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I N D E X

PAGE NO.

SUMMARY BY HEARINGS EXAMINER SPEIDEL 4

STATEMENT BY HEARINGS EXAMINER SPEIDEL 4
(*Re: Witness & Exhibit List*)

WITNESS PANEL: **PARKER LITTLEHALE**
 LUANN J. LaMONTAGNE
 ASHLEY N. BOTELHO
 EDWARD A. DAVIS

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
6	Petition for Adjustment to Energy Service Rate for Effect on February 1, 2025, including Testimony and Attachments <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
7	Petition for Adjustment to Energy Service Rate for Effect on February 1, 2025, including Testimony and Attachments {CONFIDENTIAL & PROPRIETARY}	<i>premarked</i>
8	Summary of Attachments ANB/EAD-1 through ANB/EAD-3	<i>premarked</i>

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P R O C E E D I N G

HEARINGS EXAMINER SPEIDEL: All right.
Good morning. We are on the record.

I am Hearings Examiner Attorney
Alexander Speidel of the New Hampshire Public
Utilities Commission. This is the hearing for
the December 2024 Default Service proposal by
Public Service Company of New Hampshire, doing
business as Eversource Energy, filed into the
existing Docket Number DE 24-046.

The Petition by the Company was filed
on December the 12th. And the hearing for this
phase of the proceeding was scheduled by
Commission procedural order issued on November
the 20th. That procedural order also appointed
me as Hearings Examiner, to render a report on
this case by tomorrow, December the 18th, with
the goal of the Commission issuing a decisional
order on this matter by December the 19th.

I see that the Company has proposed a
witness panel of Mr. Parker Littlehale, Ms. Luann
LaMontagne, Ms. Ashley Botelho, and Mr. Edward
Davis. Also, the Company has proposed three
exhibits. The public redacted version of the

1 Petition, as Hearing "Exhibit 6"; the
2 confidential version of the Petition, as Hearing
3 "Exhibit 7"; and also, as Hearing "Exhibit 8", a
4 Summary of Attachments ANB/EAD 1 through 3.

5 After we take simple appearances,
6 through which I would ask if the other parties to
7 this proceeding have any objections to the
8 Company's proposed exhibits, we will launch
9 direct questioning of the witness panel by
10 Eversource, followed by DOE cross and OCA cross,
11 then my own questioning, followed by Eversource
12 redirect. There will be leave for closing
13 statements at the conclusion of today's
14 proceeding.

15 Are there any other preliminary matters
16 to be addressed today?

17 *[Atty. Wiesner indicating in the*
18 *negative.]*

19 HEARINGS EXAMINER SPEIDEL: Hearing
20 none, I would now invite the Company to make an
21 appearance.

22 MR. WIESNER: Good morning, Mr.
23 Hearings Examiner. I'm David Wiesner,
24 representing Public Service Company of New

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Hampshire, doing business as Eversource Energy.

2 We have a panel of four witnesses, as
3 you noted, seated in the box, and we will
4 introduce you to them shortly.

5 HEARINGS EXAMINER SPEIDEL: Thank you.
6 The Department of Energy?

7 MR. YOUNG: Good morning. Matthew
8 Young, on behalf of the Department of Energy.
9 With me today is Steve Eckberg, who is an
10 Electric Analyst in the Regulatory Support
11 Division.

12 HEARINGS EXAMINER SPEIDEL: Thank you.
13 And the Office of the Consumer Advocate?

14 MR. KREIS: Good morning, Hearings
15 Examiner Speidel. I'm Donald Kreis, the Consumer
16 Advocate, as you know. My job is to represent
17 the interests of residential customers.

18 The OCA has no objections to any of the
19 exhibits on the Exhibit List.

20 HEARINGS EXAMINER SPEIDEL: Thank you.
21 Therefore, I will, as presiding officer
22 of today's proceeding, swear in the witnesses. I
23 would ask that you all raise your right hand, and
24 answer in sequence "I do."

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 *(Whereupon **PARKER LITTLEHALE,***
2 **LUANN J. LaMONTAGNE, ASHLEY N. BOTELHO,**
3 *and **EDWARD A. DAVIS** were duly sworn by*
4 *Hearings Examiner Speidel.)*

5 WITNESS LITTLEHALE: I do.

6 WITNESS LaMONTAGNE: I do.

7 WITNESS BOTELHO: I do.

8 WITNESS DAVIS: I do.

9 HEARINGS EXAMINER SPEIDEL: Thank you.

10 The witnesses are now available for direct
11 questioning by the Company.

12 MR. WIESNER: Thank you, Mr. Speidel.

13 **PARKER LITTLEHALE, SWORN**

14 **LUANN J. LaMONTAGNE, SWORN**

15 **ASHLEY N. BOTELHO, SWORN**

16 **EDWARD A. DAVIS, SWORN**

17 **DIRECT EXAMINATION**

18 BY MR. WIESNER:

19 Q I will begin with Mr. Littlehale, and ask that
20 you please state your name and the title of your
21 role with Eversource?

22 A (Littlehale) Good morning. My name is Parker
23 Littlehale. And I am a Manager of Wholesale
24 Power Supply in the Electric Supply Department of

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Eversource Energy.

2 Q And what are your responsibilities in that
3 position?

4 A (Littlehale) I oversee the process required to
5 fulfill the power supply requirement obligations
6 of PSNH, including overseeing solicitations for
7 the competitive procurement of power supply for
8 energy service, and supervising the fulfillment
9 of related Renewable Portfolio Standard
10 obligations.

11 Q And have you testified previously before this
12 Commission?

13 A (Littlehale) Yes. I have testified in prior
14 energy service rate adjustment dockets.

15 Q Did you file testimony and corresponding
16 attachments as part of the Company's filing on
17 December 12th, which have been marked as
18 "Exhibit 6" and "7", for the public redacted and
19 confidential versions?

20 A (Littlehale) Yes, I did.

21 Q And was that testimony and the supporting
22 materials prepared by you or at your direction?

23 A (Littlehale) Yes, it was.

24 Q Do you have any changes or updates to make at

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 this time?

2 A (Littlehale) No, I do not.

3 Q And do you adopt your testimony today as it was
4 written and filed?

5 A (Littlehale) Yes, I do.

6 Q Thank you. Turning now to Ms. LaMontagne, would
7 you please state your name and title with the
8 Company?

9 A (LaMontagne) Good morning. My name is Luann
10 LaMontagne, and I am a Senior Analyst in the
11 Electric Supply Department of Eversource Energy.

12 Q And what are your responsibilities in that
13 position?

14 A (LaMontagne) I perform the activities required to
15 fulfill the power supply requirement obligations
16 of PSNH, including conducting solicitations for
17 the competitive procurement of power for energy
18 service, and fulfilling Renewable Portfolio
19 Standard obligations. I am also responsible for
20 ongoing activities associated with independent
21 power producers and purchase power agreements.

22 Q And have you testified previously before the PUC?

23 A (LaMontagne) Yes. I have testified in --
24 sorry -- in prior energy service rate adjustment

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 docket.

2 Q And did you file testimony and corresponding
3 attachments as part of the Company's
4 December 12th filing, which have been marked as
5 "Exhibit 6" and "7"?

6 A (LaMontagne) Yes, I did.

7 Q Were the testimony and supporting materials
8 prepared by you or at your direction?

9 A (LaMontagne) Yes.

10 Q Do you have any changes or updates to make at
11 this time?

12 A (LaMontagne) No, I do not.

13 Q And do you adopt your testimony today as it was
14 written and filed?

15 A (LaMontagne) Yes, I do.

16 Q Thank you. Moving on now to Ms. Botelho, would
17 you please state your name and title with
18 Eversource?

19 A (Botelho) Good morning. My name is Ashley
20 Botelho. I'm the Director of Revenue
21 Requirements for New Hampshire.

22 Q And can you describe your responsibilities in
23 that position?

24 A (Botelho) I'm responsible for the coordination

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 and implementation of revenue requirements
2 calculations, and regulatory filings, such as the
3 energy service, for the Company.

4 Q Have you testified previously before this
5 Commission?

6 A (Botelho) Yes. I have testified in several
7 different dockets.

8 Q And did you file testimony and supporting
9 attachments as part of the filing on
10 December 12th, marked for identification as
11 "Exhibit 6" and "7"?

12 A (Botelho) Yes, I did.

13 Q Was that testimony and the supporting materials
14 prepared by you or at your direction?

15 A (Botelho) Yes.

16 Q Do you have any changes or updates to make at
17 this time?

18 A (Botelho) Yes. There are several places in the
19 attachments where there are incorrect references
20 to "ANB/SRA". And those references should be to
21 "ANB/EAD" instead. Those references appear on
22 Bates Pages 057, 058, 063, 065, and 066.

23 Q And, with those minor corrections as you just
24 noted, do you adopt your testimony today as it

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 was written and filed?

2 A (Botelho) Yes, I do.

3 Q Thank you. Now, moving, finally, onto Mr. Davis,
4 would you please state your name and your title
5 with Eversource?

6 A (Davis) Good morning. My name is Edward Davis.
7 I am the Director of Rates for Eversource Energy.

8 Q And what are your responsibilities in that
9 position?

10 A (Davis) My responsibilities include activities
11 related to rate design, cost of service, and
12 rates administration, for Eversource's public
13 utility affiliates, including Public Service of
14 New Hampshire.

15 Q Have you testified previously before this
16 Commission?

17 A (Davis) I have submitted testimony and testified
18 in several dockets before the Commission.

19 Q And did you file testimony and supporting
20 attachments as part of the Company's
21 December 12th filing, marked as "Exhibit 6" and
22 "7"?

23 A (Davis) Yes, I did.

24 Q Were the testimony and supporting materials

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 prepared by you or at your direction?

2 A (Davis) Yes.

3 Q Do you have any changes or updates to make to
4 that testimony?

5 A (Davis) No. Other than the minor corrections
6 described by Ms. Botelho, I do not have any other
7 changes.

8 Q And, again, with those minor corrections as
9 noted, do you adopt your testimony today as it
10 was written and filed?

11 A (Davis) Yes, I do.

12 Q Thank you. Turning back to Mr. Littlehale, could
13 you provide a brief summary of why the Company
14 considers the recent RFP process and results for
15 the proposed new Energy Service rates to be
16 satisfactory?

17 A (Littlehale) On October 31st, 2024, we released
18 an RFP to purchase 70 percent of the Small
19 Customer Group's energy service load for the
20 February 1st, 2025, through July 31st, 2025, time
21 period. We were looking to procure five tranches
22 of 14 percent each, which is approximately
23 800,000 megawatt-hours for each tranche allocated
24 to the suppliers for the Small Customer Group.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Offers were received on December 10th,
2 2024, at 10:00 a.m. And we utilized our
3 three-pronged approach to analyze the bids
4 received. The results for all tranches for the
5 Small Customers satisfied the three main
6 criteria. There were several bidders, and a good
7 number of bids. The bid prices were clustered
8 closely together. And, finally, the bids were
9 aligned with our internal proxy price used during
10 solicitations.

11 Given that, we reviewed and obtained
12 approval from senior management. We reconfirmed
13 that the winning bidders are all in good standing
14 from a credit perspective. And we executed the
15 Master Power Supply Agreement transaction
16 confirmations with the selected bidders.

17 Q And was the RFP process you just described and
18 the bid selection consistent with prior
19 solicitations by the Company for energy service,
20 and with the various Commission orders governing
21 Energy Service procurement?

22 A (Littlehale) Yes. The solicitation was conducted
23 consistent with past practices, and with
24 Commission requirements, under the settlement

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 agreements in Docket Number DE 17-113, that was
2 approved by Order Number 26,092, except that the
3 30 percent of the Small Customer Group load and
4 100 percent of the Large Customer Group load will
5 be self-supplied through direct market
6 participation, consistent with the Commission's
7 order issued in Docket [Order?] Number 27,022 and
8 27,064, issued in June and October, respectively.

9 Q And, Mr. Littlehale, could you also briefly
10 describe how the Company prepared the proxy
11 prices to be used for the Energy Service rate
12 calculations, with respect to the self-supplied
13 Small Customer load tranche and the self-supplied
14 Large Customer load?

15 A (Littlehale) Consistent with the Company's
16 directives in its June order, 27,022, we have
17 developed a self-supply proxy price, based on the
18 average of the four-year rolling average of
19 ISO-New England market prices in the New
20 Hampshire load zone, and OTC future prices, which
21 we used in the absent of NYMEX prices, which were
22 discontinued in August 2024, for the upcoming
23 six-month Energy Service period. With the
24 continuation of the monthly pricing approach, the

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Large Customer Group, using market proxy prices
2 determined in the same methodology.

3 For the Small Customer Group, the six
4 monthly proxy prices were then averaged on a load
5 weighted basis to calculate a single proxy price
6 for use in developing the flat price component of
7 the Small Customer Group Energy Service rate for
8 the six-month period.

9 For the Large Customer Group, the six
10 monthly prices were then used to develop the
11 monthly price components for the Large Customer
12 Group Energy Service rate for each month during
13 the six-month period.

14 Q And, Mr. Littlehale, I'll now ask you and Ms.
15 LaMontagne, is it your position that the rates
16 proposed for the period of February 2025 through
17 July 2025, as described in Exhibits 6 and 7, are
18 just and reasonable, and consistent with the
19 public interest?

20 A (Littlehale) Yes.

21 A (LaMontagne) Yes.

22 Q Thank you. My next couple of questions are for
23 Ms. Botelho. Ms. Botelho, how did the Company
24 develop its rate proposals in this docket?

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 A (Botelho) Consistent with the settlement in
2 Docket DE 17-113, we took the RFP results, and
3 the proxy prices for the self-supply load
4 tranches, and added administrative and general
5 expense and RPS costs to get to the retail rate.

6 Also included in these proposed Energy
7 Service rates are the reconciliations of over-
8 and under-recoveries developed for the August
9 2024 update, with the exception of the
10 approximately six and a half million for the
11 Large Customer Group under-recovery that was
12 deferred pursuant to the Commission's June order,
13 which the Company has proposed to be recovered
14 through the Stranded Cost Recovery Charge in
15 Docket Number DE 24-112.

16 Q And could you please summarize the resulting rate
17 changes for the Energy Service rate?

18 A (Botelho) For the Small Customer Group, the
19 weighted average fixed Energy Service rate for
20 the six-month period of February 1st, 2025,
21 through July 31st, 2025, would be 8.929 cents per
22 kilowatt-hour. That compares to the current
23 Small Customer fixed rate of 10 cents, 10.403
24 cents per kilowatt-hour, and represents a

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 decrease, due to primarily wholesale power market
2 conditions.

3 For the Large Customer Group, the
4 monthly prices range from 5.942 cents per
5 kilowatt-hour to 10.937 cents per kilowatt-hour.
6 The calculations of those rates are shown in
7 Attachment ANB/EAD-1, on Page 2.

8 Q And moving on now to Mr. Davis. Are there other
9 rate changes that will affect this analysis?

10 A (Davis) There are other rate changes for PSNH set
11 to take effect February 1st, such as the SCRC.
12 But the impacts of those rate changes are not
13 known at this time, and therefore do not impact
14 the bill analysis for the proposed Energy Service
15 rates.

16 Q And could you explain the customer rate and bill
17 impacts that are depicted in Attachment
18 AND/EAD-4, appearing at Bates Pages 067 through
19 069?

20 A (Davis) Just for clarification, that reference
21 would be "Attachment ANB/EAD-5", but Bates
22 Pages 067 through 069. Pardon me.

23 Page 1 of that attachment provides
24 comparisons of Residential rates proposed for

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 effect February 1st, 2025, compared with current
2 rates effective August 1st, 2024. The impact to
3 a 600 kilowatt-hour customer of the proposed
4 Default Service rate would be a decrease of 5.9
5 percent to the customer bill.

6 Page 2 of that same attachment provides
7 comparisons of Residential rates proposed for
8 effect February 1st, 2025, with rates effective
9 one year ago, February 1st, 2024. The impact to
10 a 600 kilowatt-hour customer of the proposed
11 Default Service rate, with all rates considered
12 year over year, would be an increase of 9.3
13 percent to the customer bill.

14 And, then, Page 3 of that attachment
15 provides the average impact of each change on
16 bills for all rate classes by the Default Service
17 rate component and by the total bill.

18 Q And, Mr. Davis, I'll now ask you and Ms. Botelho
19 jointly, is it the Company's position that the
20 solicitation was open and fair, and that the
21 resulting Energy Service rates are just and
22 reasonable?

23 A (Botelho) Yes.

24 A (Davis) Yes.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 MR. WIESNER: That is all we have for
2 direct examination, Mr. Hearings Examiner.

3 HEARINGS EXAMINER SPEIDEL: Thank you,
4 Attorney Wiesner. I will now turn to the
5 Department of Energy for their cross-examination.

6 MR. YOUNG: Thank you. Good morning,
7 everyone. I will be looking at confidential
8 Exhibit 7. And those will be the only Bates
9 pages I'll be referring to. I don't think we'll
10 need to get into any specific confidential
11 information here today.

12 **CROSS-EXAMINATION**

13 BY MR. YOUNG:

14 Q I guess, first, Mr. Littlehale, you discussed
15 that the solicitation was consistent with past
16 orders and prior solicitations. I guess I would
17 just ask if there were any notable changes or
18 anything, I guess, that you would want to note
19 for the Commission here today?

20 A (Littlehale) As we mentioned in the direct
21 testimony, that the major difference in this
22 solicitation was the 30 percent self-supply,
23 which we executed, per the orders from the PUC
24 for this, for this rate period. We're currently

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 self-supplying 12 and a half percent during the
2 current rate period. So, it would be an increase
3 from the current 12 and a half percent, to the
4 30 percent self-supply beginning on February 1st.

5 Q Okay. Thank you. And, then, turning to the
6 testimony, Bates Page 012, this is Mr. Littlehale
7 and Ms. LaMontagne's testimony, at the top of
8 Bates Page 012, I'll give everybody a moment to
9 get there, the testimony here discusses
10 "community migration" -- or, "customer
11 migration", excuse me, and "community power
12 aggregation".

13 And my question for the Company is
14 whether the load data that is published and
15 provided to bidders for the RFP for the energy
16 supply, does this take into account any forecast
17 of additional migration for the future forward
18 six-month period, or is this -- is that data
19 historical data from the prior six-month period,
20 I guess?

21 A (Littlehale) Well, that's a very difficult number
22 to drill down. So, we take into account as
23 community power migration began in the Spring of
24 2023. So, we have, you know, roughly 18 months

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 of data that shows customers migrating off energy
2 service to community power.

3 We don't necessarily have a great
4 visibility, nor control, over future migration.
5 So, any information that we do have, we will try
6 to incorporate that into the load forecast. But
7 the majority of it is based off historical load
8 information.

9 Q Okay. Thank you. Your direct testimony also
10 briefly mentioned that the forward energy prices
11 the Company uses are obtained from OTC Global,
12 and that's a subscription service, correct?

13 A (Littlehale) That's correct. NYMEX, as of
14 August 23rd, 2024, discontinued their forward
15 power prices. And, in the absence of NYMEX, we
16 needed to identify an alternative provider of
17 forward power prices. The Company had an
18 existing subscription to OTC Global Holdings.
19 And we felt that was a representative view of
20 forward power prices. And we incorporated that
21 into our proxy price calculation.

22 Q So, when you say that "NYMEX discontinued the
23 prices", are they just no longer publicly
24 available or are they no longer --

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 A (Littlehale) They -- NYMEX discontinued their
2 forward power prices. So, they are not available
3 anymore.

4 Q Okay.

5 A (Littlehale) On power. They still have the
6 forecast for oil and natural gas, but
7 discontinued power.

8 Q And is the -- is the information obtained from
9 OTC Global, is that -- should that be considered
10 confidential information?

11 A (Littlehale) While we do pay for that
12 subscription, we reconfirmed with OTC Global that
13 we have permission to use the forecast in
14 regulatory filings, as long as we source
15 appropriately.

16 Q Great. Thank you for that clarification. I'm
17 going to shift gears to RPS, specifically on
18 Bates Page 035.

19 So, on Bates Page 035, we see a
20 schedule here that shows the development of the
21 RPS Adder, which is included in the energy rates
22 being proposed here today, is that correct?

23 A (LaMontagne) That is correct.

24 Q And is this RPS Adder the same, the same adder

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 that is currently in rates?

2 A (LaMontagne) It is not. It's slightly different.

3 Q And is it correct that this RPS Adder does use
4 the current required percentages for each RPS
5 class?

6 A (LaMontagne) Yes, it does, for 2025.

7 Q And is the Company aware that the Department has
8 opened a review of the Class III requirement,
9 which could impact the final 2024 compliance for
10 Class III?

11 A (LaMontagne) It is aware. It would not affect
12 this adder here, because this is strictly for
13 2025.

14 Q And I guess stemming from that, is it true that
15 any adjustment to the Class III compliance
16 requirement, which would impact that final cost,
17 would flow through the annual RPS reconciliation?

18 A (LaMontagne) It would.

19 Q And, then, --

20 A (LaMontagne) The adjustment from that would show
21 up in our next procurement.

22 Q And is there a schedule in this filing that would
23 show RPS costs and reconciliation amounts?

24 A (LaMontagne) Yes. It would be on --

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 A (Botelho) I got it.

2 A (LaMontagne) Okay.

3 A (Botelho) I should pull up the Bates page. If
4 you could just give me one moment, I'll pull the
5 Bates.

6 A (LaMontagne) Yes. Bates Page 053 --

7 Q Thank you.

8 A (LaMontagne) -- would show the reconciliation
9 that's within this procurement.

10 Q Thank you. My final question involves the
11 deferral account that I believe was mentioned by
12 Ms. Botelho earlier. I believe you mentioned
13 that the Company has established a deferral
14 account for approximately 6.5 million, which
15 stems from a June 2024 Large Customer
16 reconciliation. Is that a correct description?

17 A (Botelho) That's correct.

18 Q And you also mentioned that the Company has
19 proposed to recover those costs through the
20 Stranded Cost Recovery Charge?

21 A (Botelho) That's correct.

22 Q And understanding that there was a proposal filed
23 in that docket, would the Company be open to
24 other methods of recovery, other than that

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 proposal in the docket?

2 A (Botelho) I don't think we contemplated other
3 methods of recovery. I know the way we arrived
4 at this proposal in the case stemmed from the
5 Commission's Order Number 27,022 in that
6 proceeding. So, we have not contemplated other
7 methods of recovery.

8 Q Okay. Thank you.

9 MR. YOUNG: Just a moment.

10 *[Atty. Young and Mr. Eckberg*
11 *conferring.]*

12 BY MR. YOUNG:

13 Q Is it -- I guess, is it true then that the
14 Company did propose in this docket, in an earlier
15 proceeding in June, I believe, to recover those
16 funds in a different method?

17 A (Botelho) I'm sorry, could you clarify your
18 question?

19 Q In a previous iteration of this proceeding in
20 June, the Company, it's my understanding, had
21 proposed to recover that 6.5 million in a
22 different method than the Stranded Cost Recovery
23 Charge?

24 A (Botelho) I wasn't the witness at the time, so I

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 would have to go back to that proceeding. I
2 don't recall what the different iterations of the
3 proposals were. I do know this is where we had
4 landed, and the Commission's order had
5 recommended as part of the order I referenced.
6 So, I would have to go back.

7 Q Mr. Davis, were you a witness in that proceeding?
8 Would you be able to speak to that at all?

9 A (Davis) I was not. Pardon me. I was not. Mr.
10 Anderson was the witness at the time.

11 MR. YOUNG: Thank you. No further
12 questions from the Department, Mr. Hearings
13 Examiner.

14 HEARINGS EXAMINER SPEIDEL: Thank you.
15 The Office of the Consumer Advocate?

16 MR. KREIS: Thank you, Mr. Speidel. I
17 have relatively few questions.

18 I think my questions are mostly for Mr.
19 Littlehale, and Ms. LaMontagne perhaps. I don't
20 mind hearing from Ms. Botelho or Mr. Davis, fan
21 that I am of both of them. But I just think
22 that's kind of where my questions will land.

23 BY MR. KREIS:

24 Q I wondered, Mr. Young asked a few questions about

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 the switch from NYMEX prices to OTC prices. And
2 I guess I wanted to follow up on that a little
3 bit, and ask Mr. Littlehale if he knows why NYMEX
4 stopped reporting electric power prices, since
5 it's still calculating other price forecasts?

6 A (Littlehale) I do not.

7 Q And you mentioned that you chose OTC because
8 Eversource has an existing subscription to OTC's
9 information. Did you consider looking at other
10 sources of price forecasts?

11 A (Littlehale) We did evaluate a couple different
12 sources. But we felt OTC, they provide an update
13 every day, and then once a month they provide a
14 long-term forecast. So, we felt the OTC, you
15 know, we compared and contrasted, using some
16 backcasting against NYMEX, and it was fairly
17 tightly aligned. So, we thought OTC was a
18 reasonable replacement for the NYMEX, in the
19 absence of -- or, in respect for the NYMEX
20 decision to discontinue the power forwards.

21 Q So, in other words, if I understood your last
22 answer correctly, because you mentioned
23 "backcasting", so I think that means that you
24 basically compared what OTC has been putting out

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 with what NYMEX had been putting out, and you
2 found them to be similar?

3 A (Littlehale) That's right.

4 Q Thank you. You mentioned that there were several
5 bidders in the solicitation that's before the
6 Commission today. How many bidders were there?

7 A (Littlehale) Now, I go back and forth on this a
8 little bit, Attorney Kreis, but my understanding
9 is we've decided -- or, we've historically kept
10 that specific number confidential.

11 Q Okay. Then, you don't need to answer, because,
12 obviously, the exhibits reveal how many bidders
13 there were.

14 But, so, let me ask you this question
15 about the bidders. It seems to me, because I've
16 been doing this for a few years, that over time
17 the number of bidders has grown smaller. Is that
18 a fair statement?

19 A (Littlehale) I don't have the specific data in
20 front of me. But I would say we have a -- the
21 solicitations tend to attract a core number of
22 bidders, not only in New Hampshire, but in the
23 Massachusetts and Connecticut solicitations that
24 we hold as well.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Q Looking at your prefiled testimony, and what I'm
2 looking at specifically is Bates Page 011 of
3 Exhibit 7, you talked about -- well, you said
4 "the results for the Small Customer Group
5 tranche", which is the tranche we care about at
6 the OCA, "satisfied all the main criteria: There
7 were several bidders," and the Commission can
8 look at how many bidders there were, "a good
9 number of bids", because the number of bids
10 exceeds the number of bidders, because bidders
11 send in multiple bids because given the way the
12 tranches are divided up, "and the bid prices were
13 clustered quite closely together. This
14 combination", you said, "gives the Company a high
15 degree of confidence in recommending these bids
16 as just and reasonable."

17 And I apologize for picking that
18 language apart, but what you didn't say there is
19 that you thought that it was "competitive". Was
20 the bidding competitive?

21 A (Littlehale) Yes. And the way that we answer
22 that "competitive" question is the three-pronged
23 evaluation approach that we use: The number of
24 bidders, the number of bids, the clustered

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 pricing, and the comparison against our proxy
2 price.

3 Q One of the successful bidders is NextEra,
4 correct?

5 A (Littlehale) Yes.

6 Q Are you familiar with the fact that Avangrid has
7 filed a lawsuit against NextEra, accusing NextEra
8 of engaging in violations of antitrust law,
9 relative to the way it has conducted itself as a
10 participant in the regional wholesale market
11 administered by ISO-New England?

12 A (Littlehale) Yes, I am aware of that lawsuit.

13 Q Have you read the complaint?

14 A (Littlehale) I have not read the complaint in
15 detail. But it's my understanding it's related
16 to the proposed transmission line that Avangrid
17 is building in the New England Clean Energy
18 Connect line.

19 Q Without going too far down this particular rabbit
20 hole, I'm just curious to know whether you think
21 that the filing of that -- does that lawsuit give
22 you any pause relative to the competitiveness of
23 the wholesale electricity market in New England?

24 A (Littlehale) I don't think it's my role to weigh

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 in on that lawsuit.

2 Q Okay. But your attorney hasn't objected to my
3 question, and it isn't your job to decide whether
4 you like my questions or not. So, please answer
5 the question.

6 HEARINGS EXAMINER SPEIDEL: Attorney
7 Kreis, I think that the witness gave a direct
8 answer. Perhaps, if you could reframe the
9 question or rephrase it?

10 MR. KREIS: I'll just move on to
11 something else.

12 WITNESS BOTELHO: Could I confer with
13 Mr. Littlehale for a moment?

14 *[Witness Botelho and Witness Littlehale*
15 *conferring.]*

16 MR. KREIS: You're done conferring?

17 WITNESS BOTELHO: Yes.

18 WITNESS LITTLEHALE: Yes.

19 WITNESS BOTELHO: Yes.

20 MR. KREIS: Okay. I'm just going to
21 move on to my next question.

22 BY MR. KREIS:

23 Q Really, everything I'm interested in seems to be
24 right on Bates Page 011 of Exhibit 7. On the top

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 half of that page, you mention, or testify, that
2 here you have complied with a directive you
3 received from the Commission back in June in
4 Order Number 27,022, to calculate proxy prices by
5 relying on "an average of (a) the four-year
6 rolling weighted average of ISO-New England
7 market prices in the New Hampshire load zone, and
8 (b) the NYMEX futures prices", and, of course,
9 you've already explained why you aren't relying
10 on NYMEX anymore. I want to focus on that
11 "four-year rolling weighted average of ISO-New
12 England market prices".

13 Can you just quickly take me through
14 how you calculate that four-year rolling weighted
15 average? And what I'm particularly interested in
16 is how the average is weighted?

17 A (Littlehale) So, this is an "order", in quotes,
18 from the New Hampshire PUC, instructing the
19 Company on how to calculate the self-supply proxy
20 price. So, when we -- I pull historical New
21 Hampshire power prices. So, for example, we are
22 procuring for February 2025, so we would have
23 pulled February '24, February '23, February '22,
24 and February '21. And, then, we average those

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 four monthly Februaries, if you will, with the
2 February 2025 price from the OTC forwards data.
3 And, then, those six monthly averages are
4 weighted using the load forecast that we supplied
5 in the testimony, in order to generate a
6 load-weighted specific energy component of the
7 proxy price.

8 Q I understand that you've done that to comply with
9 a Commission directive that was issued in June.
10 Is this the way you would do it absent such a
11 directive?

12 A (Littlehale) When we have historically calculated
13 our proxy price, we have utilized forward prices,
14 and not averaged that with historical prices. We
15 are being responsive to a order from the
16 Commission.

17 Q All right. I'm still confused. I'm trying to
18 figure out where you get the four-year rolling
19 weighted average of ISO-New England market prices
20 from?

21 A (Littlehale) ISO-New England publishes historical
22 prices.

23 Q Are you talking about this document called or
24 this thing called the "ISO-New England Wholesale

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Load Cost Component Reports", is that --

2 A (Littlehale) That is a document. That is not --
3 well, let me say that there is an energy piece,
4 there is energy in that Wholesale Load Cost
5 Component document.

6 Q But what I'm really trying to figure out is
7 whether that is what you are relying upon?

8 A (Littlehale) I believe we pulled it using a
9 different method, but those numbers should be
10 equivalent. Subject to, you know,
11 reconciliations and adjustments that ISO-New
12 England publishes. But we're sourcing the
13 historical information to data that ISO-New
14 England publishes.

15 Q Are you aware of the fact that, when ISO-New
16 England publishes its Wholesale Load Cost
17 Component Report, what it's really doing is
18 estimating prices for a hypothetical large
19 wholesale customer, using a thousand kilowatts of
20 energy in every hour of the month, and figuring
21 out what that customer would pay in the real-time
22 market?

23 A (Littlehale) I don't know the specifics in the
24 report, but I'll take your word for it.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Q So, what I'm getting at, though, is, I'm trying
2 to think about whether an estimate, that's based
3 on that kind of customer consuming electricity in
4 that fashion, is truly reflective of what a
5 typical residential customer would -- what a
6 typical residential customer would consume?

7 A (Littlehale) I don't know the answer to that. We
8 are following an order from the Commission,
9 pulling historical power prices that are
10 published from ISO-New England.

11 MR. KREIS: Understood. Those are all
12 my questions.

13 HEARINGS EXAMINER SPEIDEL: Thank you,
14 Attorney Kreis.

15 I will address this to the panel, and I
16 invite anyone on the panel to respond to this
17 first question.

18 BY HEARINGS EXAMINER SPEIDEL:

19 Q I am referring to the issue of "community
20 aggregation migration". And I understand that,
21 when the Company has its Migration Report, that
22 it blends migrated load to competitive suppliers
23 and to community aggregators together. Is that
24 still correct? Or, is there -- are there two

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 separate categories for that migration that's
2 tracked?

3 A (LaMontagne) No. The competitive suppliers
4 includes community aggregation and competitive
5 suppliers.

6 Q Thank you. So, in light of that, obviously,
7 community aggregation is ongoing around the
8 state. The Company's service territory is the
9 broadest geographically. So, it serves all
10 regions of the state. There does seem to be a
11 little bit of a time lag from the approval of a
12 community aggregation plan in a given town, and
13 I'm relying on firsthand experience, for example,
14 in the Town of Windham. There was an approval of
15 a community aggregation plan, and, to my
16 knowledge, it hasn't been integrated so that the
17 load has shifted to the community aggregator yet.

18 Does the Company have a sense of the
19 percentage of load that will be migrated away
20 from default service, again, blended with
21 competitive suppliers and community aggregators,
22 by mid-year, say the end of July of next year,
23 2025?

24 A (LaMontagne) No, not really. We don't -- we know

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 who's been approved with a plan. We're not sure
2 when the enrollments are going to start. There's
3 setup prep. We get an idea of, when the
4 documentation comes through for them to start
5 testing, and then we have an idea of when the
6 enrollments are going to begin, say, at the first
7 of the month, and the actual enrollment occurs on
8 the next meter read.

9 So, who will have migrated by the next
10 procurement, within June, we don't know.

11 Q So, there does seem to be a time lag, and you all
12 don't necessarily receive a work plan from the
13 community aggregators? I understand that there's
14 two major groups in the community aggregation
15 space. They don't supply a work plan to the
16 Company saying "We intend to migrate this town in
17 such and such month, and that town in such and
18 such month." Is that -- that's where you're
19 telling me they give you one month's notice?

20 A (LaMontagne) No. It will be a couple of months'
21 notice, because documentation has to be received
22 to notify the Company that the aggregation is
23 going to start to be set up. All the paperwork
24 has to be completed, then there's testing that

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 has to be done, and then the enrollments can
2 begin.

3 Like, for instance, I know of two
4 communities that will be starting to enroll on
5 March 1st. I think this is December, so that's a
6 good timeframe. One of those communities has an
7 approved plan in September of 2024. The other
8 one had a community-approved plan in September of
9 2023.

10 So, we don't have an idea of when the
11 town's going to go. Some of the towns are within
12 a county-approved aggregation, and they can
13 either go on their town approval, or they can go
14 within the county.

15 Q Like Merrimack County?

16 A (LaMontagne) Exactly.

17 Q And you serve the outer -- the rural areas in,
18 say, western Merrimack County, a lot of those
19 towns are served by Eversource, I understand.

20 A (LaMontagne) I believe so.

21 Q As opposed to the City of Concord, which is
22 Unitil.

23 A (LaMontagne) Right.

24 Q So, there isn't necessarily a rhyme or reason

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 between the timing of an aggregation approval for
2 a given town or city, and its actual load
3 migration. Is that fair to say?

4 A (LaMontagne) It's fair to say.

5 Q So, in light of this, the Company, and I'm going
6 to make references to the confidential Exhibit 7,
7 but not reference confidential information. And
8 I'm sure the pages are congruent. So, on Bates
9 Page 012, you have, at the top of Bates Page 012,
10 in your joint testimony with Mr. Littlehale, you
11 have, at Line 10, "Eversource is unable to
12 determine if suppliers adjusted their bid prices
13 for the next service period to account for past
14 or future load migration to community power
15 aggregators."

16 So, the Company doesn't have a sense,
17 in terms of its own market intelligence, as to
18 whether there really is pressure on interest or
19 participation by the third-party suppliers in
20 these solicitations at this time, is that
21 correct?

22 A (LaMontagne) We get questions about community
23 aggregation, and we get requests for more
24 detailed information, if we can provide it. They

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 have the historical load data out on our website,
2 which, since it started in May of 2023, it's
3 showing a decrease in our loads. So, they're
4 aware, and they can see the progressiveness of
5 it. But they would like more details from us,
6 which we just can't provide.

7 Q Because of the timing issue, in terms of the
8 uncertainty surrounding when large chunks will
9 migrate?

10 A (LaMontagne) Yes.

11 Q Does the Company know if the City of Manchester
12 has progressed in any direction on community
13 aggregation?

14 A (LaMontagne) No. There has not been any
15 information on when they might move forward.

16 Q But Nashua has, I believe, correct?

17 A (LaMontagne) I can check.

18 A (Littlehale) And while Ms. LaMontagne looks that
19 up, just one point from me.

20 So, the load forecast that we're
21 showing in this filing is not made public until
22 the filing. We don't put that out on the
23 website, for example, for suppliers. You know,
24 that's part of what the supplier's role in energy

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 service is, to utilize the historical load
2 information that we make public, to utilize the
3 information available in the public arena on
4 future load migration. And that's essentially
5 the supplier's role, and one of the reasons that
6 they're compensated to take on the risk of the
7 load risk and the price risk, from our
8 perspective.

9 Q To expand on that, has the Company received any
10 market intelligence from the supplier community,
11 saying "Well, if community aggregation or
12 migration at large", including the competitive
13 supply piece, which around the state seems to be
14 roughly about 25 percent, but community
15 aggregation is taking a bigger and bigger and
16 bigger slice, have they expressed a statement to
17 the effect of "If community aggregation and total
18 migration reaches 60 percent or 70 percent, then
19 that's when we're bailing out of this whole
20 structure"?

21 A (Littlehale) Nothing on a concrete basis.

22 Q All right. I'll let Ms. LaMontagne continue to
23 look at Nashua. Have you got an answer to that?

24 A (LaMontagne) Yes. Nashua is within the community

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 aggregation. And they have been enrolling for a
2 little while.

3 Q So, they do it on a rolling basis around the
4 City?

5 A (LaMontagne) Yes.

6 Q Okay. Thank you. So, I will shift gears a
7 little bit.

8 And, if I could make reference, let's
9 see here, so, this is the Botelho and Davis
10 testimony, Bates Page 047. And these are the
11 presented "Large Customer Energy Service Rates
12 (dollars per kilowatt-hour)". And, so, we can
13 see a direct comparison, at the top of that page,
14 between the Winter of 2024, the approved rates,
15 and the proposed rates for this upcoming period,
16 which rely on 100 percent self-supply. There
17 definitely appears to be a substantial reduction
18 in the rates for each monthly period. In
19 particular, the February rates are a decline of
20 more than 8 cents, and, even in the shoulder
21 season, there's a significant reduction of
22 roughly 30 percent, 50 percent.

23 And I also turn to the confidential
24 schedule on Bates Page 027, and that presents all

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 of the findings of the Company related to their
2 RFP results, but also their self-supply slices.

3 So, I'll start with the Large Customer
4 piece, and I won't reference the specific
5 numbers, but, at the bottom of Bates Page 027,
6 there's a series of dollars per megawatt-hour
7 prices. And, to my view, they look quite
8 attractive, and, furthermore, they appear to be
9 relatively congruent to the proxy prices that the
10 Company developed on its own, and also through
11 the Commission methodology that had been
12 prescribed.

13 Can you expand on what you believe the
14 findings resulting from this forward price strip
15 for the Large Customer Group can inform the
16 Commission?

17 A (Littlehale) Yes. So, the way that the -- both
18 the Large and Small self-supply proxy was
19 calculated, which we capture, in addition to what
20 you see on Bates Page 027, we have more detail on
21 Bates Page 029 and 031. And maybe we can use
22 Bates Page 029 -- sorry, we can use either one,
23 but Bates Page 031 is the Large Customer, since
24 we're talking about Large Customers.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Q Yes.

2 A (Littlehale) And, you know, what you can see, and
3 I can reference -- I can reference numbers,
4 because most of the majority of this is public
5 information. So, when we load weight the OTC
6 prices for the February '25 through July '25
7 timeframe, that's \$55.89. When we use -- utilize
8 the four-year weighted average prices
9 historically, that's \$46.70. So, then, we
10 averaged the 55.89 with the 46.70, and the base
11 energy price is the 51.30 that we're -- that
12 serves as the foundation of the self-supply proxy
13 rate.

14 Q So, when we return to the focus on the Small
15 Customers, there's the middle table, on Bates
16 Page 027, that references the winning Small
17 Customer offers. And, except for the shoulder
18 seasons, where the differential seems to compress
19 a little bit, there's a pretty big differential
20 between the self-supply tranche price, most
21 especially in the wintertime, and to a certain
22 extent also in the peak summer month of July, and
23 those offering prices.

24 So that can you elaborate on the

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 potential that an observer might say "Hmm, the
2 greater the self-supply tranche, is there a
3 greater potential for the blended rate to be
4 lower in such conditions?"

5 A (Littlehale) Well, that's right. And, you know,
6 what the primary difference between the accepted
7 bid prices from the suppliers and the self-supply
8 proxy price that we're calculating, number one,
9 we're mixing in an historical price, which we
10 just talked through the last exhibit, that brings
11 down the energy component of the base proxy
12 price. And, then, what's not in the self-supply
13 proxy price is the supplier risk premium and
14 profit.

15 Now, the self-supply proxy price, both
16 on the Small side and the Large side, is our best
17 estimate of where -- where prices are going to
18 come in at between February 1, 2025, and July
19 2025, using the methodology prescribed by the
20 PUC. And, as we've talked about in past
21 hearings, the self-supply proxy price, unless we
22 are particularly good at forecasting, is going to
23 be wrong. Now, it's either going to come --
24 market prices are either going to come in lower

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 than our self-supply proxy price, which, if they
2 do, we will have an over-collection, which will
3 be returned to customers in a subsequent rate
4 period, or the underlying wholesale load costs
5 are going to come in higher than our self-supply
6 proxy price, which means there will be a
7 subsequent need to collect from customers in a
8 subsequent rate period.

9 So, while you're right to compare the
10 proxy price versus the supplier prices provide,
11 what is important to highlight is the supplier
12 prices are fixed, and the risk of any over or
13 under -- or, over -- costs coming in higher or
14 lower is absorbed, absorbed by the suppliers.

15 What's different in this solicitation
16 is any risk of costs coming in higher and lower
17 than the self-supply proxy is absorbed by
18 customers. And that is, you know, the main
19 difference, when it comes to self-supply, is
20 these costs will not be known until the
21 conclusion of the rate period. And that is why
22 the Company has, in multiple occasions, stressed
23 the importance of going slowly, and allowing
24 additional data points to accumulate, before we

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 increase the self-supply percentage any further.

2 Q So, thank you, Mr. Littlehale. That's a good
3 segue to my next line of questioning.

4 And, I think, in particular, I took
5 note of the Botelho/Davis testimony, at Bates
6 Page 049, and there's a little bit of a
7 discussion and pulling in of the proposed
8 treatment, and I would stress it's the proposed
9 treatment by the Company of the now \$6.9 million
10 under-collection that's been deferred, resulting
11 from the Large Customer Group Energy Service
12 Reconciliation.

13 And, in relation to that, the Company
14 notes that, as it does in the SCRC filing, which
15 is in DE 24-112, and I'm quoting the testimony in
16 this docket, that the Company only proposes to
17 have collection during the upcoming SCRC period
18 of that balance, but it does eventually intend to
19 have both Small Customer Group associated
20 balances, which includes residential customers,
21 and Large Customer Group customers, which
22 includes commercial customers, those
23 under-collections or over-collections sent into
24 the SCRC for either refund or recovery from all

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 distribution customers as of 2026.

2 So, that's a mouthful. I'm just
3 setting the table for my line of questioning.

4 So, does the Company have familiarity
5 with the Unitil order that was issued by the
6 Commission on 12th of December?

7 A (Littlehale) Yes.

8 Q You do. Would you be able to address how the
9 balance for the Small Customer Group and the
10 Medium Customer Group was treated in the Unitil
11 case, and how that might not be workable for the
12 Company in this case and at the present time?

13 A (Littlehale) So, my understanding of the Unitil
14 order is there's a similar under-collection for
15 Large Customers, for Unitil's Large Customers,
16 and the order directs Unitil to do something
17 similar to what is being proposed by Eversource.

18 Q And, in the Unitil context, subject to check, it
19 would be for both Small and Large balances being
20 deferred. Of course, the size of the balance is
21 significantly smaller than the Eversource Large
22 Customer Group balance.

23 But the Company -- I'm offering the
24 Company an opportunity to elaborate, because I

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 think the Commission would want to know, is there
2 any impediment to the streaming of a Small
3 Customer balance into the deferral account now,
4 at the present time? Because I will give a
5 reference, referring to, let's see, just one
6 moment please. I'm referring to Bates Page 057.
7 And, so, there is a forecast provided of monthly
8 over- and under-recoveries for the Small Customer
9 Group, and that's Rates R, G, and OL, at Line 6,
10 the monthly figures are provided, actuals and
11 estimates. It flips from over-recovery mode to
12 under-recovery mode in the wintertime, which I
13 think makes sense related to the loads being
14 serviced in the wintertime, and the prices at
15 hand, and then it goes back into over-recovery
16 mode. And it also presents the reconciliation
17 balance as of July 2024, which is an
18 over-recovery of 4.186 million.

19 So, the Company indicated "We don't
20 have the capability", and this is in the SCRC
21 filing, and it was reiterated in this filing, the
22 Company said "We don't have the capability to
23 tote up whatever over-/under-recovery balance for
24 Small Customers we have at this time." So, could

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 you elaborate on why that is so?

2 A (Botelho) So, I can give an answer here. The
3 schedule you're looking at only reflects, one,
4 two, three, four, four months of actuals, and the
5 remainder of the period is estimates. I do
6 believe, for the Small Group, that the
7 reconciliation of the Small Group began on
8 August 1st, 2024. So, any over- and
9 under-recovery at that time is reflected in
10 rates. We didn't propose at that time to take
11 any over-/under-recovery, in this case it's
12 showing an over-recovery, and have a similar
13 proposal to what we have here for the Large
14 Customer Group.

15 I do see, to your point, I do see, in
16 the future, and potentially even as soon as the
17 August filing, that we would be proposing to
18 reconcile both the Large and Small Customer
19 Groups, whatever the over- and under-recoveries
20 are at that time, for collection through the SCRC
21 from all distribution customers through a
22 non-bypassable charge.

23 But I do believe, for the Small
24 Customer Group, that that rate went into effect

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 and that reconciliation began on August 1st,
2 2024. You're asking "if there's any impediment
3 to revising the Small Customer Group
4 Reconciliation at this point?" I don't see any
5 impediment. But there's no -- we didn't defer at
6 that time, and when I say "at that time", I mean
7 that in the June timeframe, in this part of the
8 August 1st rates, we didn't defer the Small
9 Customer Group Reconciliation at that time. So,
10 -- or, over-/under-recovery at that time.

11 So, I'm -- we could take it back. I do
12 think like the more appropriate place for that
13 reconciliation would be in the upcoming June rate
14 filing timeframe.

15 Q So, just to reiterate or synthesize what I'm
16 hearing from Mr. Littlehale and Ms. Botelho, the
17 Company says "There was an over-collection that
18 we've already integrated into the Small Customer
19 Group rates as a refund to customers already.
20 So, that is why the Company is not really engaged
21 in a 2025 deferral proposal or anything like that
22 through the SCRC. But that the Company will
23 propose that going forward these balances would
24 stream into the SCRC starting in '26 for both

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 categories of customers."

2 Did I get that right as a synthesis of
3 what you were telling us?

4 A (Botelho) Yes. Yes, that's fair.

5 Q Okay. That's very helpful. Thank you very
6 much.

7 Also, in light of Mr. Littlehale's
8 statement that he had knowledge of the Unitil
9 order, Mr. Littlehale, did you see the term of
10 the Commission order asking that Unitil file a
11 proposal for an increase of the self-supply
12 tranche to at least 50 percent of load?

13 A (Littlehale) Yes, I did.

14 Q Do you have any commentary that you'd like to
15 offer the Commission on that?

16 A (Littlehale) Our position -- excuse me. Our
17 position remains consistent. This self-supply or
18 market -- direct market-based transactions, our
19 perspective remains the same. We recommend going
20 slowly, letting additional data points to
21 accumulate. Right now, we are not even through
22 the first rate period at 12 and a half percent
23 self-supply. So, we definitively can't answer
24 the question "Did self-supplying 12 and a half

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 percent benefit customers during the first rate
2 period, or not?"

3 And, now, we are, as of February 1st,
4 going to 30 percent, per order from the
5 Commission. Obviously, we can't answer that
6 question "Will 30 percent self-supply benefit
7 customers or hurt customers?"

8 And, therefore, you know, this question
9 around the reconciliation, for both Small and
10 Large, it's critical to answer, before we take
11 any more steps down the self-supply path, from
12 our perspective. Because, as the percentage of
13 self-supply increases, the reconciliation
14 quantities are going to be larger, either
15 positive or negative.

16 And these reconciliations are cents per
17 kilowatt-hour, and, as the dollar value
18 increases, it's important to understand the
19 denominator, the kilowatt-hours. And, if the
20 energy service load is decreasing due to
21 migration, then those reconciliation factors are
22 going to be larger, one way or another. And, if
23 we move the reconciliations for both the Small
24 and the Large to the SCRC, the denominator will

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 be larger, and, therefore, those reconciliation
2 factors will be mitigated across a larger set of
3 customers. And to the benefit, if self-supply
4 works, and we are able to save money for
5 customers, then those benefits are going to go to
6 all customers, regardless of who they choose for
7 their supplier.

8 HEARINGS EXAMINER SPEIDEL: Thank you.
9 Just one moment please.

10 *[Short pause.]*

11 BY HEARINGS EXAMINER SPEIDEL:

12 Q Just for my own confirmation, traditionally, as
13 part of the winter phase of the EDC's supply
14 adjustments to the working capital percentages
15 and calculations related to the lead/lag study,
16 has Eversource done that as part of this filing?

17 A (Botelho) We did reflect the lead/lag study as
18 proposed in the Company's most recent rate
19 proceeding, in Docket DE Number 24-070. So, the
20 cash working capital adjustment does reflect the
21 results of the lead/lag study that was reflected
22 in temporary rates on August 1st, 2024.

23 Q And, Ms. Botelho, would you characterize the
24 impact on working capital associated with the

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 Company's projected needs for this 30 percent
2 self-supply tranche as modest or moderate or
3 high? How would the Company characterize these
4 adjustments that are made as part of this filing?

5 A (Botelho) I haven't done that comparison. I
6 would need to go back for that.

7 HEARINGS EXAMINER SPEIDEL: That's all
8 right.

9 I would say that I have no further
10 questions at this time. I invite the Company to
11 engage in redirect of the witnesses.

12 MR. WIESNER: Mr. Hearings Examiner. I
13 wonder if we might have a brief recess, five
14 minutes or so? So, I could confer with the
15 witnesses, and just to make sure that there are
16 or are not issues that he would want to address
17 through redirect.

18 HEARINGS EXAMINER SPEIDEL: That would
19 fine. We can actually reconvene at 10:20, if
20 that's works for everyone?

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

23 HEARINGS EXAMINER SPEIDEL: Off the
24 record. Thank you.

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 *(Recess taken at 10:11 a.m., and the*
2 *hearing reconvened at 10:20 a.m.)*

3 HEARINGS EXAMINER SPEIDEL: All right.
4 We are back on the record. And all of the
5 witnesses on the panel remain sworn.

6 Attorney Wiesner, can you proceed with
7 redirect of the witnesses?

8 MR. WIESNER: Yes, Mr. Hearings
9 Examiner. Just a few clarifying questions for
10 Ms. Botelho, regarding the Q&A that we had
11 earlier about the lead/lag study.

12 **REDIRECT EXAMINATION**

13 BY MR. WIESNER:

14 Q And I'll ask, Ms. Botelho, is it the case that
15 there is a separate lead/lag study done
16 specifically for Energy Service?

17 A (Botelho) Yes, I was mistaken. There is a
18 separate lead/lag study that's performed each
19 June for the August 1st filing, and that lead/lag
20 study is based upon the actual results for the
21 prior calendar year. So, any impacts of this
22 procurement would be reflected in -- it would
23 only be for a partial of the year, actually, so,
24 for -- this is 2025, we wouldn't have the impacts

[WITNESS PANEL: Littlehale|LaMontagne|Botelho|Davis]

1 reflected in the lead/lag study until the
2 following calendar year.

3 So, we have -- in June, we'd be
4 updating the lead/lag specific to Energy Service
5 for the prior calendar year, for 2024.

6 HEARINGS EXAMINER SPEIDEL: Thank you
7 for that clarification.

8 BY MR. WIESNER:

9 Q And, in fact, the 2024 lead/lag will, of course,
10 incorporate the limited tranche of self-supply
11 for 12 and a half percent of the Small Customer
12 load that began August 1st?

13 A (Botelho) That's right. So, it was the prior --
14 the prior procurement to this proceeding.

15 Q Right. So, not -- so, there was only self-supply
16 for a portion of 2024, can't yet refer to it as
17 "last year", but it will be in January, and that
18 only for the 12 and a half percent Small Customer
19 tranche?

20 A (Botelho) That's correct.

21 Q So, it would not reflect the 30 percent tranche
22 for Small Customers or the 100 percent for Large,
23 that will only be in effect beginning in February
24 2025?

1 A (Botelho) That's correct.

2 MR. WIESNER: I think that's all I
3 have, Mr. Hearings Examiner. Thank you.

4 HEARINGS EXAMINER SPEIDEL: Thank you,
5 Attorney Wiesner.

6 Having heard no objections to the
7 proposed Exhibits 6 through 8, I will now strike
8 identifications on those exhibits and enter them
9 into evidence.

10 The witnesses are excused. Thank you
11 for your testimony today.

12 I would like to ask if there are any
13 other preliminary matters, before we proceed with
14 closing statements?

15 *[No verbal response.]*

16 HEARINGS EXAMINER SPEIDEL: All right.
17 I'd like to invite the Department of Energy to
18 make the first closing statement today.

19 MR. YOUNG: Thank you, Mr. Hearings
20 Examiner.

21 First, just want to address the issue
22 of under-recovery that was discussed here today.
23 The DOE's line of questioning in its
24 cross-examination was in response to the

1 testimony filed prior to this proceeding today,
2 as well as the previously filed testimony in this
3 docket of Chen and Anderson, at Bates Page 055.

4 Otherwise, the DOE was not prepared to
5 address that issue today. And we do believe that
6 those costs should be part of a separate hearing,
7 where other interested stakeholders have an
8 opportunity to weigh in and participate.

9 Regarding the Petition before us today,
10 the Department wants to express our appreciation
11 to the Company and the OCA for their willingness
12 to participate in a technical session yesterday.

13 The Department has reviewed
14 Eversource's filing, and we do believe the
15 Company conducted the wholesale power supply
16 solicitation, and selected the winning bids, in
17 compliance with historical precedent and recent
18 Commission orders.

19 The Department also believes the
20 Company's calculation of rates, including the
21 inclusion of ISO-New England prices, appear to be
22 sound. As a result, we believe the resulting
23 rates are just and reasonable. And I would also
24 note that the Department is encouraged by the

1 pricing forecasts included in the filing, and we
2 do look forward to monitoring the situation over
3 the coming period.

4 As such, we urge the Commission to make
5 the findings requested by the Company, for rates
6 effect on February 1st.

7 HEARINGS EXAMINER SPEIDEL: Thank you.
8 The Office of the Consumer Advocate.

9 MR. KREIS: Thank you.

10 Like Mr. Young, I would like to start
11 with some thank yous. We, as Mr. Young
12 suggested, participated in technical sessions.
13 And, in particular, I really commend the team
14 from Eversource for making itself available for a
15 robust and cordial dialogue about the issues that
16 are implicated by Default Energy Service. I find
17 this particular team to be friendly and
18 cooperative. They are generous with their
19 insights. And I really appreciate that, because
20 they're in the business, and we're not. And
21 we're always struggling to basically learn what
22 they already know, and they are very good and
23 effective teachers. And the Department is
24 likewise very helpful to the OCA, and including

1 us in the discussions that it has. And
2 Mr. Eckberg has been doing this since I was in
3 middle school, and he's a very helpful
4 influence --

5 *[Laughter.]*

6 MR. KREIS: -- on this wholesale market
7 process. So, I just wanted to say "thank you."

8 Similar to the remarks that Mr. Young
9 made, but, in keeping with OCA's historical
10 willingness to identify all of the relevant
11 elephants in the room, the OCA is actually quite
12 troubled with the direction in which all of this
13 is moving. And I'm not really singling
14 Eversource out here, because, as everybody knows,
15 really, that all three of our investor-owned
16 electric distribution companies are moving in
17 precisely the same direction, at the direction of
18 the Commission.

19 And what I see happening here, and
20 there's nothing sinister or backroom about it,
21 because it unfolds here in public, in this
22 hearing room, the utilities and the Commission
23 are sort of slowly moving collectively toward a
24 model that the OCA finds quite troubling, which

1 is an extremely high reliance on the spot market,
2 or what is commonly referred to as "self-supply",
3 to serve the default energy service load, under a
4 scenario in which under-recoveries, in
5 particular, will be socialized across all
6 customers. What this will, I fear, have the
7 effect of is basically undermining the ability of
8 other energy providers, meaning competitive
9 suppliers and community power programs, to track
10 and retain their customers.

11 So, if the purpose here is to reassert
12 utility hegemony over retail energy supply,
13 especially for the Small Customer class, this
14 whole drift is very consistent with that
15 objective. I don't think that's what the
16 Legislature intends to see happen by the
17 Restructuring Act. And I don't think that's good
18 for residential utility customers.

19 And, so, I just want to note for the
20 record our objection to that general drift, or
21 that general approach to default energy service.
22 This is not the docket for resolving those
23 questions. We will participate vigorously,
24 actively, and fully in those dockets where these

1 questions really and truly are germane.

2 Subject to all of that, I think that,
3 even though I worry about the robustness of the
4 wholesale market, and the bids that Eversource
5 and the other utilities generate, I am satisfied,
6 or the OCA is satisfied that the results of this
7 particular solicitation are just and reasonable
8 rates. And, so, I do recommend that the
9 Commission approve them on the swift schedule
10 that Attorney Speidel laid out at the beginning
11 of today's hearing.

12 Thank you.

13 HEARINGS EXAMINER SPEIDEL: Thank you.
14 Attorney Wiesner, on behalf of the Company.

15 MR. WIESNER: Thank you.

16 I also want to express our appreciation
17 for the willingness of the Department and the
18 Consumer Advocate participating in the technical
19 session we had yesterday afternoon. I believe it
20 is always helpful to surface questions and
21 discuss issues in advance of the hearing, so
22 there's a greater understanding, points can be
23 clarified, and any policy-type issues can be at
24 least, you know, previewed before we get into the

1 room here.

2 I will -- I think I will note, in
3 response to the Consumer Advocate's statement,
4 that, in terms of "utility hegemin" -- "hegemin"
5 -- oh, boy -- "hegemony", there, I got it --
6 over default service, previous testimony in this
7 docket, although you didn't hear it today, made
8 clear that the utilities, and Eversource, in
9 particular, have no profit incentive related to
10 the provision of energy service or the
11 procurement of supply. It is a pure passthrough.
12 And I think Mr. Littlehale referred to that, when
13 he indicated that there was no risk premium built
14 into the self-supply proxy price. So, I just
15 wanted to get that out there.

16 You know, more specifically to our
17 filing, the rates that we've proposed for the
18 Commission approval represent the results of a
19 fair and successful competitive solicitation for
20 70 percent of the Small Customer Group load. The
21 wholesale supplier bids accepted by the Company
22 to serve that load, and the RFP itself, conform
23 with the Restructuring Act, the Settlement
24 Agreement in Docket 17-113, which established

1 Eversource's current Default Service supply
2 procurement process, and the order that approved
3 that settlement.

4 As noted by Company witnesses, only 70
5 percent of the Small Customer Group load was
6 procured through that longstanding process.
7 Consistent with the prior orders in this docket,
8 which approved the self-supply of 30 percent of
9 the Small Customer Group load, and all of the
10 Large Customer Group load, through direct
11 participation in the ISO-New England wholesale
12 spot markets.

13 The separate proxy prices were
14 developed for the self-supply portions of Small
15 Customer and the Large Customer load, for use in
16 setting these rates for effect on February 1st,
17 consistent with the methodology specified in the
18 Commission's recent directives.

19 And it's important to note that the
20 accepted bids, and all bids received in response
21 to the RFP, reflect current market conditions.
22 The proposed Energy Service rates for the
23 six-month period beginning in February were
24 derived from the selected bids, and the

1 calculated self-supply proxy prices, and were
2 appropriately determined, taking into account
3 actual and anticipated RPS compliance costs, and
4 the prior period reconciliations previously
5 approved for recovery through the Energy Service
6 rates, consistent with the Commission directives,
7 practices, and requirements.

8 So, in summary, the Energy Service
9 rates proposed by the Company will result in just
10 and reasonable rates for Eversource's Default
11 Service customers, and the resulting rates should
12 be approved by the Commission.

13 Accordingly, the Company respectfully
14 requests that the Commission approve both the
15 Small Customer rate, and the Large Customer
16 rates, including the proxy prices used for the
17 supply -- the self-supply tranches.

18 And, as you noted at the outset,
19 Mr. Hearings Examiner, in view of the compressed
20 timeframe that applies to these types of
21 proceedings, we ask that the Commission approve
22 the Company's proposal by the date specified,
23 which is December 19th.

24 Thank you.

1 HEARINGS EXAMINER SPEIDEL: Thank you.

2 In light of this, I'd like to just
3 offer to the parties, it's a little bit of
4 insight into how my Examiner's Report will look,
5 and it has to be filed tomorrow to the
6 Commission.

7 My own style, in preparing these
8 documents, is to have cross-references to the
9 Company's Petition, and, when applicable, other
10 testimony as appropriate. So, this will not be a
11 reiteration of all the technical details of the
12 Company's Petition. It's meant to be an
13 overview, with a list of cross-references that
14 the Commission can access, and an overview
15 summary of the different positions of the
16 parties. So, it will be a relatively succinct
17 document, giving the need for the Commission to
18 render a timely decision.

19 But I do appreciate your participation
20 in this process today. And the parties can
21 expect a decisional order to be rendered by the
22 Commission at the requested deadline of the
23 Company of December the 19th, after the filing of
24 my report tomorrow.

1 And, if there are no other issues, I
2 would like to adjourn today's hearing. Thank you
3 very much.

4 ***(Whereupon the hearing was adjourned at***
5 ***10:33 a.m.)***

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