 that was paid to Burgess, versus the \$5 million
5 in this hypothetical value delivered to the
6 wholesale power market, and that would be \$1.6
7 million that would be subtracted from the ECR, or
8 reduced.

9 So, if you replicate that calculation
10 over ten years, for the life of the PPA, you --
11 which we provide in that spreadsheet, that large
12 spreadsheet, that's how you accumulate the ECR
13 calculation of, you know, really, it's \$170
14 million for the Cumulative Reduction Factor, and
15 then the amount over 100 would be the 70.

16 CHAIRMAN GOLDNER: And, if I could,
17 Attorney Wiesner, just to clarify.

18 BY CHAIRMAN GOLDNER:

19 Q Mr. Littlehale, it looks like, on the
20 spreadsheet, that the \$100 million threshold was
21 crossed in August of 2019. And it looks like the
22 current balance in the account, and I'm just
23 reading off the spreadsheet, is "\$171,003,217".
24 Is that -- do I have that right, as of the end of

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 January?

2 A (Littlehale) So, you're right. It was back in
3 2019 that the \$100 million was initially
4 exceeded. And, then, per legislation, SB 577
5 provided a three-year moratorium on recouping
6 that. And, then, SB 271 provided an additional
7 year. So, those, that four-year gap, or
8 four-year prevention of recouping the ECR, went
9 from over 100 million, you know, from the 5
10 million, to roughly the \$70 million, \$71 million
11 that you quoted, yes.

12 Q Okay. And I just want to make sure I'm reading
13 the spreadsheet right. So, I appreciate that
14 clarification.

15 A (Littlehale) Yes.

16 Q But you agree with the number at the end of
17 January of this year, 2024, "171,003,217" is the
18 correct number?

19 A (Littlehale) Can you just specify the cell,
20 just --

21 Q Sure. It's T, as in "Tom", and cell 143.

22 A (Littlehale) Yes. 143?

23 Q And, then, "T", as in "Tom". I just want to make
24 sure we're -- the Commission is reading this

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 spreadsheet correctly in this case.

2 A (Littlehale) I would use, at the end of the
3 Contract year, would be X140.

4 Q "X", okay. And, then, how does that relate to
5 Columns T, you know, V, and W?

6 A (Littlehale) So, what Y is, is taking the \$71.5
7 million at the end of the Contract year, the most
8 recent Contract year, dividing it by twelve. For
9 the term of the PPA, we can recoup one-twelfth of
10 the \$71.5 million. So, there is the \$5.9 million
11 that, per the terms of the PPA, we can recoup on
12 a monthly basis.

13 Q I see where you're going. I guess what I'm
14 having trouble correlating is Column -- let's
15 call it Column V, as in "Victor", and Column T,
16 as in "Tom". What's the difference between those
17 two columns?

18 A (Littlehale) I may just need to coordinate with
19 my colleague on that. But it, from -- I think
20 the most important column, if you could give me a
21 minute, maybe we can revisit that question?

22 Q Sure.

23 A (Littlehale) I want to make sure we answer it
24 appropriately.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q Thank you. Yes.

2 A (Littlehale) Yes.

3 Q I just want to make sure we're set up for
4 understanding what's in Exhibit 6 [Att. RR-006?].

5 A (Littlehale) Yes. Maybe we can come back to
6 that, if you could give us a minute, just to
7 qualify the difference between -- "T and V" is
8 your question?

9 Q Correct.

10 A (Littlehale) Okay.

11 Q Tom and Victor, yes.

12 A (Littlehale) Okay.

13 Q And the -- and take your time, but the point of
14 the exercise was just to understand, make sure
15 that the parties and the Commission understood
16 the baseline from which all the calculations were
17 made. And, so, I can see it's very thorough,
18 very complete. I just want to make sure, in the
19 big picture, that everyone understands --

20 A (Littlehale) Yes.

21 Q -- which is the right --

22 A (Littlehale) It's a very complicated calculation,
23 and it's a large spreadsheet. So, that's why we
24 felt the example in the words could cement the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 concepts.

2 Q No, I think -- and I appreciate the concepts. I
3 think we have a good handle on the concepts, and
4 we appreciate the filing. It's just, you know,
5 here we're trying to baseline, what is the right
6 Cumulative Reduction Factor, you know, baseline
7 upon which all the calculations are run, and is
8 that -- is that correct?

9 A (Littlehale) Okay. So, we'll get a clarity of T
10 verse V for you.

11 CHAIRMAN GOLDNER: Thank you.

12 BY MR. WIESNER:

13 Q Mr. Littlehale, if I look at Column V, it seems
14 to say that that is the number as of
15 November 30th, which was the end of the operating
16 year most recently ended. And it appears that,
17 in Row 140, the number is "171,542,675.07"?

18 A (Littlehale) In V140?

19 Q V140, right.

20 A (Littlehale) Yes.

21 Q So, is that -- am I right to think that that is
22 the CRF balance as of November 30th of last year?

23 A (Littlehale) Yes. That's the total 171.

24 Q And, then, less 100 million is Row X, which is

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 71 and a half, and change?

2 A (Littlehale) Yes.

3 Q That would then generate the one-twelfth amount
4 that could theoretically be netted against
5 payments due to Burgess in the following
6 operating year?

7 A (Littlehale) That's right. Because the
8 one-twelfth applies to the amount over 70 -- the
9 \$100 million.

10 Q And the one-twelfth then is Column Y?

11 A (Littlehale) The 5.9.

12 Q The 5.96 million?

13 A (Littlehale) Yes. Right.

14 BY CMSR. SIMPSON:

15 Q Could I just ask a clarifying question? What's
16 the confidential information in this exhibit?

17 A (Littlehale) It's primarily around the cost of
18 wood adjustment.

19 Q Okay.

20 A (Littlehale) So, the PPA specifies the base
21 energy price, it's \$69.80, I believe. And, then,
22 that price gets updated based upon the cost of
23 wood, or the cost of delivered wood to the
24 Burgess power plant.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 So, it's that adder, between the base
2 energy price and the ultimate price, due to the
3 cost of wood, that we understand is confidential.

4 CMSR. SIMPSON: Okay. Thank you.

5 MR. WIESNER: And, in addition, I
6 believe the recent production quantities from the
7 plant for the last two months are not yet
8 publicly available.

9 CHAIRMAN GOLDNER: And everything is
10 grayed out on the spreadsheet in those areas.
11 So, we're not talking about any of those numbers,
12 though.

13 MR. WIESNER: Right. And, hopefully,
14 there's no need to talk -- speak of the specific
15 numbers, which are confidential. And we did file
16 a Motion for Confidential Treatment with the
17 package that was submitted yesterday.

18 CHAIRMAN GOLDNER: Correct. And we'll
19 be careful to stay out of the gray areas on the
20 spreadsheet. And we haven't asked about anything
21 in the gray areas so far.

22 MR. WIESNER: I think that's all I
23 have -- well, no, let me ask one more question of
24 Mr. Littlehale.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 BY MR. WIESNER:

2 Q The example that you gave was a monthly example.
3 But, in fact, this spreadsheet suggests that the
4 tracking is actually done at the level of hourly
5 production and hourly locational marginal prices?

6 A (Littlehale) Yes, that's right. And that's what
7 the rows, we'll call it A through -- I'm sorry,
8 Columns A through K -- yes, K. That's all the
9 monthly data, I have roughly 9,000 rows of
10 monthly data.

11 Then, it gets pivoted or converted to
12 monthly columns, M through W.

13 So, I think we've been able to clarify
14 Column V. I just -- we owe you an answer on
15 Column T.

16 CHAIRMAN GOLDNER: Yes. T says
17 "Cumulative Reduction". So, it seems like that
18 would be the column you would use. That's why I
19 was confused.

20 MR. WIESNER: But does T run through
21 the end of January, is that correct?

22 CHAIRMAN GOLDNER: It does. There's a
23 number, in Column T, for the ending month of
24 January, and that's the Cell 143?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 WITNESS LITTLEHALE: We may just need a
2 minute to pull that explanation together. I want
3 to make sure we get that accurate.

4 CHAIRMAN GOLDNER: Okay.

5 MR. WIESNER: And one final question,
6 in what has become expanded direct examination of
7 Mr. Littlehale.

8 BY MR. WIESNER:

9 Q This spreadsheet is in the format that is
10 provided to Burgess on a -- how frequently is it
11 provided to Burgess?

12 A (Littlehale) At the end of each Contract year,
13 it's sent to Burgess to verify that the -- you
14 know, there's no questions, concerns, you know,
15 we're aligned with Burgess on the calculations,
16 and the Cumulative Reduction amounts are verified
17 by both parties.

18 Q And is it fair to say that, other than some
19 perhaps minor disagreements over details, that
20 this format, and the results of the calculations,
21 have been accepted by Burgess?

22 A (Littlehale) That's right.

23 MR. WIESNER: Thank you.

24 BY MR. WIESNER:

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q If there aren't any further questions on this
2 topic, I think I'll move on to Mr. Robinson, and
3 ask him to explain to us the response that we
4 provided in response to the Record Request
5 Number 007.

6 A (Robinson) So, thank you, Mr. Wiesner. Yes, per
7 the request of the Commission, we've taken the
8 January 8th filing, that was approved -- and
9 which was the basis for the approval of the
10 provisional rates that took effect February 1st
11 that Chairman Goldner noted. And we have updated
12 that filing per the -- per this request for,
13 primarily, three things. Well, let me just take
14 a step. The January 8th filing was based on a
15 forward energy price forecast 2023 Q3 energy
16 price forecast. This, the attachment to this
17 response, has been updated to reflect the energy
18 price forecast for Q4 2023. And the reason why
19 we're using that forecast is that was the
20 forecast used for the basis of the January 16th
21 and February 2nd letters that were filed in
22 Docket DE 19-142.

23 In addition to that, using the updated
24 forecast, our January filing showed netting or

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 offsets just based on energy payments. This
2 attachment now reflect the netting based on
3 energy, capacity, and REC payments.

4 And the third item, primarily, is, per
5 the request, is we've updated for actual amounts
6 for December and January. All else being equal,
7 we didn't make any other changes to the filing.
8 But I just want to note that, by updating for
9 December and January, it changes the over/under
10 balances from what was filed and what appears in
11 the January 8th filing. Therefore, that drives a
12 change in the rates that this attachment
13 reflects.

14 MR. WIESNER: I hope that was helpful.
15 I don't have any further questions for Mr.
16 Robinson on this schedule.

17 BY MR. WIESNER:

18 Q Let's move on to the Number 008 Record Request
19 response, that I believe reflects, primarily,
20 updated actuals for the two-month period.

21 A (Robinson) Yes. For Record Request 008, as Mr.
22 Wiesner just noted, was we kept all the
23 assumptions the same, per the January 8th filing,
24 again, which was the basis for the provisional

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 rate approval. With the exception of just
2 updating for December 2023 and January 2024
3 actuals.

4 And, again, that result ends up with,
5 basically, a different over/under balance as of
6 January 31, 2024, which impacts the rates, as
7 shown in this attachment.

8 Q And let's move on to the attachment to Record
9 Request 009.1, which is a scenario when the --
10 wherein the Burgess PPA is no longer in effect as
11 of March 1st.

12 A (Robinson) In Attachment RR-009, Part 1, much
13 like Attachment RR-007, it reflects the update
14 for the forward energy price forecast as of Q4
15 2023, versus the January 1 -- January 8th filing,
16 which was based on a Q3 2023 energy price
17 forecast.

18 This attachment also includes, again,
19 much like Attachment RR-007, the full netting or
20 offsets of energy, capacity, and RECs.

21 Thirdly, it reflects the actual amounts
22 for December 2023, January 2024.

23 And, per the Commission's request, we
24 assumed that the PPA would be severed as of

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 March 1st, 2024. So, as a result of that,
2 basically, what's Attachment -- what's page was
3 Page 6 to Attachment YC/EAD-1, Page 6, anything
4 from March 2024 to January 2025 has been zeroed
5 out. And, with those changes, also reflects,
6 again, a hypothetical rate, an alternative rate,
7 based on the assumptions per this record request.
8 And, again, that's for Part 1.

9 Q And just to clarify, the March 1st date selected
10 for the purposes of presenting this scenario does
11 not necessarily reflect what may be the potential
12 effective termination of the PPA, which as you
13 understand it, and please confirm if this is
14 correct, may be affected by developments in the
15 Delaware Bankruptcy proceedings?

16 A (Robinson) That is correct.

17 Q Thank you. To close this out, I'll now turn to
18 Mr. Littlehale, and ask him to give us a brief
19 summary of what is presented in response to
20 Record Request 009, Part 2?

21 A (Littlehale) So, before I do that, I've been able
22 to uncover the answer to Column T.

23 So, if you recall, there's another part
24 of the PPA is there's a cap on 400,000 RECs

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 purchased per year. And, then, there's the cap
2 on 500,000 megawatt-hours of energy purchased
3 each year. If we end up purchasing initially
4 more than 500,000, at, say, the PPA price, then
5 Burgess refunds us the difference of over 500,000
6 at the market, you know, versus the market price.

7 So, Column T is including the amount
8 over 500,000, which ultimately gets returned to
9 PSNH customers over a three-month refund basis.
10 So, it's kind of -- think of it as maybe like a
11 gross ECR, before the amount over 500,000 is
12 returned. So, it's almost a placeholder column.

13 So, it's -- that's why it's higher than
14 Column W. But it's really Column W, or Column V
15 and Column W, and then, ultimately, Column X, are
16 the relevant columns to be paying attention to.

17 BY CHAIRMAN GOLDNER:

18 Q Wouldn't that be a risk in the midst of a
19 bankruptcy proceeding, the delta may or may not
20 get paid back to Eversource? Is that -- are you
21 highlighting, in Column T, a risk area for the
22 Commission to be aware of?

23 A (Littlehale) I wouldn't say we're "highlighting a
24 risk". This is just a number that we track

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 through the length of the PPA. And we're being
2 -- trying to be responsive to the question and
3 give you exactly the file that we track.

4 Q Okay. But there is 5 million, 6 million out
5 there, something like that, that's the delta
6 between V and T, that is in Burgess's bank
7 account, and not in Eversource's bank account?

8 A (Littlehale) I don't know if I would go that far
9 and say that that's the case.

10 Q How else should the Commission think about the
11 delta? I'm just trying to understand. You've
12 highlighted the delta and the reasons for it, and
13 I'm trying to understand what -- how we should
14 think of the difference between those two
15 columns?

16 A (Littlehale) I guess we'll need to double back on
17 an answer on that.

18 CHAIRMAN GOLDNER: Okay. And we can --
19 we'll take a break later.

20 WITNESS LITTLEHALE: Yes.

21 CHAIRMAN GOLDNER: And maybe that would
22 be a good opportunity to sort through that.

23 **BY THE WITNESS:**

24 A (Littlehale) Okay. Turning to 009.2. So, if

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 we -- I think the important place to start on
2 this slide is to look at the bottom footnote,
3 "Additional Note": "The Burgess companies have
4 disclosed in their bankruptcy pleadings that they
5 will not continue to operate the plant if
6 bankruptcy does not allow them to shed the PPA."

7 So, you know, we put this response
8 together to be responsive to the Commission's
9 record request. But we want to flag that it may
10 not be a realistic scenario. But let's walk you
11 through what we have prepared.

12 So, Lines 1 and 2 are -- compare energy
13 prices. The Line 1 is the "PPA price". So, as
14 we discussed earlier, the PPA specifies a base
15 energy price, that then gets escalated at the
16 cost of wood. We don't know what the future cost
17 of wood adjustments will be. So, what we've
18 done, for Line 1, is essentially keep the base
19 energy price the same, or flat, but then escalate
20 the cost of wood adjustments at a 3 percent
21 inflation rate. And that's what gets us an
22 estimate of PPA prices through 2033.

23 The forward market prices are -- and
24 this is -- we did our very best to footnote all

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 our various sources that we used, but we have
2 access to a third party forward energy price
3 forecast, in this case it's OTC Global. It's a
4 long-term forward price. So, we're including a
5 forward look at wholesale power prices in New
6 Hampshire. That's Line 2. That's in dollars per
7 megawatt-hour.

8 This Lines 3 and 4 are dollars per REC.
9 So, there is a -- per the terms of the PPA,
10 there's a calculation for the REC price, which
11 escalates at inflation, and then there's a
12 reduction factor. It's 75 percent of the
13 calculated price during 2024 and 2025, then it
14 becomes 70 percent of the calculated price during
15 '26 through 2030, and then, between 2031 and
16 2033, it's 50 percent of the calculated REC
17 price.

18 So, you can see how the PPA -- the
19 price paid for RECs under the PPA actually, you
20 know, gets a haircut as you go through time,
21 because of the 75, 70, 50 percent reducers in
22 the -- reducers in the PPA.

23 The forward REC price, we have access
24 to a forward REC price through S&P Capital IQ.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 We have visibility through 2027, and then we
2 escalate thereafter at that same 3 percent
3 inflation.

4 Capacity prices actually are a bit more
5 straightforward. Per the terms of the PPA, the
6 capacity prices escalate at 0.15 cents per
7 kilowatt-month on an annual basis. That's our --
8 that's Line 5. Line 6, through the Forward
9 Capacity Market administered by ISO-New England,
10 we have visibility into forward capacity prices
11 through I believe it's 2028, and then we escalate
12 at inflation thereafter.

13 So, a fair amount of assumptions,
14 everything is documented, in case folks want to
15 replicate this analysis.

16 Line 7, 8, and 9 convert dollars per
17 megawatt-hour, dollars per REC, and dollars per
18 kW-month into dollars. So, given an expectation
19 of 500,000 megawatt-hours of generation
20 purchased, and 400,000 RECs purchased, we
21 forecast that, over the life of -- or, between
22 2024 and 2033, that payments under the PPA would
23 be \$730 million.

24 Line 8 looks at market -- those same

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 products, 500,000 of energy, 400,000 of RECs, 65
2 megawatts of capacity, those would cost customers
3 \$475 million.

4 So, the difference between the payments
5 under the PPA and payments -- market-based
6 payments, is Line 9, roughly, a \$255 million gap
7 between the two.

8 We have also provided a "Net Present
9 Value" line in Column G, if your preference is
10 NPV terms, we're using a 7 percent discount rate.

11 Any questions through that?

12 *[Chairman Goldner indicating in the*
13 *negative.]*

14 **CONTINUED BY THE WITNESS:**

15 A (Littlehale) Okay. Then, Line 10 takes an
16 estimate of netting and recouping against energy
17 only, per the record request given to -- given to
18 PSNH. And what's important to note is that, as
19 part of the netting and the recouping, it's not
20 just the \$70 million where we are today. It's
21 also future over-market energy payments. So,
22 it's the difference between the "446" in Line 1
23 and the "287" in Line 2, which is roughly \$160
24 million. That is -- think of that as new

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Cumulative Reduction Factor amounts that would be
2 recouped in future years.

3 So, that is what we're trying to
4 estimate in Line 10. And, then, the Line 11 are
5 the PPA payments from Line 7, subtract out the
6 netting and recouping from Line 10, and then we
7 have, you know, a net PPA in Line 11.

8 Line 12 stays the same, same market
9 payments, right? No difference there.

10 And, then, we've got a netting and
11 recouping in Line 13, which is the difference of
12 the PPA versus the -- the PPA netting versus the
13 market payments, which we've quantified in
14 Line 13.

15 So, it's, again, in our opinion, you
16 know, perhaps a number of hurdles to have this
17 scenario play out. We've tried to be as response
18 as we could to the record request. But, at the
19 same time, you know, simplify it to a degree that
20 we can discuss it and communicate it and, you
21 know, have an informed conversation about it, and
22 ground everybody fairly quickly on what analysis
23 we're putting together.

24 BY MR. WIESNER:

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q And, so, in this analysis, unlike the response to
2 Question 006, where we're tracking the Cumulative
3 Reduction on an hourly basis, here we're using an
4 annual average megawatt-hour forward market
5 price, for example?

6 A (Littlehale) That's right. Forward energy prices
7 are on-peak and off-peak monthly. You can't get
8 a forward hourly price, at least in the services
9 that we have access to.

10 Q Right. So, that is effectively an all-hours
11 average?

12 A (Littlehale) Yes. We're converting -- yes, we're
13 converting that to an all-hours. That's correct.

14 MR. WIESNER: Okay. Thank you.

15 CHAIRMAN GOLDNER: Thank you, Attorney
16 Wiesner. That was very helpful, for walking
17 through the schedules.

18 We'll turn now to cross, and the
19 Department of Energy.

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

21 So, just a few questions. And I think
22 all of these will be for Mr. Robinson.

23 So, I think I'll start with just a few,
24 I guess, high-level, really, overview questions,

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 maybe to provide some background.

2 **CROSS-EXAMINATION**

3 BY MR. YOUNG:

4 Q So, obviously, as it relates to these, the
5 Burgess payments, the approved --
6 Commission-approved SCRC rate, that was set based
7 on offsets for energy, energy payments only, to
8 Burgess, correct?

9 A (Robinson) That's correct.

10 Q And, then, in Record Response 003, the Company
11 indicated that it would be offsetting against
12 payments for renewable energy credits, or RECs,
13 and capacity payments as well, is that correct?

14 A (Robinson) Yes. In addition to just energy only.

15 Q Sure. Okay. So, then, looking at Record
16 Request 003, and let me know when you're there.
17 Take your time. And I'm specifically going to
18 look at the Attachment RR-003, Page 1. We'll
19 start there.

20 A (Robinson) Yes. I'm there.

21 Q Okay. So, on Line 27 of Page 1, RR-003, there's
22 a roughly \$35 million number in Line 27, all the
23 way to the right. Do you see that number?

24 A (Robinson) Yes.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q And that would be the estimated payments to
2 Burgess on the approved rate, which would be for
3 the energy offsets only?

4 A (Robinson) That's correct.

5 CMSR. SIMPSON: Could you please
6 restate the page and line number, Attorney Young?

7 MR. YOUNG: Sure. Yes. So, it's
8 Attachment RR-003, and it's Page 1, Line 27, and
9 the number in the column all the way to the
10 right, roughly \$35 million.

11 CMSR. SIMPSON: Thank you.

12 BY MR. YOUNG:

13 Q So, then, turning the page, to Page 2, on that
14 same attachment, and the same -- or, and also in
15 Line 27, all the way to the right, there's a
16 roughly \$25 million number?

17 A (Robinson) That's correct.

18 Q And that represents the offset, which would
19 include RECs and capacity and energy, the
20 payments to Burgess, factoring those in?

21 A (Robinson) That is correct.

22 Q Okay. So, that then brings us to Record Response
23 007 in today's -- filed yesterday in this
24 proceeding.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 And that, so, in response to Record
2 Request 007, the Company provided a comparison of
3 the rate change for the various classes of
4 customers. And I believe it was included in the
5 Excel spreadsheet, specifically, Attachment
6 RR-007, and it's the first tab. And I'm happy to
7 read the full filing into the record. So, it's
8 "Attachment RR_007_SCRC Filing_Attachments YC_EAD
9 1 to 18". And the title of the tab is "Rate
10 Change".

11 So, does this tab, does that present --
12 I guess, could you provide a little explanation
13 on what this tab represents?

14 A (Robinson) Yes. And, as we noted in our opening
15 remarks, regarding this attachment to this record
16 request response, we're reflecting -- in
17 Attachment RR-007, we're reflecting an update for
18 the forward energy price from Q3 2023 to Q4 2023.
19 We're including, basically, recoupment offsets or
20 netting of all three, energy -- all three
21 products, energy, capacity, and RECs, versus what
22 we filed, and what the provisional rates were
23 based on, on January 8th, of energy only. And,
24 then, also this reflects an update for December

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 2023 and January 2024 actuals.

2 And, by including -- by all those
3 changes, yes, the alternative -- what I'll call
4 the "alternative rate" for this scenario, because
5 we're not proposing anything in this docket --
6 or, at this hearing. We're not proposing any
7 rate change at this hearing, as previously
8 stated. But we wanted to present what an
9 alternative rate would look like under this
10 scenario.

11 Q And, then, so, just to clarify, this "alternative
12 rate", which, as you mentioned, the Company is
13 not proposing to change the approved rate, if the
14 RECs and capacity offsets were included, from my
15 understanding of this tab, that would equate to a
16 0.004 -- a change of 0.004 cents per
17 kilowatt-hour, looking at the Residential
18 customers -- customer class?

19 A (Davis) That is correct. And that's the entire
20 set of residential rates.

21 MR. YOUNG: Thank you. That's all from
22 the Department.

23 CHAIRMAN GOLDNER: Okay. Thank you.
24 Let's turn now to the Office of the Consumer

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Advocate?

2 MR. CROUSE: Thank you for the
3 opportunity for cross. But the OCA has no
4 questions at this time. Thank you.

5 CHAIRMAN GOLDNER: Okay. We'll turn
6 now to Commissioner questions, beginning with
7 Commissioner Simpson.

8 BY CMSR. SIMPSON:

9 Q So, when we convened last week, we were curious
10 to have a better understanding of the Company's
11 thought process in changing your netting
12 methodology from just energy, to also including
13 capacity and REC payments. We had had a hearing
14 on a Friday, and then that decision by the
15 Company had changed by Monday.

16 So, we're hoping that you may enlighten
17 us with respect to the factors that led to the
18 Company changing your position?

19 A (Robinson) If I may defer to Mr. Littlehale for
20 that.

21 Q Of course. Any of the witnesses may answer.

22 A (Littlehale) So, the decision to net against
23 capacity and REC payments, as well as energy
24 payments, permitted under the Section 10.3 of the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 PPA, was made in an effort to protect the
2 interests of PSNH customers, who have funded
3 over-market payments under this PPA for over a
4 decade.

5 The decision was finalized immediately
6 prior to the invoice being uploaded for access by
7 Burgess on January 23rd. The decision to
8 implement the expanded netting was made by
9 Contract Administration personnel, in
10 consultation with Legal, and other departments
11 within the Company.

12 Q Okay. And your -- the schedules that you've
13 filed in response to these record requests,
14 including this tab that we were just discussing,
15 pertaining to the rate change, the Company
16 doesn't see -- or, doesn't have an appetite to
17 adjust the provisionally approved SCRC rates
18 today, correct?

19 A (Robinson) We have not proposed anything. We
20 feel that the rates that were approved in Order
21 26,938 are still appropriate, because there's
22 still uncertainty as to exactly how all this is
23 going to play out regarding the Burgess Contract.

24 And, so, we believe that what's been

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 approved is appropriate for this time, subject to
2 reconciliation in the future. In the record
3 request, we tried to be responsive, as much as we
4 can, to the questions, and the scenarios or
5 alternatives that they have asked us to provide.

6 But, no, we're not proposing anything
7 at this point in time.

8 Q Okay. And we've received many of the filings
9 with respect to the Bankruptcy proceeding. Can
10 you comment on the character of service that
11 Public Service Company of New Hampshire is
12 providing today to the Burgess plant?

13 A (Littlehale) When you say "character of service",
14 can you clarify what you mean by that?

15 Q So, is the plant producing energy today?

16 A (Littlehale) So, we remain as what is referred to
17 in the ISO vernacular as the "Lead Market
18 Participant for the unit.

19 Q Uh-huh.

20 A (Littlehale) And there are responsibilities for
21 Lead Market Participant on the energy side, as
22 well as on the capacity side. And what that
23 means is that the settlement, so, in my example
24 of the market price of energy, for Record

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Request 006, so, at the, say, \$50, or if we want
2 to use the \$25 a megawatt-hour this morning, the
3 dollars from the energy production at
4 market-based prices continue to flow into the
5 PSNH accounts, due to our Lead Market Participant
6 status.

7 So, as far as we understand, the plant
8 continues to operate as of, you know, the past
9 two or three days. We don't have immediate
10 access to real-time data. But I believe it's
11 through February 15th, we can -- we have data
12 that confirms that the plant continues to
13 operate.

14 So, any settlements, and settlements --
15 or, any dollars from both the energy side,
16 production, and the capacity, at those
17 market-based prices that we've talked through on
18 different times, those continue to flow to PSNH.

19 Q But you don't know, in real-time, whether your
20 system is receiving energy from the plant?

21 A (Littlehale) We don't have real-time situational
22 awareness if the plant is producing.

23 We have a third party that bids the
24 unit into the Day-Ahead Market. So, this is

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 functionality that PSNH used to have in-house,
2 when we had generation. And, due to the
3 divestiture, and some personnel retirements, it
4 became more efficient for us to contract out the
5 daily bidding and scheduling of the two or three
6 units that we remain as the Lead Market
7 Participant and get bids on a day-ahead basis.

8 So, we are in constant contact with
9 that third party that does the bidding on our
10 behalf, and they continue to convey to us that
11 the plant continues to submit their day-ahead
12 bids.

13 Now, we understand that they're not
14 bidding at the full load. So, there's 65
15 megawatts, roughly. They're bidding in roughly
16 about 45 megawatts, due to some fuel/wood supply
17 constraints.

18 But, as far as we know, the most recent
19 data that we have, is that the plant continues to
20 operate through February 15th at least.

21 Q And the Company continues to provide or honor
22 your obligations as the Lead ISO-New England
23 Market Participant throughout the bankruptcy
24 proceeding?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 A (Littlehale) That's right. That's right. There
2 has been a motion by Burgess to compel the court
3 to -- for us to turn over those LMP -- Lead
4 Market Participant responsibilities.

5 Q Can you speak to the impact should the court
6 grant that motion?

7 A (Littlehale) So, number one, it takes at least
8 two business days for the ISO to transfer Lead
9 Market Participant responsibilities. There's a
10 two -- it's a two-step process. Certain steps
11 that need to be done for the energy side of the
12 LMP responsibilities, and then there are certain
13 forms that need to be signed on the capacity
14 side.

15 We, as the Lead -- as the current Lead
16 Market Participant need to initiate that
17 transfer. ISO needs two days to process it. And
18 ISO needs to also accept it, which may require
19 financial assurance posted at the ISO from the
20 new entity, who -- so, you know, from our
21 perspective, if that -- once that occurs, or if
22 that were to occur, then all obligations, on the
23 energy side and capacity side, get transferred to
24 the new entity, and then the dollars no longer

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 flow to PSNH. They -- the market-based revenues
2 flow to -- would flow to the new entity.

3 Q And can you share the Company's perspective with
4 respect to transfer of those obligations?

5 A (Littlehale) My understanding is that we view LMP
6 responsibilities to go hand-in-hand with the PPA.
7 If the PPA remains in effect, then us remaining
8 as the LMP allows us to, you know, receive the
9 energy and the capacity settlements, and, on
10 behalf of PSNH customers, net as much as we
11 possibly can and are allowed to under the terms
12 of the PPA, in an effort to return dollars to
13 PSNH customers.

14 MR. WIESNER: I'll just jump in
15 quickly. And I'll say that Eversource did object
16 to the motion to change the Lead Market
17 Participant that was filed in the Bankruptcy
18 Court in Delaware. And I believe we filed that
19 objection with the Commission a couple of weeks
20 ago, and that pretty much lays out the position
21 of Eversource with respect to that change.

22 CMSR. SIMPSON: Do you have any sense,
23 Attorney Wiesner, on the progress in Delaware?

24 MR. WIESNER: I mean, as I mentioned

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 earlier, there's a hearing this morning as we
2 speak.

3 CMSR. SIMPSON: Uh-huh.

4 MR. WIESNER: And it would be premature
5 to speculate as to what the results of that may
6 be, when the court may issue a decision, or what
7 that decision would be.

8 CMSR. SIMPSON: Okay. I think that's
9 all I have at this time.

10 CHAIRMAN GOLDNER: Okay. Thank you.
11 Let's turn to Commissioner Chattopadhyay.

12 BY CMSR. CHATTOPADHYAY:

13 Q So, let's go to -- let's go to Attachment RR-007,
14 SCRC filing attachment and all of that that was
15 provided yesterday. And I'm going to go to --
16 bear with me, I'm just trying to reach there as
17 soon as possible. It's the tab that's called
18 "YC_EAD-18 P7".

19 A (Davis) That's the impact of each change on
20 bills --

21 Q Correct.

22 A (Davis) -- including --

23 *[Court reporter interruption.]*

24 **CONTINUED BY THE WITNESS:**

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 A (Davis) -- the impact of each change on bills,
2 including energy service.

3 BY CMSR. CHATTOPADHYAY:

4 Q Correct. And I'm jumping around different files
5 here. So, that's why I'm going slow. So, bear
6 with me.

7 So, if you go to Cell L33, okay, that
8 number, "0.1 percent", --

9 A (Davis) Yes.

10 Q -- that is the rate change expressed as a
11 percentage of total revenue?

12 A (Davis) Correct.

13 Q And that is relative to the total revenue of
14 what? Based on 2023 numbers?

15 A (Davis) So, relative to --

16 Q So, what you had filed in January 2023, roughly,
17 is that what it is?

18 So, let me just bring a little bit more
19 clarity as to the confusion that I'm having. So,
20 if you look at the same worksheet, which was
21 filed before the previous hearing, okay, not
22 the -- the hearing when, ultimately, when we
23 approved the rates that are currently in effect,
24 there the number is, to the best of my

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 recollection, 16 percent. So, we can go back to
2 that part of --

3 A (Davis) If I could, I would -- I believe that's
4 Exhibit 2 from the filing, that ultimately led to
5 the provisional rates?

6 Q Correct. That is minus 16 percent there. And
7 I'm asking, I just want to get a confirmation
8 first?

9 A (Davis) Yes. Those are -- those are rate changes
10 which included -- okay. That's correct. Those
11 are -- I believe these are the year-over-year,
12 but on a total bill basis, isolating SCRC only.

13 Q Correct.

14 A (Davis) Yes.

15 Q So, the way I should read "0.1 percent" is
16 relative to the rates that were there in January,
17 roughly, 2023?

18 A (Davis) What's different about these record
19 requests is we're -- I think I'm going to have to
20 check that particular cell, I'm working off the
21 pdf, versus the filed version. But we were
22 trying to show only the incremental effect of the
23 change to the SCRC, relative to what we filed in
24 Exhibit 2. So, that 16 percent change --

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q Is not comparable to this?

2 A (Davis) In this case, because of the nature of
3 the record request, we isolated only that
4 incremental change to the SCRC. So, it might --

5 A (Robinson) That's correct.

6 A (Davis) And, also, we have a number that's saved
7 in there that doesn't have a formula. So, I was
8 trying to use a formula to answer that question.

9 So, I think the nature of this record
10 request, in that particular Page 7 of
11 Exhibit 18 [Attachment 18?], it is isolating just
12 the SCRC impact here. So, maybe a little less
13 useful in this context of the record request.
14 And I would almost suggest it might be easier to
15 go back to Exhibit 7, Record Request -- Record
16 Request 007, and perhaps look at Page 4, which is
17 actually in that typical bill illustration.

18 Q Can you tell me which tab?

19 A (Davis) It would be "YC_EAD-18 Page 4". So, just
20 a few tabs back from where you were.

21 Q Okay, just a moment. I may ask you again, I'm
22 just trying to reach it.

23 A (Davis) That's no problem. I'm just trying to
24 build my way back to --

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q So, "YC_EAD-18 Page 4"?

2 A (Davis) Correct. And the reason I bring you here
3 is just to show, this happens to be for Rate R,
4 but I just want to show the rate changes as a
5 starting point.

6 Q Okay.

7 A (Davis) So, for example, if you went to
8 Column (G), so, it's Column H in the spreadsheet,
9 but (G), --

10 Q Yes.

11 A (Davis) Rows 20 --

12 Q Yes.

13 A (Davis) -- versus 24. And you can the current
14 provisional rate of "0.01261".

15 Q It's Column -- Excel, it's Column H?

16 A (Davis) Yes, Column H. Yes, the "Stranded Cost"
17 column. And you'll see the current provisional
18 rate for Rate R of "0.01261"?

19 Q Uh-huh.

20 A (Davis) That's equivalent to the 0.01250 on the
21 Rate R that we talked about earlier.

22 Q Okay.

23 A (Davis) But, then, it changes to point -- down in
24 Row 24, to "0.01265". So, you can see it's a

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 very small rate change, that 0.0004. So, when
2 you go back to Page 7, we're reflecting only
3 the -- I'm using this as an analogy, like here's
4 the price change, when you go to Page 7 that we
5 were at a moment ago, that's really showing the
6 incremental effect, but on a total Company basis,
7 on par with this small rate change for Rate R,
8 it's also on par in a total Company basis. And
9 the Page 7, it shows a zero percent. If you
10 expanded it, it's 0.09. So, it's a very small
11 number. It just rounds to zero, when you present
12 it with less precision.

13 So, my point is that it's a little less
14 useful to try to compare that with the Exhibit 2
15 that led to our provisional rates, when you said
16 the year-over-year, because we use this
17 spreadsheet, this worksheet, to show just the
18 incremental impact of the SCRC, compared to
19 what -- where we ended up at for the February 1st
20 rates that are currently in effect.

21 Q Okay. So, the way I should understand it is
22 then, in Exhibit 2, for the same cell, for the
23 same worksheet, you had 16 -- minus 16 percent?

24 A (Davis) Yes.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q But it's really minus 16 -- it's still very
2 close to minus 16 percent?

3 A (Davis) Just a little less than the minus 16.

4 Q Correct.

5 A (Davis) Yes.

6 Q So, that's what it is?

7 A (Davis) Yes.

8 Q Okay.

9 A (Davis) Thank you. Yes, that's exactly the right
10 answer.

11 Q Okay. So, and, obviously, this came in yesterday
12 late, and I came in in the morning, and I tried
13 to glean through as much information as possible.
14 So, I will -- it won't surprise you to hear that
15 I'm still trying to digest all of this
16 information.

17 So, what, however, I care about, in
18 terms of having clarity on, is we've talked
19 about, and I'm going to go there, let's go to
20 YC/EAD-7, the same response. So, it's still 007.
21 Let me go there. YC/EAD-7, Page 1. So, now, I'm
22 talking about the Chapter 340 Adder rate.

23 A (Davis) Yes.

24 Q Once you're there, so, I could track that the --

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 for what's Line 1, I can see that this is all
2 because of the updating, instead of roughly
3 \$23.something million, it's \$28 million.

4 Likewise, for the expenses, because of
5 the difference in -- because you have now a
6 bigger gap between the forecasted energy and what
7 the contractual price is, that's getting
8 reflected.

9 So, I'm trying to understand the third
10 layer, which is, ultimately, the impact is still
11 negligible for the SCRC rates. So, the rest of
12 it is coming from Part 2, or where is it
13 residing?

14 A (Robinson) I'm sorry --

15 Q Otherwise, and let me clarify before you respond.
16 So, the Chapter 340 Adder is 0.607, earlier it
17 was, can you remind me, 0.4 --

18 A (Robinson) 0.482, I believe.

19 Q 482.

20 A (Robinson) Yes, I believe it was 482.

21 Q Yes. So, is this difference, that explains the
22 0.1 percent, the change in the SCRC?

23 A (Robinson) Well, I think, if you're referring to
24 where we just were, Page 7, --

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q Yes.

2 A (Robinson) -- Mr. Davis had talked about the
3 "total SCRC".

4 Q Correct. So, this is a contributing factor?

5 A (Robinson) Yes.

6 Q I'm just trying to understand the rest of the
7 piece.

8 A (Robinson) Yes.

9 Q And, so, give me a good sense of what's actually
10 happening? Why is it that the SCRC piece goes up
11 by 0.1 percent, and the 340 Adder is going up
12 quite a bit. So, just explain to me what's going
13 on, and what are the contributing factors?

14 A (Davis) If I could start, and then I would ask
15 Mr. Robinson to provide some detail.

16 But the net effect is what we're
17 looking -- what you're seeing on Exhibit 18.
18 When you go to Exhibit -- or, Attachment
19 YC/EAD-7, yes, this is one of the components.
20 So, we need to look at each of the components.
21 So, this is one. This is one of the adders.

22 So, I think it would be important to
23 show the buildup and the net effect of all the
24 different changes. So, I think maybe that's

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 probably the most important way to break this
2 down, so you can understand. It's almost
3 counterintuitive why it would go up, until you
4 look at all the components that build up this
5 overall change.

6 A (Robinson) Commissioner Chattopadhyay, so, let's
7 focus on -- I think you want to focus on Line 2
8 right now, Page 1.

9 Q YC/EAD-7?

10 A (Robinson) Yes. Page 1, Line 2.

11 Q Uh-huh.

12 A (Robinson) Okay. If you look at the reference
13 that comes from Page 2, --

14 Q Yes.

15 A (Robinson) -- and those are the monthly amounts.
16 This is a transfer amount, that comes -- goes
17 from Part 2 of the SCRC, this is the excess
18 energy piece. In 19-142, it was determined that
19 this would be recovered on a straight cents per
20 kilowatt-hour basis, rather than have it get
21 caught up in the Part 2 costs, which then gets
22 allocated by rate class, and then separate rates
23 would be set accordingly per rate class. So,
24 this \$17.5 million that you see on -- whether

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 it's on Page 1, Line 2, or if you go back to
2 Page 2, --

3 Q Line --

4 A (Robinson) Line 3.

5 Q -- 3 or 4?

6 A (Robinson) Line 3. Line 3. When we go back --
7 when we go to, and I'll show you where this is
8 deducted, this a deduction from Part --

9 *[Court reporter interruption.]*

10 **CONTINUED BY THE WITNESS:**

11 A (Robinson) I'm sorry. It's a deduction from
12 Part 2. It is part of the overall energy payment
13 that goes to Burgess. But we can't collect it in
14 two places.

15 BY CMSR. CHATTOPADHYAY:

16 Q Yes.

17 A (Robinson) So, this excess piece gets deducted
18 from the Part 2, Burgess energy piece, in order
19 for us to capture it in a Chapter 340 Adder on a
20 straight cents per kilowatt-hour basis.

21 So, are you comfortable with Page 2,
22 Line 3?

23 Q Yes.

24 A (Robinson) Now, if we go to YC/EAD-1, Page 6.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q YC/EAD-1, Page 6?

2 A (Robinson) Page 6.

3 Q Bear with me.

4 A (Robinson) Take your time.

5 Q Continue, yes.

6 A (Robinson) Okay. And, if you're there, --

7 Q I am.

8 A (Robinson) -- I'm focused on Line 16 through 21

9 of that schedule. It's Excel Lines 32 to 37.

10 Q Uh-huh.

11 A (Robinson) But it's Line 16 through 21 of this

12 schedule.

13 Q Yes.

14 A (Robinson) And I'm primarily focused on Line 19

15 of this schedule, the excess energy piece.

16 Q Yes.

17 A (Robinson) As we talked about, basically, how

18 that works in the Attachment RR-006 attachment,

19 where we go from the energy payment, we back out

20 a value for the energy delivered to the ISO

21 Market. That net is the quote "excess". That's

22 what builds up the Excess Cumulative Reduction

23 amount. Well, it can either build up or decrease

24 it, depending upon where market prices are, as we

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 talked about at the status conference, I believe,
2 it's symmetrical. Low market prices, it would be
3 an increase to the ECR amount; high market
4 prices, it would be a decrease to the ECR amount.
5 Which Mr. Littlehale gave examples of earlier
6 this morning.

7 So, and if you scroll all the way over
8 to the "Total" column, we still have the \$17 and
9 a half million. And the reason why we do this is
10 to be transparent to see what we're adjusting for
11 in the Part 2 portion. Because before, Line 19
12 is where it sort of started and ended. As of
13 December 2023, when we started the recoupment,
14 that's what appears on Line 20, is the actual
15 adjustment to the PPA, in which a Burgess bill is
16 reduced.

17 So, for this rate year, again, we've
18 modeled, basically, what's being reduced from the
19 Burgess payment for energy is what gets
20 transferred to the Chapter 340 Adder, the \$17.5
21 million that appears on Line 19, but also we're
22 reflecting the recoupment. And, again, in this
23 attachment, we've gone from energy only, to
24 energy, capacity, and RECs. And that's what Line

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 20 represents. The amount that would actually be
2 reduced from the ECR, the adjustment made to the
3 ECR.

4 And where this is important to try to
5 be transparent is, if you go up to Line 7 of this
6 schedule, what's referred to as "Chapter 340
7 Reduction", is that we can't get it in two
8 places, at least the Chapter 340 piece, we can't
9 get it in two places. We reduced the Part 2
10 portion, which is part of that \$70.1 million in
11 total. That \$17.5 million gets transferred to
12 the Chapter 340 Adder. But we're reducing that
13 excess amount, plus the PPA adjustment, for
14 "recoupment" of energy, capacity, and RECs.
15 That's being reduced from the Part 2 portion.
16 That's what Line 7 represents.

17 The section we were down before just is
18 trying to be transparent, because we want, and,
19 again, this is the way it was designed from the
20 beginning, it wanted to show, basically, how that
21 monthly ECR amount was determined.

22 Does that make sense?

23 Q So, I'm trying to make sense of it.

24 A (Robinson) Okay.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q So, let me put it differently then, just to make
2 sure I get the gist of it. So, if you go to,
3 again, YCD -- sorry, YC/EAD-7, Page 1?

4 A (Robinson) Yes.

5 Q The Chapter 340 Adder is going up from 0.482 to
6 0.607?

7 A (Robinson) Yes.

8 Q Correct?

9 A (Robinson) Yes.

10 Q Overall, there's something else happening that
11 doesn't change the SCRC by much, just changes it
12 by, I think, 0.0004, if I remember correctly?

13 A (Davis) On an average rate basis, yes.

14 Q So, what are the other pieces? Can you just
15 quickly highlight them?

16 A (Robinson) Yes. And, if -- so, you're in the
17 Excel file, Commissioner Chattopadhyay?

18 Q Yes.

19 A (Robinson) If you go to the very first tab or
20 worksheet labeled "Rate Change", --

21 Q I'm there.

22 A (Robinson) This is where Mr. Young was earlier.

23 Q Yes.

24 A (Robinson) What this is reflecting -- what this

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 is reflecting is, again, under this alternative,
2 this is reflecting what the change would be,
3 versus the provisional rates approved. And
4 everything highlighted in yellow shows you what's
5 changed. So, due to the fact that we've
6 increased -- I mean, we're recouping energy,
7 capacity, and RECs, in this scenario or
8 alternative, the Part 2 costs go down, --

9 Q Yes.

10 A (Robinson) -- Part 1 and 2 costs go down. The
11 rate adders, again, when you -- as we've
12 mentioned previously, but I just want to
13 emphasize again, whenever we go from our original
14 filing, and we update additional months, the
15 goalposts change. The over/unders get
16 recalculated. And, so, hence, that's what drives
17 the change in the other components.

18 So, yes, Commissioner Chattopadhyay,
19 the RGGI Refund changes slightly, the Chapter 340
20 changes, and the Net Metering changes, in
21 addition to the Part 1 and Part 2.

22 Q In this alternative calculation, so, you have a
23 bigger RGGI Refund now, you have a significantly
24 higher Chapter 340 increase, or higher number,

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 and Environmental Remediation would be the same,
2 Net Metering is higher.

3 A (Robinson) Higher.

4 Q So, still trying to understand, why is the impact
5 only 0.1 percent?

6 And, then, I can go up, without the
7 adders, in that same worksheet, you're showing
8 that, for example, Residential rate class, the
9 number is going down from 0.416 to 0.260. That's
10 where Part 2 comes into play, or no?

11 A (Robinson) Yes. Because, if you go to two tabs
12 in, if you go to YC/EAD-1, Page 1, --

13 Q Yes.

14 A (Robinson) -- you can see the derivation of those
15 rates that appear in that "Rate Change" tab or
16 worksheet.

17 Q Okay.

18 A (Robinson) So, to answer your question, Part 1
19 does not change under this scenario. So, the
20 over/under from the prior period changed, and the
21 Part 2 component changed, as you can see on Lines
22 1, 2, and 3.

23 Q Okay. That is helpful.

24 A (Davis) Can I maybe add a little more context?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Q Please do.

2 A (Davis) So, if we're focusing on Record Request
3 007, YC/EAD-1, Page 1, and I'm just going to
4 focus on the "Residential" column, the "1.254"
5 rate, which is in Line 16. And, if I compare
6 that with Exhibit 2 from current rates, and I,
7 literally, side-by-side, I'm just kind of reverse
8 engineering, you know, where the changes, drivers
9 are from. And I would start, that "1.254" is
10 built up of Lines 8, 10, 11, 12, 13, 14, 15, and
11 you get a net effect of adding those up. And,
12 obviously, we have a combination of credits and
13 charges. So, when I compare side-by-side, and
14 what's highlighted here is what has changed. And
15 we just finished talking about Line 11, and the
16 rate of 0.607. And, if we went back to EAD-7,
17 Page 1, there were three components, we were
18 focusing on the 17,498, in terms of dollars. And
19 there's also two other components in there that
20 changed. That all three of those drive the rate
21 of 0.607. So, that shows the 0.607, in Line 11,
22 the Chapter 340 Adder rate is just one of those
23 elements that make up the 1.254.

24 So, Mr. Robinson was explaining 17

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 million -- 17,498, which makes up the 0.607, that
2 was one moving part.

3 Q Uh-huh.

4 A (Davis) So, what I was trying to -- what I
5 started with was there's a whole bunch of moving
6 parts that make up the net effect of the total
7 rate of 1.254.

8 So, I, literally, when I go
9 side-by-side with what's in current rates, versus
10 what's in this Exhibit 7 scenario, I see Line 8,
11 for example, was 0.416, now it's 0.260. The RGGI
12 Refund rate was a credit of 0.398, and now it's a
13 credit of 0.400. A small change, but still a
14 change.

15 Line 10, the proposed rate, RGGI
16 Refund, 0.018, was a prior rate, and now it's a
17 credit of 0.140. We just talked about the 0.607,
18 that was 0.490, now it's 0.607. The 0.065 does
19 not change. The Environmental Remediation Adder
20 was 0.555, and now it's 0.532. And the Net
21 Metering Adder rate was 0.695, now it's 0.722.

22 So, some of those are very small, some
23 of them a little larger. But, when you add them
24 all up, you have to look at all those components

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 that build up the total rate of 0.1254, and,
2 then, like I said, reverse engineer and work your
3 way back analytically into what drives each of
4 those components. And, obviously, we have a huge
5 spreadsheet here, with many tabs, that gives all
6 the detail for that.

7 So, it's not just the one change that
8 drives what the -- even though a small net
9 effect, you know, if you look at each individual
10 component, you'll see where the individual
11 differences are. And that -- these are all on a
12 rate per kilowatt-hour basis, so that at least
13 gives you kind of a comparable way to look at it.
14 We can look at the dollars as well, either way.
15 It's the dollars that, and the change in dollars
16 for each of these components, including the
17 detail behind those, which build up each of these
18 elements of this total rate.

19 And, so, I think it's just a matter
20 of -- and we could go through with any level of
21 detail you'd like?

22 Q So, I think that is pretty good.

23 A (Davis) Yes.

24 Q Because I'm actually looking at both the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Exhibit 2, and the response -- data response, and
2 sort of looking at the comparison. So, that
3 makes sense.

4 A (Davis) So, we're doing --

5 Q Thank you. Yes.

6 A (Davis) Okay. Good. Thank you.

7 Q There was some discussion, I think Attorney
8 Wiesner went there, sort of indicating that, the
9 way I understood it was that, you know, Burgess
10 is going to stop production sometime soon, okay.

11 I want to understand, if you -- what is
12 your opinion on, if you had the previous
13 construct, which is part of the current rates,
14 where you haven't held onto the capacity payments
15 and the REC payments, so, in that scenario, as
16 opposed to what you are actually proposing now,
17 in those two different scenarios, do you think
18 the decision to stop production, you know, is
19 just happening because of that?

20 So, really, what I'm asking, even
21 without getting rid of the -- even if you were
22 paying the RECs and the cap -- capacity market
23 payments, do you think Burgess would be halting
24 production?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 MR. WIESNER: So, I guess I'll refer
2 back to the quote that I provided in my opening
3 statement from the Debtors' Motion to Reject the
4 PPA. And they essentially, I'm paraphrasing now,
5 I can read it again if that would be helpful, but
6 they essentially said that "we cannot continue to
7 operate the plant if there is going to be netting
8 against the energy payments that we would
9 receive." They did not refer to capacity or
10 RECs.

11 It is also -- we also observed in the
12 Debtors' initial bankruptcy filing, they included
13 Board resolutions from their Board of Directors,
14 authorizing the bankruptcy filing. Those
15 resolutions were approved on January 19th, which
16 was, as we've noted previously, several days
17 prior to the invoice being made available to them
18 that showed netting against REC and capacity
19 payments, as well as energy.

20 So, I think the conclusion that we
21 might draw from those two data points, if you
22 will, is that they would have filed bankruptcy
23 and represented to the court that they cannot
24 continue to operate the plant subject to the PPA,

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 even if the netting were limited to energy alone.

2 CMSR. CHATTOPADHYAY: Thank you. That

3 is helpful.

4 BY CMSR. CHATTOPADHYAY:

5 Q I'm going to go to attachment -- from the
6 responses that came in yesterday, RR-009.1---

7 Okay. So, let's go there. And, again, go to
8 YC/EAD-18, Page 7. And can you confirm what that
9 1.2 percent is? You know, I just want to remind
10 you, the kind of discussion we had just at the
11 beginning today. So, I want to get a
12 confirmation, what is that?

13 A (Davis) It's very similar. It's that incremental
14 effect of current.

15 Q It's the incremental effect.

16 A (Davis) And, again, I would point out, you know,
17 just the same exercise I walked through earlier.
18 We see an increase, but much more significant
19 increase here, compared to current rates.

20 So, that Page 7 shows you the
21 percentages, and the order of magnitude on a rate
22 basis, on YC/EAD-18, Page 4, in this case, shows
23 similar percent change on a rate basis and a bill
24 basis. But you're seeing that current rate go

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 from "1.261 cents" to "1.534 cents".

2 And, of course, then, the question,
3 it's important to keep in mind, the assumptions
4 in this Record Request 009, and this scenario.

5 And, then, we had earlier, just a few moments
6 ago, gone through "Well, what builds that up?"

7 So, we could go back to that same detail page.

8 Q So, let's -- so, are you talking about "Rate
9 Change"?

10 A (Davis) Well, let's start with that. Let me
11 explain by example. So, if we did YC_EAD-18,
12 Page 4.

13 Q Okay. Sorry. YC_EAD-18, please bear with me.
14 Continue.

15 A (Davis) Okay. So, if I look at, again, that
16 Column (G) in the spreadsheet, or Column -- I'm
17 sorry, spreadsheet Column H, the "Stranded Cost
18 Recovery", labeled "(G)". And we're seeing --
19 I'm going to compare Lines 20 and 24. And you'll
20 see the rate change goes from, due to this
21 scenario, the rate change goes from "0.01261" to
22 "0.01534".

23 And, if I go down to Row 51, labeled
24 "51", and spreadsheet Row 51, you'll see a total

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 bill change of "1.3 percent", on the right?

2 Q Yes.

3 A (Davis) So, that's on par with the 1.2 percent,
4 on Exhibit YC_EAD-18, Page 7, on a total Company
5 basis, we have "1.2 percent". So, just to see
6 what it looks like on a rate basis, Exhibit 18,
7 Page 4, shows, for Residential Rate R, at a
8 specific usage, "1.3 percent".

9 So, the point is, that Page 7 is just
10 incremental relative to current rates. So,
11 that's the starting point.

12 And, then, the question is, what drives
13 that 1.534 cent number in Row 24 of Page 4 of
14 this exhibit.

15 So, then, I would take us back to
16 Exhibit YC_EAD-7, Page 1, way back.

17 Q Yes. Where you have the Chapter 340 at the end?

18 A (Davis) Yes.

19 Q Okay.

20 A (Davis) And, so, that, a similar discussion,
21 you'll see the numbers are, instead of the
22 "17,498", --

23 Q Yes.

24 A (Davis) -- we have "508". So, that's a big

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 change there. But it seems like, "Well, why
2 doesn't the rate decrease?" So, if we go back
3 further, remember, this "0.385", on Row 6 of that
4 page, is only one component of all the changes
5 that build up the total rate.

6 So, if I go back to Exhibit YC_EAD-1,
7 Page 1, we can drill down through all the
8 components. But I'll note at the bottom of
9 Column D in the spreadsheet, Row 16, you'll see
10 the "1.521 cents".

11 So, again, side-by-side with Exhibit 2,
12 from our current rate filing, if we did
13 side-by-side, you can start to see all the moving
14 parts in there. So, notably, to start, Row 8 is
15 "0.749". And we had "0.416" in Exhibit 2. So,
16 there's an increase.

17 All right. So, we -- and we
18 instructed -- at whatever level of detail you'd
19 like to, Commissioner, we could go through any of
20 these, you know, components that change, and
21 provide an explanation, you know, with the detail
22 here in this spreadsheet, under this scenario, of
23 what drives the changes for each line item, and,
24 ultimately, when you add them all up, get you to

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 the 1.521 cents.

2 I know that's a lot there.

3 Q So, and let's, just for an example, we can go
4 through at least one thought experiment here.
5 So, I want to make sure I'm following this.

6 So, again, going back to the Exhibit 2,
7 I have that open, as well as this worksheet. So
8 if you -- and I'll be using Excel, you know,
9 cells.

10 A (Davis) Okay.

11 Q So, let's go with Cell D26 -- sorry, yes, D26,
12 which is your Row 6.

13 A (Davis) So, that's the 0.856?

14 Q That's the 0.856.

15 A (Davis) Oh, we show that as no change.

16 Q There is no change, correct. And, then, the next
17 one is, just going down one row below that, it's
18 the average SCRC rate, Part 2, okay? And it has
19 changed. It has changed from a bigger negative
20 to a smaller negative number?

21 A (Davis) That 0.395 credit, goes to 0.1 --

22 *[Court reporter interruption.]*

23 WITNESS DAVIS: I'm sorry, I'll slow
24 down.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 **BY THE WITNESS:**

2 A (Davis) "0.395", in Exhibit 2, it's a credit, so,
3 a credit of 0.395, is now, in this scenario,
4 Record Request 009, a credit of "0.107". So,
5 less of a credit. Said another way, the rate has
6 gone up.

7 BY CMSR. CHATTOPADHYAY:

8 Q And just quickly explain to me why that has gone
9 up?

10 A (Davis) So, for that, I have to turn to Mr.
11 Robinson.

12 A (Robinson) Yes, Commissioner Chattopadhyay. And
13 we're talking -- we're talking Attachment Record
14 Request 009, correct?

15 Q Yes.

16 A (Robinson) I just want to confirm that we're
17 switching.

18 Q Yes.

19 A (Robinson) Because I just want to make sure --

20 Q Yes.

21 A (Robinson) So, this is a scenario where we've
22 been asked to present severing the Burgess PPA
23 immediately, --

24 Q Yes.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 A (Robinson) -- for this scenario, "immediately",
2 to us, was showing it severed as of March 1st,
3 2024.

4 Q Yes.

5 A (Robinson) So, if you go to YC/EAD-1, Page 6, --

6 Q Page 6. Yes. I'm there.

7 A (Robinson) -- that is going to be the big driver
8 for that rate decrease that you saw. Because,
9 all of a sudden, we're going from forecast
10 information, not -- when I say "forecast
11 information", I want to say, basically, the
12 above-market PPA, the recoupment, because all of
13 a sudden, for the months of March 2024 to January
14 2025, for all intents and purposes, those costs
15 go to zero, on a severing of the PPA. And, when
16 I say "those costs", it's a combination of costs.
17 It's a combination of the above-market PPA
18 itself, it's -- that includes the loss of the
19 recoupment, which was a credit to customers, that
20 result in the exclusion or the zeroing out of the
21 Chapter 340 transfer, that goes from Part 2 to
22 the Chapter 340.

23 If you remember, when Mr. Davis went to
24 Attachment 7, in this attachment, that the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Chapter 340 rate has decreased. So, the reason
2 why that decreased was, all of a sudden we
3 zeroed out that transfer, from Part 2 to the
4 Chapter 340.

5 So, what drove the big drive -- what
6 drove the reduction in the rates in this
7 scenario, from Exhibit 2, from the January 8th
8 filing, was this assumption that this PPA is
9 severed, because it's not only the above-market
10 PPA, Burgess is an above-market PPA, but, from
11 what we've modeled, in Attachment RR-007, where
12 we were asked to show what it looks like with
13 recouping energy, capacity, RECs, show you're
14 latest forecast, and update for December and
15 January actuals. So, this right here is showing
16 all of that effect, with the exception we've
17 zeroed out the PPA for March, going forward, for
18 this rate year.

19 And I just want to note that, in
20 addition to the above-market Burgess Contract,
21 there were credits going through the recoupment,
22 the transfer of RECs, you know, the transfer of
23 RECs from Part 2 to energy service, that acted as
24 a credit. I just want to note that. That that's

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 the big -- collectively, as Mr. Davis has
2 mentioned, it's not just one line item. As you
3 can see, that whole page has been basically
4 highlighted, --

5 Q Yes.

6 A (Robinson) -- from March through January.

7 Q Yes. I can see, yes, March through all the way
8 to January 2025. Yes.

9 A (Robinson) And just that combination of the
10 above-market and the -- what I'll call "credits",
11 and, by "credits", I'm saying the recoupment, the
12 transfer to energy service, that ends up being a
13 cost to customers during this time period.

14 Q Okay. I confirm that this is only for this
15 period, right? Beyond that, what happens?

16 A (Robinson) Well, let's project a filing a year
17 from now, or, say, the rate year February 2025 to
18 January 2026, this page will probably, if not
19 zero, it should be -- it could be zero, --

20 Q Okay.

21 A (Robinson) -- for the forecasting going forward.
22 Again, assuming what we're assuming here, is that
23 we're severing the PPA as of March 1st.

24 CMSR. CHATTOPADHYAY: Okay. I think

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 that's all I have. Thank you.

2 CHAIRMAN GOLDNER: Okay. Just from a
3 scheduling perspective, the Commission has a
4 conflict from 12:30 to 1:30. So, I think what
5 we'll try to do is to power through to something
6 close to 12:30, and then return at 1:30 to wrap
7 up the hearing.

8 So, just for everyone's situational
9 awareness.

10 *[Court reporter interruption,*
11 *requesting a brief break.]*

12 CHAIRMAN GOLDNER: Sure. Yes. Let's
13 pause right now, and return in five minutes.

14 *(Recess taken at 11:54 a.m., and the*
15 *hearing reconvened at 12:02 p.m.)*

16 CHAIRMAN GOLDNER: Okay. We'll go back
17 on the record, and resume with Commissioner
18 questions.

19 MR. WIESNER: Mr. Chairman, if I might,
20 over the break, Mr. Littlehale was able to review
21 the question that arose earlier.

22 CHAIRMAN GOLDNER: Okay.

23 MR. WIESNER: About the Question 6
24 spreadsheet, and the difference between Columns T

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 and V, if memory serves. And we have an answer
2 for you.

3 CHAIRMAN GOLDNER: Thank you.

4 **BY THE WITNESS:**

5 A (Littlehale) So, I apologize. It took me a
6 minute to reorient myself.

7 But, if we think about this part of the
8 PPA that allows a max amount of megawatt-hour
9 purchase at 500,000 megawatt-hours a year. We
10 don't know when we eclipse that 500,000 until
11 after we've done so. So, there's a mechanism in
12 the PPA. And this is really, and if you look at
13 that spreadsheet, it's covered in Columns AB
14 through AG.

15 So, let's use the Operating 10 example.
16 So, if I go to Cell AB140, it's "516,913"
17 megawatt-hours. That's how much we purchased
18 during Contract Year 10. Now, remember, a max of
19 500,000. So, we essentially had 16,913 above the
20 \$500,000 [sic] threshold. So, then, the way that
21 it works is we're allowed to claw back or recoup
22 the difference between the market price, at
23 "48.78", in Cell AD140, and then the PPA price,
24 in Cell AE140.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 So, that translates to roughly \$640,000
2 in, essentially, over the 500,000 threshold, that
3 gets divided by three, we recoup that over three
4 months. So, that's the 213,000 in Cell AG140.
5 So, for the first three invoices of each year, we
6 essentially get credit -- or, PSNH customers get
7 credited back that surplus purchase.

8 BY CHAIRMAN GOLDNER:

9 Q So, where does that show up in Record Request
10 007, 008, and 009? I don't see a line where
11 that's recorded.

12 A (Littlehale) Well, 009, it doesn't, because I
13 capped it at 500,000, so to avoid this
14 complication.

15 Q Yes. No problem. How about 007 and 008? It
16 doesn't -- I didn't see it tracked anywhere. It
17 was a new item, as far as I could see, on your
18 other reports, and that goes for Exhibit 2 as
19 well.

20 A (Robinson) Chair Goldner, I believe where that
21 will be reflected -- and I'm looking at
22 Attachment RR-007.

23 Q Okay.

24 A (Robinson) And, if you go to, if you're looking

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 at the Excel, if you go to the tab or worksheet
2 "YC_EAD-1 Page 6", I believe that number would
3 be, and, again, this is a forecast, but I believe
4 that number would be -- appear on Line 18, or
5 Excel Line 34, or will be included in that amount
6 on that line. It's not broken out separately,
7 but it would be included on that line.

8 Q Okay. Because I note that, consistently, it's
9 run about 500,000 the last four or five years.

10 A (Robinson) Right.

11 Q So, it would be a normal part of your process to
12 include that. Okay. It wasn't broken out, so I
13 couldn't see it. Okay.

14 A (Robinson) Okay.

15 A (Littlehale) So, Column T essentially calculates
16 for the life of the PPA. So, your question, you
17 know, that added 6 million, that's not a risk,
18 because we've recouped it every year, except for
19 the current \$640,000 that we are recouping for
20 the first three invoices of this year. So,
21 we've -- obviously, we've sent out one invoice.
22 So, we've recouped \$213,000. The second
23 invoice --

24 Q Burgess paid you?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 A (Littlehale) Well, it was part of the netting, --

2 Q It was being netted.

3 A (Littlehale) -- you know, netting and recouping.

4 That's right.

5 Q So, the payment -- the payment was paid in
6 January that we've been talking a lot about.

7 There was -- I think the net payment was 1.6
8 million.

9 A (Littlehale) 1.8.

10 Q 1.8 million --

11 A (Littlehale) Yes.

12 Q -- to Burgess. That was a part of all the
13 calculations. So, you withheld something like 5
14 million, you paid something like 1.8 million, and
15 this was a part of that calculation?

16 A (Littlehale) That's right. It was a line item on
17 the invoice that captures this \$213,000.

18 Q Okay.

19 A (Littlehale) The February invoice for January
20 will be posted in two days, on the 23rd. So,
21 that will be reflected.

22 Q And the invoice will be zero, correct?

23 A (Littlehale) That's right.

24 Q And the only invoices that you'll have for this

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 year, assuming that the PPA stays intact and
2 Burgess is an ongoing concern, will be on a
3 quarterly basis, because the REC payments are,
4 generally speaking, in your forecast at least,
5 sufficient to overcome the 71 million, divided by
6 12 number, 5.9 million. And, so, Burgess
7 payments only come four times a year, at least in
8 your forecast?

9 A (Littlehale) On the REC -- REC payments are paid
10 quarterly, that's right.

11 Q Correct.

12 A (Littlehale) That's right.

13 Q Correct. If the REC payments were paid monthly,
14 then, actually, there would be no payments to
15 Burgess for the year, in your forecast. It's
16 just, because it's paid quarterly, that it
17 exceeds the 5.9 number?

18 A (Littlehale) I believe --

19 Q That is correct?

20 A (Littlehale) I believe you're correct.

21 Q Yes.

22 A (Littlehale) Yes. And, remember, the RECs have a
23 max purchase of 400,000. So, there will be zero
24 payments for -- there were zero payments for

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 September, with RECs that were generated in
2 September. There will be zero payments for RECs
3 generated in October, and November.

4 So, then, it's December is the start of
5 the new contract year where the 400,000 resets,
6 if you will. So, the December RECs are not
7 scheduled to be paid until April.

8 Q Okay.

9 A (Littlehale) Because of that quarterly lag.

10 Q Okay. Thank you. That's helpful.

11 A (Littlehale) So, apologize, it took me a minute
12 to reorient myself around Column T. It's just
13 not a number that we focus on.

14 Q Okay. No, that's helpful. And now that we know
15 it's included in the other spreadsheets, --

16 A (Littlehale) Yes.

17 Q -- and everything is tied out. So, thank you for
18 the research on that.

19 So, the next question is, if the PPA is
20 terminated by the court, is the Cumulative
21 Reduction Factor, is that amount, let's call it
22 roughly 71 million, is that a shareholder expense
23 or a ratepayer expense?

24 A (Robinson) That excess amount, customers have

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 been paying for that, I mean, through the Chapter
2 340 Adder, since 2019. So, customers have paid
3 for that. And we've been maintaining the balance
4 as shown in Attachment RR-006. We've been
5 tracking that balance from the beginning of this
6 Contract.

7 So, your question is, "if the Contract
8 terminates, what happens?" Customers have paid
9 for that.

10 Q So, the Company, if we go to -- let's go to
11 Record Request -- it doesn't really matter which
12 one, but let me choose one. Let's go to -- let's
13 just go to 009, Record Request 009, YEAC -- or,
14 I'm sorry, YC/EAD-7, Page 1. We've looked at it
15 a number of times, but -- so, you have a number
16 there that the Company is seeking, basically,
17 reimbursement of the 28 million, on the first
18 line, Line 1, which is the under-recovery from
19 last year. So, the Company is seeking to
20 recover, from ratepayers, because it couldn't
21 come from anywhere else, 28 million, due to let's
22 call it the "under-recovery" from last year.

23 So, why would the Commission grant
24 that? Why wouldn't the Commission zero that out?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Like you said, if ratepayers have
2 already paid for it, maybe that's one thing. But
3 ratepayers have not paid for that yet. So, why
4 would the Commission grant that 28 million?

5 MR. WIESNER: You know, pursuant to
6 previous orders of the Commission, the Company
7 was authorized to recover the full above-market
8 costs of this Contract. And there is a -- it's
9 done through the SCRC, which is a reconciling
10 rate mechanism. It rolls it forward. And there
11 is no basis for changing the cost recovery
12 procedures that have been previously approved.

13 What is different is that the PPA may
14 no longer be effective, because of actions taken
15 by Burgess, effectively, in either seeking to
16 reject the PPA in bankruptcy, if that's approved,
17 or shutting down the plant. And that is not
18 something which is -- those -- both of those
19 actions would represent breaches, as I understand
20 it, under the PPA itself, not within the control
21 of the Company.

22 CHAIRMAN GOLDNER: Yes. Maybe I'll
23 circle back on that then. So, we have some
24 portion of the 71 million that's already been

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 collected. Some portion of it that hasn't been
2 collected. And I'll kind of go back to this
3 concept of, of the 71 million, or some subset of
4 the 71 million, why is that a ratepayer expense?
5 Why is that not a Company expense?

6 MR. WIESNER: All of the above-market
7 costs are a ratepayer expense, they are not a
8 Company expense. And I don't know what more to
9 say about that.

10 It's a legal question, and the answer
11 is "no".

12 CHAIRMAN GOLDNER: If the --

13 MR. WIESNER: There's no recourse to
14 the Company's shareholders for any portion of the
15 above-market costs of this Contract.

16 CHAIRMAN GOLDNER: But, if the PPA is
17 terminated, Eversource was a party to the
18 agreement, along with Burgess. So, if the PPA is
19 terminated, doesn't that change the situation?

20 MR. WIESNER: No. And the Company is
21 not terminating the PPA voluntarily. This would
22 be an action taken in breach of the PPA,
23 effectively, by Burgess. It's a breach for them
24 to have filed bankruptcy. And it would be a

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 breach, I believe, for them to discontinue
2 operation of the PPA.

3 The only recourse to recoup any amount
4 of the above-market costs is the netting
5 mechanism set forth in the PPA, and that --
6 cannot perform that function if the plant is no
7 longer operating.

8 CHAIRMAN GOLDNER: And, so, how do
9 ratepayers recover the 71 million that they're
10 owed, if the PPA is terminated?

11 MR. WIESNER: Effectively, that would
12 not happen, and that was always understood.

13 CHAIRMAN GOLDNER: Well, I'm not sure
14 the ratepayers understood. But perhaps the
15 parties in this room understood, or the --

16 MR. WIESNER: The PUC understood it.

17 CHAIRMAN GOLDNER: I'm sorry, who
18 understood it?

19 MR. WIESNER: The Public Utilities
20 Commission understood that.

21 CHAIRMAN GOLDNER: Well, that -- well,
22 that's what we're studying today, I think.

23 Does the OCA or the DOE have any
24 comments on the 71 million, the PPA, and what's

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 due to ratepayers and what's due to Eversource in
2 this matter?

3 MR. CROUSE: If I may go before the
4 Department, I would just mainly echo what Don
5 Kreis, the Consumer Advocate, said on the
6 transcript, from Pages 115 to 117. Where he
7 didn't buy that the Company is merely just
8 facilitating this Contract, but it went before
9 the Commission, promised all these benefits to
10 ratepayers, and now ratepayers are left holding a
11 \$71 million bag.

12 I'm on Page 117 of the transcript,
13 where the Consumer Advocate said "if that means
14 the Company has to up-front some costs, that's
15 fine" with Don, the Consumer Advocate, for the
16 reasons I just mentioned, and ratepayers just
17 haven't been made whole. And he's looking for an
18 opportunity to figure out how to make them whole.
19 Whether that's intervening in the bankruptcy
20 proceeding, or looking into the Burgess Power
21 Purchase Agreement, and figuring out a legal
22 recourse.

23 CHAIRMAN GOLDNER: And I think he
24 quoted, when he was here last time, the president

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 of Eversource, who testified in front of the
2 Commission about the benefits of the Burgess
3 agreement, as opposed to the \$171 million deficit
4 that they're facing.

5 MR. CROUSE: Yes, Chairman Goldner.
6 That's on Page 114 of the transcript. I believe
7 it's Docket DE 10-195, where "considerable
8 thought over more than two years went into
9 developing this unique PPA", and I'm just
10 summarizing, but it's "in the best interest of
11 PSNH and our customers over its terms." All that
12 can be seen there, or I can read it into the
13 record, if needed. But that was the promise that
14 was made.

15 CHAIRMAN GOLDNER: Thank you. Thank
16 you. And where I'm puzzled is that this seems
17 like a business arrangement between Burgess and
18 Eversource. And, if there's a breach or some
19 kind of problem with the agreement, I'm
20 struggling to understand how that's a ratepayer
21 problem?

22 So, I'd just like to get the Department
23 and the OCA's, you know, continued comments on
24 that perception.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 MR. YOUNG: So, I think the
2 Department's perspective at this point, I think
3 that some of these questions are -- may be
4 raised, are all likely to be raised in the
5 bankruptcy proceeding. So, the Department
6 doesn't have a position at this time, just given
7 the uncertainties, and I think the currently
8 ongoing hearings that are going on down in
9 Delaware.

10 Yes, I think that's -- I think I'll
11 stop there for now.

12 CHAIRMAN GOLDNER: And the reason I'm
13 going down this line of inquiry is, is that what
14 the Commission is trying to do is to understand,
15 as Attorney Wiesner pointed out at the beginning
16 of the proceeding, we're here to determine the
17 SCRC rate. The SCRC rate depends on what
18 assumptions you make, and what happens in the
19 bankruptcy proceedings. And I think everyone
20 recognizes that there's a lot going on right now.
21 And, so, there's a lot of stir.

22 So, the only question I'm trying to
23 understand really is, should the Commission
24 allow, at least on this sort of interim basis,

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 the recovery of this 20 million that was
2 under-recovered from last year, until things
3 settle out and we determine who owes who what.
4 Is that something that the Commission should be
5 considering?

6 So, I'll let the OCA and the Department
7 comment on that.

8 *[Short pause.]*

9 CHAIRMAN GOLDNER: Mr. Crouse, would
10 you like to go first?

11 MR. CROUSE: Yes. I think Attorney
12 Young and I were being too polite to one another.

13 I think it's a good question to ask. I
14 would have to consult with the Consumer Advocate,
15 just to make sure I understand his position on
16 that. But I think it's worth considering whether
17 or not Eversource should be allowed, for the
18 reasons mentioned in the prior transcript, about
19 how the president of Eversource went before the
20 Commission and promised these benefits, and now
21 ratepayers are left holding the bag.

22 CHAIRMAN GOLDNER: Yes. Thank you.
23 And, then, given the lunch break at 12:30,
24 perhaps, when we return, the Consumer Advocate

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 could present a unified position on that topic.

2 Thank you, Attorney Crouse.

3 Attorney Young.

4 MR. YOUNG: So, thank you, Mr.

5 Chairman.

6 So, I think, you know, perhaps this was
7 going to be included in closing remarks, but I
8 think the Department does believe that the SCRC
9 rate was -- was approved by the Commission, does
10 remain appropriate. And I think, given the, I
11 guess, minimal impact that we heard here today
12 from the changes indicated in the record request,
13 as well as the uncertainties presented in the
14 bankruptcy filing, the Department believes that,
15 I guess, any under- or over-collection that may
16 result from rates that are currently in effect
17 would probably be best dealt with through the
18 reconciliation and the annual true-up process.

19 CHAIRMAN GOLDNER: Okay.

20 BY CHAIRMAN GOLDNER:

21 Q And, so, I'll turn back to the witnesses for a
22 moment, and talk about this, this -- I'll call it
23 a "forecast". So, Line 1, we're on the same
24 Line 1, YC/EAD-7, Page 1.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 So, if you have an
2 over-/under-recovery, that sort of implies a
3 forecast. And the forecast must have been
4 terrible, right, because the original miss was
5 23.8 million, and then now we're looking at a
6 \$28.7 million delta. So, I'm trying to
7 understand the Company's process, and why the
8 forecast is so far off of reality. I mean, the
9 over/under you would expect to be something
10 approaching zero, if the Company did a good job
11 of forecasting.

12 And I want to give the Company an
13 opportunity to comment on the massive delta, with
14 this massive delta on the forecast.

15 A (Robinson) Yes, Chairman Goldner. And I'll take
16 a stab at that, and maybe Mr. Littlehale can help
17 me out, if he has anything to add.

18 We forecast the SCRC for the upcoming
19 rate year based on a forecast late fall of each
20 year. When -- there are a couple of things.
21 It's a forecast, and the fact that we
22 transitioned from a semi-annual SCRC filing
23 within the last year, to an annual filing.

24 So, the forecast we made in -- the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 forecast available to us in the Fall of 2022, to
2 set the rate effective February 1, 2023, ended up
3 being based on, again, with energy service prices
4 at a high rate at that time, the market price
5 forecast was high. Therefore, the excess was
6 forecast to be low.

7 As each actual month happened, when --
8 I don't know what normal prices are anymore, but,
9 when the prices sort of normalized, if you will,
10 they came down to a much lower market price to
11 determine the excess -- so, the excess became
12 greater. Because, at the time of that filing, we
13 were projecting, I believe, the excess to be a
14 credit for the full twelve months, for the period
15 February 2023 to January 2024. For that period,
16 it ended up being a positive.

17 Because we had forecast that excess to
18 be negative, we had a negative decimal go into
19 effect for the Chapter 340 Adder, effective
20 February 1, 2023. So, it was a confluence of, we
21 had a negative decimal, i.e., we're giving money
22 back to customers, because we had a forecast
23 negative excess, monies that should be reducing
24 the ECR, rather than increasing the ECR.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Whereas, on an actual -- the actual
2 experience ended up being, where the ECR was
3 growing, the market prices, as we know, came down
4 to a more representative level. I don't want to
5 say "normal", because, as I mentioned, I don't
6 know what "normal" is, but came down to a more
7 representative level, lower level. That created
8 the -- that was a driver of our under-recovery.
9 Having the negative decimal ended up working
10 against us, because we were crediting -- we
11 weren't collecting revenue that we should have
12 been collecting. We were reducing our revenue by
13 that amount.

14 So, the confluence of those two events
15 ended up in an under-recovery. The difference
16 between the January 8th filing, and this
17 Attachment RR-007, and, again, this is where we
18 talk about updating for actuals for December and
19 November -- December 2023 and January 2024, the
20 market prices were lower than forecast.

21 Q Yes. It just seems like there's wild swings.
22 Because, even though you're only corrected for a
23 couple of months, with forecast to actuals, it
24 went from 23.8 to \$28 million, just in the span

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 of a couple of months. And, so, just I'm
2 struggling with these sort of wild variations.

3 And it makes me wonder about the
4 forecast that is in place for the rest of the
5 year, and early 2025. I don't have a lot of
6 confidence in the forecast, because the prior
7 forecast was so far off. And I just want to give
8 the Company an opportunity to comment on why the
9 Commission should trust the current forecast
10 that's in place, based on -- based on the large
11 deltas that we've seen in the past?

12 A (Littlehale) You know, to the extent that forward
13 energy prices that are included in the forecast
14 led to, you know, variations, I do think that's a
15 sign of the ongoing volatility in New England
16 power markets that we've discussed with the
17 Commission in numerous settings.

18 We had a situation coming out of the
19 COVID lockdowns, where demand outpaced supply, as
20 lockdowns began to ease. And, then, following
21 the Russia-Ukraine War, where LNG needed to
22 replace natural gas imports from Europe,
23 typically came from Russia. That led to a
24 significant uptick in prices, and that's what led

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 to, you know, the 22 cents per kilowatt-hour, and
2 the 20 cent per kilowatt-hour small customer rate
3 that we, unfortunately, went through.

4 That's turned, right?

5 Q For the better.

6 A (Littlehale) For the better.

7 Q Which is good.

8 A (Littlehale) Prices have come down significantly.
9 But the forward outlook on prices has also come
10 down significantly. So, you know, every time we
11 look at forwards, you know, they're moving.

12 Q And does the Company take judgment? Because I
13 noticed you're using a forecast, S&P Global or
14 something, you're using some kind of forecasting
15 company that gives you your forecast. But it
16 looks like you're just taking the forecast and
17 you're flowing it in, the Company is not taking
18 any judgment on that or making any adjustments,
19 and thus gives you pretty wild fluctuations.
20 Because, if the commodity prices change, the
21 forecasts change. And, then, the Eversource
22 forecasts change dramatically because of these
23 third party forecasts.

24 And I'm just curious if the Company has

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 a process for taking judgment, meaning adjusting
2 what comes in from third parties, or whether you
3 just always flow in what comes in from third
4 parties?

5 A (Littlehale) My experience is, we typically rely
6 on third parties. You know, because, from our
7 perspective, that represents the collective, you
8 know, wisdom of the folks involved and the --

9 Q Or lack thereof, yes.

10 A (Littlehale) Or lack thereof, right. Fair. You
11 know, fair. But, you know, for us to supersede a
12 forward forecast would put us in the position
13 that betting that we're smarter than the market.

14 Q Because, even right now, your Default Service
15 rates, I think, are 8.1 or 8.2 cents, and the
16 forecast we're looking at here is -- it's 3.9,
17 something like that. So, ratepayers, default
18 service wise, are paying more than twice the
19 current -- your expected market rate for the
20 year. So, it just seems like, these numbers
21 bouncing around, it's hard to get comfortable
22 with --

23 A (Littlehale) Right.

24 Q -- an SCRC rate, because we don't -- how can we

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 trust the numbers?

2 A (Littlehale) Unfortunately, it's the dynamics of
3 the New England power market currently. And the
4 challenge, at a high-level perspective, is the
5 lack of, you know, number one, it's a natural gas
6 heavy, dominated fuel mix. There's not enough
7 infrastructure to get natural gas here during the
8 winter to run the power plants and heat the homes
9 and businesses. And, therefore, the region has
10 relied on not only domestic natural gas prices,
11 but global LNG prices as well, and those are
12 volatile.

13 And the Company has done a number of
14 different initiatives to try to bring in
15 additional non-gas infrastructure into the region
16 to help mitigate that, these price swings that
17 you're discussing. To date, you know, those
18 haven't been successful. There are significant
19 quantities of new resources under development,
20 which the Company is a counterparty, in a similar
21 role to what we play with Burgess, that are under
22 development. And that, you know, have begun to
23 put steel in the ground, but these projects are
24 not yet operational.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 And, until these large, new projects
2 become operational, the region will be --
3 continue to face large, volatile price swings,
4 primarily due to the price of natural gas and
5 global LNG prices.

6 CHAIRMAN GOLDNER: So, we have to take
7 a break from 12:30 to 1:30. So, we'll break now.

8 But, Mr. Littlehale, when we come back,
9 I think just a brief description of what
10 Eversource is doing in this steel and building
11 area would be just briefly interesting to the
12 Commission when we return. So, we'll look
13 forward to that. Thank you.

14 MR. CROUSE: Chairman Goldner?

15 CHAIRMAN GOLDNER: Yes.

16 MR. CROUSE: Before we break, did you
17 want me to communicate the Consumer Advocate's
18 position upon return at 1:30?

19 CHAIRMAN GOLDNER: When we return at
20 1:30, yes. Thank you, Attorney Crouse.

21 *(Lunch recess taken at 12:31 p.m., and*
22 *the hearing reconvened at 1:36 p.m.)*

23 CHAIRMAN GOLDNER: Okay. While we're
24 getting set up up here, we'll go back on the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 record.

2 I first want to thank Eversource for
3 the filings, they were very thorough, very
4 complete. It was a lot of work, short notice.
5 So, the Commission very much appreciates the
6 filing. I found them to be very clear and
7 helpful. So, thank you for that.

8 I'll turn next to the OCA. At the
9 break, we talked about the Consumer Advocate's
10 position on the recovery.

11 MR. CROUSE: Thank you, Commissioners,
12 for the opportunity to consult with OCA, the
13 Consumer Advocate and Staff over the break.

14 The position of the Consumer Advocate
15 is that, first, the OCA is willing to brief this
16 issue, if the Commission thinks it appropriate,
17 along with the parties. We believe that this is
18 a legal question that might be best addressed by
19 briefing, as opposed to the witnesses currently
20 on the stand, but we're open to suggestions from
21 the other parties.

22 Secondly, the OCA believes that it's
23 not fair for ratepayers to bear Eversource's
24 business risk, especially when Eversource came

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 before the Commission in 2010 promising what a
2 great deal this was for ratepayers, when it
3 simply was not.

4 The ratepayers are not a party to the
5 bankruptcy, did nothing to affect the solvency of
6 Burgess. And, if anything, it appears that
7 ratepayers are the victims of this Contract,
8 should it be terminated. Eversource's
9 shareholders should have to bear some
10 responsibility for the business choice it made
11 and the promises it represented.

12 Thank you.

13 CHAIRMAN GOLDNER: Thank you, Attorney
14 Crouse.

15 I think next, after the break, we were
16 going to turn back to Mr. Littlehale, who is
17 going to fill us in on the steel and building
18 that's going on at Eversource.

19 WITNESS LITTLEHALE: Well, yes. And
20 just to maybe take one step back. My
21 understanding of the question was around the
22 variability in the rate, based upon the updation
23 [sic] -- or, updating of wholesale power prices
24 that we rely upon from third parties.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 And what I was trying to convey is that
2 the New England power markets are significantly
3 volatile right now, and have been for a number of
4 years, due to the overreliance or significant
5 reliance on natural gas-fired generation.

6 Approximately 50 percent of the megawatt-hours
7 needed to satisfy customer demand in New England
8 is produced by natural gas-fired generation.

9 And natural gas is, you know, there's
10 not enough infrastructure to get enough gas --
11 natural gas here during the winter to run the
12 power plants and heat the homes and businesses.
13 And, therefore, the region needs to rely upon
14 natural -- global LNG to balance demand and
15 supply.

16 So, as -- in addition to producing
17 roughly half of the megawatt-hours, it's also the
18 so-called "marginal generator", right, which
19 means that it sets the power price. So, as
20 natural gas prices rise, power prices rise, and,
21 as natural gas prices fall, power prices fall.

22 So, my point was around this dynamic
23 that the region is in, overreliance on natural
24 gas will continue until stakeholders across New

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 England, you know, bring in additional supply.

2 CHAIRMAN GOLDNER: I see. Okay. It
3 wasn't specific to Eversource --

4 WITNESS LITTLEHALE: Right.

5 CHAIRMAN GOLDNER: -- building, it
6 was, --

7 WITNESS LITTLEHALE: Right.

8 CHAIRMAN GOLDNER: -- in general,
9 building different power sources over time?

10 WITNESS LITTLEHALE: Yes. That's
11 right. That's right.

12 CHAIRMAN GOLDNER: Okay.

13 WITNESS LITTLEHALE: And we had talked
14 about this and some of the basics in the Default
15 Service hearings. So, I apologize if I --

16 CHAIRMAN GOLDNER: We were very excited
17 to learn about the building going on.

18 WITNESS LITTLEHALE: Yes.

19 CHAIRMAN GOLDNER: So, we were anxious
20 over the break. I was a little disappointed in
21 that answer.

22 WITNESS LITTLEHALE: Okay.

23 CHAIRMAN GOLDNER: But thank you.

24 Okay. Very good. Thank you for that.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 We'll resume with questioning here.

2 BY CHAIRMAN GOLDNER:

3 Q So, I just want to verify as sort of a basic
4 fact, and I think it's obvious, but I just want
5 to put it out there.

6 So, the 71 million, it used to be 171
7 million, a hundred was forgiven. So, now, it's
8 71 million. Those dollars actually reside at
9 Burgess. They're holding the 71 million. And
10 the only way to get the money back, from an
11 Eversource perspective, is to withhold future
12 payments, in order to draw that down and get the
13 money back over time. Is that correct?

14 A (Littlehale) Yes. From my perspective, the
15 \$171 million, which is the total amount of
16 over-market energy payments through the course of
17 the PPA, have been paid to Burgess.

18 Q Right. Right. Right. And the remedy in the PPA
19 is to, now, there's different interpretations of
20 the PPA, because that's why there's a court case,
21 but the withholding of payment for certain pieces
22 of the transaction, whether it's energy, whether
23 it's RECs, or whether it's capacity, is the only
24 way to get the money back for ratepayers and for

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Eversource?

2 A (Littlehale) Yes, that's right. The terms of the
3 PPA allow one-twelfth of the Excess Cumulative
4 Reduction. So, the Excess Cumulative Reduction,
5 as I understand, is not over 100 million. So,
6 it's the 71, divided by 12, is the 5.9, that is
7 allowed per the terms of the PPA to be recovered
8 on a monthly basis. The maximum amount allowed
9 to be recovered on a monthly basis.

10 Now, it's also, you know, worth noting
11 that that Excess Cumulative Reduction has
12 expanded significantly over the past four years,
13 while the Legislature mandated that we, you know,
14 we were not allowed to claw that back. It went
15 from about 5 million, following 2019, to the \$70
16 million following 2023.

17 Q I think that's a very fair summary. Thank you.
18 Thank you for summarizing that.

19 I want to take you to Record Request
20 009.2 that the Company carefully went through
21 earlier to help the Commission understand that
22 document. And I want to ask an important
23 question based on that document. So, let me know
24 when you're there.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 A (Littlehale) I'm there.

2 Q Okay. So, I read this to say, on Line 9, that
3 the over-market PPA price, based on the
4 assumptions, which we all know are, you know,
5 somewhat variable. But the Company's current
6 estimate is that the overpayment over the next,
7 you know, however many years, nine years and
8 through 2033, is \$255 million, right? That's
9 just the sum on the final column?

10 A (Littlehale) Yes, that's right. If we, you know,
11 if we only look at the question of "What are the
12 expected costs between 2024 and 2033, for 500,000
13 megawatt-hours of generation, 400,000 of RECs,
14 and 65 megawatts of capacity?" If we compare
15 those three products and those quantities, under
16 the PPA rates, we come up with \$730 million of
17 future expenditures.

18 Q Understand. And the thing that's perplexing, at
19 least to me, that I can't understand, is that
20 Burgess filed for bankruptcy, and Eversource has
21 disputed that, they -- that Eversource, it seems,
22 is interested in keeping the PPA alive. But,
23 from a ratepayer point of view, it looks like the
24 payback, on just severing the agreement, if you

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 just -- if the agreement were just severed, the
2 ratepayers would get their money back in three
3 years, and then would ultimately save about
4 \$180 million over the life of the agreement by
5 severing the PPA.

6 So, I'm trying to understand
7 Eversource's motivation in trying to keep the PPA
8 intact?

9 A (Littlehale) So, this gets into the significant
10 legal question, I think, and maybe outside of my
11 area of expertise.

12 I think you're reading Line 7, 8, and 9
13 correctly. That, as we sit here today, payments
14 under the PPA is \$730 million. Those same
15 products are expected to cost \$475 million. So,
16 customers would save \$255 million if the PPA, you
17 know, was terminated and/or eliminated.

18 Now, the question, I think, before
19 the -- in front of the court in Delaware is "What
20 are the mechanisms and avenues to recoup the
21 roughly \$70 million on behalf of PSNH customers?"
22 And that mechanism, you know, there is an avenue
23 for that through the PPA. It's not clear if
24 there is other avenues available, aside from the

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 one-twelfth recouping every month.

2 Q That's a very good explanation. I'm just -- I'm
3 a little bit stuck on, and understanding there's
4 a legal perspective, and maybe Attorney Wiesner
5 can jump in and make it more clear to me. But,
6 if the ratepayers are better off by a severing of
7 the PPA, I guess I don't understand why
8 Eversource wouldn't be supportive of severing the
9 PPA?

10 A (Littlehale) I think we are doing everything we
11 can allowed by law to recover as much of that \$71
12 million as possible on behalf of customers.

13 Q So, the Eversource perspective, and I'm just
14 repeating back to make sure I understand, the
15 Eversource perspective is the priority is on
16 recovering the \$71 million, and not on the
17 lowest-cost solution to customers?

18 A (Littlehale) I don't think that's fair, Chair.

19 Q Okay. Well, then, please clarify.

20 A (Littlehale) I think the question immediately in
21 front of us, or really immediately in front of
22 the court in Delaware is "What's the status of
23 the PPA?" And what mechanisms do we have or that
24 can PSNH deploy to try to get as much of that

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 \$71 million back on behalf of customers.

2 Q So, walk me through again why the perspective of
3 Eversource is to recover the 71 million, and I'm
4 respectful of the Company's perspective, I'm just
5 trying to understand the priority is on
6 recovering the 71 million, not in what appears to
7 be the lowest-cost solution, which is severing
8 the agreement and taking back 255 million?

9 A (Littlehale) I don't -- I think we're mixing
10 jurisdictions, right? This analysis is not in
11 front of the court in Delaware, right? This
12 analysis was prepared at the direction of the PUC
13 to be responsive to the Record Request 009.2.
14 And we've prepared that, and to the best of our
15 ability, in a clear and concise manner.

16 Q Yes. Absolutely. Which I recognized, I think,
17 at the outset of the resumption here today.

18 A (Littlehale) But what I think is in front of
19 Delaware is "What can we" -- "What tools do we
20 have?" You know, over the -- for the past four
21 years, PSNH customers have paid Burgess \$260
22 million. And we're trying to uncover every legal
23 avenue to recover as much of that as -- so, I
24 don't know if Attorney Wiesner wants to jump in?

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 MR. WIESNER: Well, I was just going to
2 offer that yesterday Eversource filed an
3 objection to the motion of the Burgess companies
4 to reject the PPA. And, as I mentioned earlier,
5 my understanding is that there's a hearing, it
6 may have been concluded by now, a hearing before
7 the Delaware Bankruptcy Court today to address
8 that motion, as well as a number of other pending
9 motions. When the court will decide that? Not
10 clear.

11 I can quote to you, if it would be
12 helpful, from the objection to the Motion to
13 Reject the PPA. And Eversource is saying that
14 the mechanisms for PSNH's recovery of the
15 Cumulative Reduction and the Excess Cumulative
16 Reduction set forth in the PPA, and the related
17 Option Agreement, are crucial economic features
18 of the PPA, that were expressly designed to
19 protect PSNH's customers from the risk of paying
20 over-market rates over the term of the PPA.

21 So, our priority, if I can characterize
22 it as such, is to preserve the PPA through the
23 bankruptcy process, in order to preserve the
24 benefit to customers of that netting mechanism

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 that we've spent so much time talking about in
2 this docket so far.

3 CHAIRMAN GOLDNER: Yes. And I'll
4 recognize that I've asked questions in both sort
5 of, and let's call it "orthogonal" directions
6 today, just trying to understand the transaction.

7 But what's clear to me, based on the
8 Company's excellent analysis, is that the
9 ratepayers are better off by a severed agreement,
10 even if -- even if the Company recovered nothing
11 out of the 71 million.

12 Which I know is probably a -- so,
13 Attorney Wiesner, I can see you'd like to
14 comment.

15 MR. WIESNER: Well, I was just going to
16 say that the analysis that was provided in
17 response to a specific record request, making any
18 number of assumptions, on a relatively summary
19 basis, includes forecasts out over a ten-year
20 period. And, as I think we've all come to
21 realize during the course of this docket,
22 forecasts are inherently uncertain, and are
23 likely to be incorrect, and that is just the
24 nature of that beast.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 Meanwhile, we have a PPA in effect,
2 approved by the Public Utilities Commission of
3 this state. And we have been complying with it,
4 and we intend to continue complying with it, in
5 the absence of some bankruptcy court decision
6 that rejects or authorizes the Debtors to reject
7 the PPA.

8 CHAIRMAN GOLDNER: And I'll just point
9 out that I think the -- if I remember the
10 spreadsheet correctly, I don't have it up in
11 front of me, where the 171 million CRF began, I
12 think it was 2013. We're here now in early 2024,
13 the sum was \$171 million or so, right. And, so,
14 the Company is saying, over the next ten years,
15 it's going to be, you know, about the same
16 number, let's call it around 200 million.

17 So, I don't -- while forecasts are
18 always fluid and unknown, and I just got through,
19 you know, sort of criticizing the Company's
20 forecast, still it is not, you know, it's not so
21 different than the last ten years, in terms of
22 what the Company has forecasted here. So, it
23 looks like a sensible number.

24 So, okay. I guess I'll leave it at

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 that. I look at these numbers, and I say the
2 Company would be better off just to sever the
3 agreement, would be what I would say, based on
4 those numbers.

5 Okay. Let's move on to the next topic.
6 So, Attorney Wiesner, I don't want to surprise
7 you with this, so maybe if you could address this
8 in closing. If you could point to the document
9 that talks about the ratepayers being on the hook
10 for this agreement, this 71 million we're talking
11 about here, if the agreement is terminated, and,
12 also, specifically, if the Company, that is
13 Eversource, has been found to be in breach. So,
14 I would just like to give you an opportunity to
15 address those in closing, so that we have the
16 Company's position on that, and the Commission
17 knows where the Company's referencing, when you
18 highlight that -- that this is a ratepayer issue
19 and not a shareholder issue.

20 Okay. Has there been anything filed,
21 and I might need to address this to Attorney
22 Wiesner, because it might be more of a legal
23 question, but we asked this question last time,
24 Attorney Wiesner, and there was a lot going on,

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 so, I know that nothing had happened in this
2 regard after the last hearing. But is there --
3 has anything been filed with respect to a
4 structured settlement or has there been anything
5 in the record on a structured settlement in
6 Delaware?

7 MR. WIESNER: To my best understanding,
8 and, you know, there may be discussions taking
9 place as we speak, there has been no agreement as
10 to any settlement terms. And nothing filed in
11 Delaware, with respect to any type of settlement
12 or any settlement that, you know, theoretically,
13 might require PUC approval before becoming
14 effective. I'm not aware of any such
15 developments.

16 CHAIRMAN GOLDNER: Okay. Thank you.
17 Okay. I'm going to pause there, and check with
18 Commissioner Simpson and Chattopadhyay, to see if
19 there's anything else that they would like to ask
20 the witnesses today? We good?

21 *[Cmsr. Simpson and Cmsr. Chattopadhyay*
22 *indicating in the negative.]*

23 CHAIRMAN GOLDNER: Okay. Let's move
24 then to redirect.

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 MR. WIESNER: I guess there is one
2 point that I want to ask Mr. Littlehale.

3 **REDIRECT EXAMINATION**

4 BY MR. WIESNER:

5 Q And I think some questioning earlier this
6 afternoon, since we came back from the break,
7 suggested that the above-market portion of the
8 payments that have been made to Burgess are "with
9 Burgess", are "sitting with Burgess".

10 And, I guess, is that consistent, to
11 the best of your knowledge, is that consistent
12 with your understanding of a likely scenario for
13 the Burgess plant owners, or is it more likely to
14 say that that money has been expended by the
15 Burgess plant owners in operating the plant over
16 the years?

17 Maybe I'll rephrase the question.

18 A (Littlehale) Please.

19 Q Is there any basis for thinking that the Burgess
20 parties have \$71 million or \$171 million sitting
21 in a bank account somewhere, that you're aware
22 of?

23 A (Littlehale) From my understanding, if they had
24 \$71 million, or \$170 million, they would not be

[WITNESS PANEL: Robinson|Littlehale|Davis]

1 filing for bankruptcy.

2 MR. WIESNER: And I think that's -- I
3 don't think I have any further questions.

4 CHAIRMAN GOLDNER: Okay. Thank you.

5 So, let's -- let me check in to see if
6 there's anything anyone would like to comment on
7 before we move to closing?

8 *[Multiple parties indicating in the*
9 *negative.]*

10 CHAIRMAN GOLDNER: Okay. Seeing none.
11 We'll move to closing, starting with the
12 Department.

13 MR. YOUNG: Thank you, Mr. Chairman.
14 Thank you, Commissioners.

15 As I mentioned earlier, the Department
16 believes the SCRC rates approved by the
17 Commission do remain appropriate. And, given the
18 minimal impact of the REC and capacity setoffs
19 that we discussed here today, as well as the
20 significant uncertainties presented by the
21 bankruptcy filing, the Department believes that
22 any under- or over-collection, which may result
23 from rates currently in effect, is best dealt
24 with through reconciliation in the annual true-up

1 process.

2 The Department would expect the Company
3 to protect customer interests in the bankruptcy
4 proceeding. And, as I mentioned last week, the
5 Department is looking closely at being more
6 involved in that case.

7 Should the bankruptcy filing result in
8 significant changes for Burgess, or the PP --
9 and/or the PPA, I guess is probably the best way
10 to put it, a future proceeding may be necessary.

11 But, at this time, and I guess, based
12 on the totality of the uncertainty and the
13 circumstances, we do believe the Part 2 costs
14 should remain in place as approved by the
15 Commission.

16 CHAIRMAN GOLDNER: Okay. Thank you.
17 Let's move to the Office of the Consumer
18 Advocate.

19 MR. CROUSE: Thank you, Commissioners.

20 I echo a lot of what the Consumer
21 Advocate has stated in the prior hearing on
22 January 19th, and I remain echoing his comments
23 there.

24 With respect to the Part 2 costs and

1 everything else, I think the opportunity to brief
2 is before the Commission, and up to your
3 discretion, if that should be granted.

4 But, with respect to everything else
5 regarding Burgess, if there's a significant
6 development, we would agree with the Department
7 that a future proceeding might be necessary to
8 address those Part 1 costs.

9 Thank you.

10 CHAIRMAN GOLDNER: Thank you. I think
11 you mean "Part 2", and "Chapter 340"?

12 MR. CROUSE: Yes. Sorry. My apologies
13 for that misstatement.

14 CHAIRMAN GOLDNER: Just want to
15 clarify. Okay. Thank you.

16 And let's move to the Company.

17 MR. WIESNER: So, I'll restate again
18 that I believe -- we believe that there's no
19 compelling need to revise the SCRC rate as it was
20 approved on a provisional basis by the
21 Commission's order in January, subject to
22 ultimate reconciliation. As we know, whatever we
23 imagine the future is going to be, it will not,
24 unless coincidentally, turn out that way. And

1 that is the purpose of reconciling rate
2 mechanisms, that ultimately are reconciled
3 against actual results, as opposed to what was
4 estimated when the rate was set.

5 I think we've also seen, through the
6 series of record requests in this docket, that
7 some of the variables, some of the many variables
8 that go into compiling the SCRC rate and setting
9 it at any particular given point in time are
10 highly variable, and very difficult to predict,
11 including, but not limited to, wholesale markets.
12 Forward prices today may be very different than
13 they were a few weeks ago, a few days ago. And
14 these rates are not set up to continually
15 readjust pursuant to new estimates, which
16 themselves will ultimately prove to be incorrect,
17 except by coincidence.

18 I will also say, since the Consumer
19 Advocate has cited to the transcript of the
20 January 19th hearing, I'll at least paraphrase
21 what I said then, which is there is no
22 opportunity to relitigate the Burgess PPA. It
23 was approved by the Commission. The Company's
24 right to recover the above-market costs of that

1 contract in full were also approved by the
2 Commission.

3 And, even though I disagree with just
4 about everything that Attorney Crouse just said,
5 I do agree that, if there is any thought that the
6 Commission might consider a disallowance of any
7 portion of those above-market costs, now or
8 later, that that is a legal issue and it should
9 be briefed, with a reasonable amount of time
10 provided for the parties to provide a meaningful
11 legal analysis for the benefit of the Commission.

12 I think that's all I have.

13 CHAIRMAN GOLDNER: Okay. Thank you.

14 Are there any objections to entering
15 Record Requests 006 through 009 as "Exhibits 3",
16 "4", "5", and "6"?

17 MR. CROUSE: No objections.

18 MR. WIESNER: No objections.

19 MR. YOUNG: None from the Department.

20 CHAIRMAN GOLDNER: Okay. Thank you.
21 So, we'll strike ID on those exhibits and enter
22 them into the record.

23 *(The documents, as described, were*
24 *herewith marked as **Exhibit 3,***

1 **Exhibit 4, Exhibit 5, and Exhibit 6**
2 *for identification, and subsequently*
3 *the ID was stricken and the exhibits*
4 *were entered into the record.)*

5 CHAIRMAN GOLDNER: I'll just check in
6 to see if there is anything else that we need to
7 cover today?

8 MR. YOUNG: I think the Department has
9 a -- would just -- is wondering about how filings
10 are being posted from the bankruptcy proceeding
11 in this docket online?

12 CHAIRMAN GOLDNER: We're posting
13 them in both dockets, in this docket,
14 23-081 [23-091?], and then in the other Burgess
15 docket, which I think is, let's see if I remember
16 the number, 19-142? Yes, 19-142. So, we're just
17 posting them in both places.

18 MR. YOUNG: Are both Eversource and
19 Burgess filings being posted?

20 CHAIRMAN GOLDNER: Everything that
21 we're receiving is being posted.

22 MR. YOUNG: Okay.

23 CHAIRMAN GOLDNER: So, if we're on the
24 distribution list, it might be helpful to check

1 to make sure that everything that should be in
2 there is in there, because we can only post what
3 we receive. So, we're posting everything that
4 we've received.

5 MR. YOUNG: Okay. Thank you.

6 CHAIRMAN GOLDNER: If you see anything,
7 please notify us, and we'll get it fixed. We may
8 not be on a particular distribution list.

9 Okay. Very good. So, the parties and
10 the Company can expect a brief order from the
11 Commission addressing the Motion for Confidential
12 Treatment, and findings arising from today's
13 hearing. We'll also address the briefing
14 question in the order.

15 Thank you for your time today. And we
16 are adjourned.

17 ***(Whereupon the hearing was adjourned***
18 ***at 2:02 p.m.)***