

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

February 20, 2025 -- 9:05 a.m.

21 South Fruit Street
Suite 10
Concord, NH

RE: **DE 24-070**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY:** Request for Change in
Distribution Rates (*Pre-Hearing Conference/Tech
Session - Day 2*)

PRESENT: Chairman Daniel C. Goldner, *Presiding*
Commissioner Mark W. Dell'Orfano
Commissioner Pradip K. Chattopadhyay

Alex Speidel, Esq., PUC Legal Advisor
Tracey Russo, Clerk

APPEARANCES: **Reptg. Public Service Company of New Hampshire
d/b/a Eversource Energy:**
Jessica Chiavara, Esq.

Reptg. Rate LG Consumer Consortium:
Benji Borowski, Esq. (*Preti, Flaherty...*)
Eben Perkins

Reptg. New Hampshire Dept. of Energy:
Alexandra K. Ladwig, Esq.
Elizabeth R. Nixon
Jacqueline M. Trottier

Reptg. Residential Ratepayers:
Matthew Fossum, Esq.
Office of Consumer Advocate

Court Reporter: Nwamaka Dawson

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P R O C E E D I N G S

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2 CHAIRMAN GOLDNER: Okay. Good morning. I'm
3 Chairman Dan Goldner, here with Commissioner Pradip
4 Chattopadhyay and Commissioner Mark Dell'Orfano. This is the
5 continued hearing on the Eversource objection and motion to
6 strike the testimony of the Large Customer Consortium, which
7 is a spillover from the February 18th motions hearing.

8 This continued hearing is scheduled pursuant to the
9 Commission's February 18th bench ruling, and the procedural
10 order that followed that same day. The representatives of the
11 Large Customer Consortium have been allowed to participate
12 remotely pursuant to Commission order.

13 We were cut off a little after 12 noon on Tuesday.
14 We'll offer the opportunity for a brief summary, oral argument
15 in condensed form, for the moving party, Eversource. Followed
16 by a brief rebuttal by the Large Customer Consortium, if
17 desired by these two parties. Then we'll move to statements
18 by the other parties that would wish to do so. Then we'll
19 resume with Commissioner questioning, and limited closing
20 statements by the Consortium and Eversource.

21 We'll now take simple appearances by the parties.
22 Please indicate when making your appearance as to whether you
23 have any objection to this planned course of action for
24 today's continued hearing. Beginning with Eversource.

1 MS. CHIAVARA: Good morning, Chairman and
2 Commissioners. Jessica Chiavara, I'm here appearing on behalf
3 of Public Service Company of New Hampshire, doing business as
4 Eversource Energy. I have no objection to the plan outlined
5 for this morning.

6 CHAIRMAN GOLDNER: Thank you. And is the Community
7 Power Coalition of New Hampshire here?

8 *[No verbal response.]*

9 CHAIRMAN GOLDNER: Okay. Not here today.
10 The Rate LG Customer Consortium?

11 MR. BOROWSKI: Good morning. Benjamin Borowski of
12 Preti Flaherty on behalf of the Consortium. And we --

13 CHAIRMAN GOLDNER: And if you could please amplify
14 your voice a little bit, I think both in the hearing room and
15 probably the court reporter are having a hard time hearing
16 you.

17 MR. BOROWSKI: Is this better?

18 CHAIRMAN GOLDNER: Yes, thank you.

19 MR. PERKINS: And I'm Eben Perkins with Competitive
20 Energy Services on behalf of the Large Customer Consortium.
21 We have no objection to the proposed approach.

22 CHAIRMAN GOLDNER: Thank you. The New Hampshire
23 Department of Energy?

24 MS. LADWIG: Alexandra Ladwig on behalf of the

1 Department. No objection to the approach here either.

2 CHAIRMAN GOLDNER: Thank you. And finally, the
3 Office of the Consumer Advocate?

4 MR. FOSSUM: Good morning. Matthew Fossum,
5 assistant consumer advocate here on behalf of residential
6 customers of Eversource. And no objection to the proposed
7 process.

8 CHAIRMAN GOLDNER: Thank you. Okay. Are there any
9 other persons or entities wishing to be acknowledged here
10 today?

11 *[No verbal response.]*

12 CHAIRMAN GOLDNER: Okay. Seeing none, we'll now
13 offer Eversource the opportunity, if you wish, for a condensed
14 oral argument in support of the motion.

15 MS. CHIAVARA: Yes, please. And thank you,
16 Chairman.

17 I wanted to take my time to either refocus or
18 perhaps clarify the issues that was -- that were raised in the
19 Company's objection and motion to strike. It seemed that the
20 conversation shifted a bit in nature towards the end of
21 Tuesday. So I just want to, I guess, backtrack for a moment.
22 So the DOE would ask if this docket would be an appropriate
23 venue to consider LCC's proposal. And I believe Attorney
24 Dexter cited to RSA 378:28; that's the statute that pertains

1 to setting permanent rates in a proceeding. That statute
2 doesn't explicitly prohibit LCC's proposal or transmission
3 rates in general, I guess, from inclusion in this docket. But
4 that statute does seem to implicate distribution rates with
5 its reference to, quote, rate base and discussion of the
6 Commission finding of utility, plant, and equipment prudent,
7 used and useful.

8 This is a standard for cost recovery and
9 distribution rates. Transmission rates do not have utility
10 plant, distribution utility plant. And the TCAM is usually
11 comprised -- is comprised of the transmission charges that are
12 billed from ISO New England. But regardless, I would say even
13 if RSA 378:28 were to permit transmission rates to be
14 considered in a rate case, I don't think it's determinative
15 for the consideration of whether it's appropriate to include
16 LCC's specific proposal in this particular rate case.

17 The Company's position is not that transmission
18 rates cannot be included in a rate case as a matter of
19 principle. We take no position on that right now. We -- it
20 certainly has in the past that has been included. So we have
21 no objection to it on its face. However, at issue here, and I
22 think what must be decided in the Company's motion to strike
23 LCC's testimony is that -- is the issue of PUC 204.14(d) which
24 states, quote, "the Commission shall exclude irrelevant,

1 immaterial, or unduly repetitious evidence either by the
2 Commission's own determination or by an objection made by a
3 party". The Company has made such an objection, and LCC's
4 testimony is irrelevant evidence.

5 I did go back and I looked at order 27,029, which is
6 titled Commencement of Adjudicative Proceeding and Notice of
7 Pre-Hearing Conference and Hearing, which served as the notice
8 in this case, referred to as -- the notice referred to
9 distribution rates. It referred to the distribution portion
10 of Company rates, distribution revenue, the distribution
11 component of the Eversource bill. And those terms
12 collectively appeared about a dozen times. Transmission rates
13 were mentioned not one time. The word "transmission" does not
14 appear in the notice for this case.

15 Also, the Company is proposing an increase to the
16 distribution rates. We are not proposing a change to rate
17 design. Rate design and rate changes are quite different
18 things. LCC's petition to intervene in this case failed to
19 discuss transmission rates and in fact led the reader to
20 believe, if you were reading their petition to intervene, that
21 they would be discussing transmission rates by saying they
22 would propose alternatives to the Company's proposals, which
23 are proposals to distribution rates and the actual rates, not
24 even distribution rate design. LCC's testimony is not, as LCC

1 characterized it in its petition to intervene, an alternative
2 to any of the Company's proposals. It is a rate design
3 proposal, and it is unrelated to distribution rates, which is
4 really inappropriate to be filed as testimony in this docket.

5 I believe that their proposal would be properly
6 filed as a standalone filing along with the petition and any
7 requisite supporting materials that would open a dedicated
8 docket for the consideration of that. I wanted to provide the
9 Commission with three recent examples of standalone rate
10 design dockets where the design of a single rate was
11 considered and this was not considered a single issue
12 ratemaking. Rate design is -- is a fairly involved inquiry
13 and these dockets did take some time to complete.

14 Beginning with docket DE 20-170. That was on
15 electric vehicle time of use rates. That docket took over two
16 years to complete. Docket DE 21-078, that was an Eversource
17 proposal for an EV demand charge alternative. That docket
18 took one year and eight months to complete. And docket DE 21-
19 119, that was the PSNH residential time of day rate, which was
20 an already established rate. We were just doing an update to
21 it. And that docket took 14 months to complete. As I
22 mentioned on Tuesday, consideration of a single rate is not
23 single issue ratemaking.

24 If LCC is proposing modification to just an element

1 of the transmission rate, and that is the nature of their
2 concern about single issue ratemaking, that would be just as
3 much of a problem in this docket as it would be in -- in a
4 docket of its own. Actually, probably more so because it
5 would cause confusion and delay in this docket because it's
6 an -- it's a design element of transmission rates and not
7 distribution rates. I think to avoid single issue ratemaking,
8 the only way to remedy that is to take the element of the rate
9 that it belongs to and consider it in the total context of the
10 rate here, in the transmission rate. And I just don't see any
11 proper place for it in the context of distribution rates.

12 There is -- so as far as going to authority that
13 might govern here, I would say it's what the Company cited to
14 in its motion, PUC 204.14(d) stating the Commission shall
15 exclude irrelevant material. And then I would say that RSA
16 541-A:31 III, it discusses petitioners that qualify for
17 intervention and the presiding officer's ability to impose
18 conditions on that intervenor's participation in such
19 proceedings pretty much at any time. And these conditions can
20 include, but are not limited to a limitation of the
21 intervenor's participation to designated issues in which the
22 intervenor has a particular interest specifically demonstrated
23 by the petition to intervene. And it can also be a limitation
24 of the intervenor's use of cross-examination and other

1 procedures -- I imagine testimony would be one of those -- so
2 as to promote the orderly and prompt conduct of the
3 proceedings.

4 LCC's petition to intervene does not articulate an
5 interest in transmission rate design. LCC mentioned Tuesday
6 that it may not have used the word "transmission" in the
7 petition, but it should be clear anyway. I disagree with that
8 statement. By saying it would propose alternatives to the
9 Company's proposal, the only reasonable conclusion would be
10 that either LCC planned to propose some alternative PPR plan
11 or different distribution rates, since those were the only
12 proposals that the Company was making. Limiting LCC's
13 intervention to exclude transmission rate design would be
14 warranted under the Administrative Procedures Act and the
15 PUC's 200 rules.

16 Also, the orderly and prompt conduct of this
17 proceeding would not just be promoted by limiting LCC's
18 intervention with the exclusion of its testimony. I believe
19 the orderly and prompt conduct of this proceeding and a timely
20 resolution relies on that limitation. The Commission will be
21 unable to issue an order that complies with the time
22 requirements of RSA 378:6 if LCC's testimony is allowed into
23 this docket for the reasons we discussed on Tuesday about
24 renoticing and opening a new period of intervention,

1 processing those petitions, and then taking it from there,
2 which would be quite a process.

3 So one final note is that as the Petitioner, the
4 Company does hold the burden of proof to show that their
5 proposals are meritorious, just, reasonable, and in the public
6 interest. This is not a Company proposal in LCC's testimony,
7 so the burden of proof would rightfully belong with them. I
8 think it's not terribly administratively efficient to have two
9 parties, each with a burden of proof, litigating at the same
10 time. Again, I think this probably supports the LCC just
11 filing a petition and opening a dedicated docket devoted
12 solely to this rate design issue. That's all I have. Thank
13 you.

14 CHAIRMAN GOLDNER: Thank you. We'll turn now to
15 Rate LG.

16 MR. BOROWSKI: Good morning. I think the Commission
17 would like to respond generally around the issue of notice,
18 and that will address many of the points just made by PSNH.
19 We believe that transmission rate design for large customers
20 fits comfortably within the notice provided by the
21 Commission's commencement order issued on June 28th, 2024. We
22 in no way seek to diminish the fundamental importance of
23 notice, but I think notice should be considered in its broader
24 due process context. Due process, as I'm sure you know, is a

1 sliding scale standard that protects those who need protection
2 most. And to some extent, it seems like we might be searching
3 for a problem here that doesn't exist. There's really no
4 problem with notice until someone complains about having no
5 notice. And the relevant parties are all here, and those who
6 chose not to be either had effective notice, or they currently
7 have effective representation.

8 The first paragraph of the Commission's commencement
9 order, we think, does exactly what it needs to do. It
10 provides notice of a request for general increases in
11 distribution rates, and it focuses exclusively on residential
12 customers. Residential customers are the customers most in
13 need of protection because they're not familiar with the
14 esoteric world of utility regulation. And remember that LCC's
15 proposal does not impact residential other than by creating a
16 long-term benefit to residential through reduced system peak.
17 Residential customers here are thoroughly and capably
18 represented by the consumer advocate.

19 Moreover, the commencement order describes PSNH's
20 PBR proposal. That proposal includes the ADR metric that's
21 described by the Coates PBR panel testimony at pages 29 and
22 30. I believe I referred to that on Tuesday as the cart
23 before the horse. What I actually think is more accurate to
24 say is that there is no horse. The Consortium's proposal here

1 is the horse. PSNH should not be using ratepayer funds to pay
2 customers to do demand response, at least not without first
3 having a rate design that would encourage customers to reduce
4 peaks on their own at their own expense.

5 Consistent with due process, the commencement order
6 only generally describes impacts to the nonresidential
7 customer classes, and we think this makes sense. First, the
8 order describes, quote, "rate increases and bill impacts on
9 some commercial customer classes being significantly lower".
10 They're simply more harm and risk to residential in this
11 proceeding. Second, large customers who consider energy costs
12 in their operations and their business strategies oftentimes
13 have the benefit of counsel, which is exactly why the
14 Consortium is here now. If the consortium had sufficient
15 notice that transmission rate design was an issue, then
16 similarly situated customers who either have counsel or have
17 the ability to hire counsel, had sufficient notice as well.

18 Finally, and I think most importantly, the
19 commencement order specifically describes as issues in the
20 proceeding on pages 5 and 6 whether the proposed adjusted
21 rates are just and reasonable, as required by RSA 374:2,
22 378:5, 378:7. We discussed these statutes at length on
23 Tuesday. The Department explained that RSA 378 predated
24 unbundling of generation, transmission, and distribution, and

1 historically, transmission rate design would have been
2 considered under this statute. The Department also agreed
3 that TCAM is the wrong place for transmission rate design, and
4 that this proceeding is not the wrong place for transmission
5 rate design.

6 Second, the commencement order describes as an issue
7 whether the ratemaking methodologies proposed by Eversource
8 for its PBR plan and other rate proposals are accurate,
9 internally consistent, and consistent with all law,
10 regulations, and Commission orders. We have highlighted
11 through our testimony relevant restructuring policy principles
12 that are undermined by PSNH's current rate design and advanced
13 by the Consortium's proposal. And when we say Eversource's --
14 or excuse me, PSNH's proposal here, we are saying that PSNH
15 affirmatively chose not to address the rate design --
16 transmission rate design for rates LG and rate B. When you
17 look at the initial tariff filings filed by Eversource, there
18 are redlines on rate B. They changed that tariff page. We
19 seek only to make additional changes to the words and numbers
20 on that very page.

21 We have also highlighted inconsistencies between
22 PSNH's stated goals of efficiency, equity, and appropriate
23 price signaling and its underlying rate design -- underlying
24 rate design for large customers. And we have highlighted

1 Commission orders and policies which support addressing rate
2 design here. So we think the words of the commencement order
3 clearly contemplate transmission rate design in this
4 comprehensive delivery rate proceeding, and that sufficient
5 notice has been provided.

6 And to respond to just a few more points.
7 Obviously, PSNH is now a delivery company; that includes both
8 transmission and distribution. When you consider a just and
9 reasonable rate scheme, it is important to consider it
10 holistically, including the transmission and the distribution
11 sides. And with respect to the standalone rate design
12 examples that PSNH just provided, I would note that two of
13 them are for electric vehicles. This is a novel thing. EVs,
14 electric vehicles are relatively new and a new rate needed to
15 be developed for them with a new rate design. And I think it
16 just goes to show that this rate design, the transmission rate
17 design for rates LG and B, have not been touched for 32 years.
18 There's never going to be the right proceeding for that in
19 Eversource -- in Eversource's mind, which is why we took it
20 upon ourselves to address it in this proceeding. Thank you
21 very much.

22 CHAIRMAN GOLDNER: Thank you. On Tuesday, the OCA
23 stated that it had no position and the DOE had general
24 comments that are characterized as sympathetic to the Large

1 Customer Consortium position. Are there any elaborations on
2 these positions today from either the DOE or OCA?

3 Attorney Ladwig, you can go first if you like.

4 MS. LADWIG: Nothing from DOE.

5 CHAIRMAN GOLDNER: Thank you.

6 MR. FOSSUM: On behalf of the OCA, I'll simply note
7 that the Large Customer Consortium testimony on page 12 does
8 affirmatively say that approval of its rate design would,
9 quote, "would not increase residential rates". And so in that
10 regard, the OCA is essentially neutral on the issue.

11 CHAIRMAN GOLDNER: Okay. Thank you, Attorney
12 Fossum.

13 Okay. At this point, we'll return to Commissioner
14 questioning, picking up with Commissioner Dell'Orfano.

15 COMMISSIONER DELL'ORFANO: Thank you, Mr. Chair.
16 Given Attorney Fossum's response of neutrality, I don't think
17 I need to repose to him the question that I did on Monday. So
18 I don't have any other questions for (audio interference) at
19 this time.

20 CHAIRMAN GOLDNER: Okay. Thank you. We'll turn now
21 to Commissioner Chattopadhyay.

22 COMMISSIONER CHATTOPADHYAY: Good morning. So I
23 will go to issues that are conceptual. And I heard from the
24 Large Customers Consortium that the proposal that they have is

1 really only about large customers. So intraclass; it doesn't
2 impact the other customers, correct?

3 MR. PERKINS: This is Eben Perkins on behalf of the
4 Consortium. I think there is a short-term answer to that
5 question and a long-term answer. In the short-term, the
6 intraclass -- intraclass allocation of transmission costs will
7 not impact other customer classes or their transmission rates.
8 In our view, and PSNH has referenced this directly in their
9 PBR metrics panel, reducing peak demand on the system and
10 potentially punting or deferring capacity-related investments
11 driven by peak demand will benefit all customers over time.
12 So in our view, sending the right price signals to customers
13 to incentivize reducing peak grid demand and therefore
14 capacity-related investments over time, that will benefit all
15 customers.

16 COMMISSIONER CHATTOPADHYAY: For the purposes of
17 answering the questions that I have next, let us sort of
18 assume that the rate design that you're thinking about is
19 within the class and you're trying to encourage -- I'm going
20 to use the word very generally, demand response, the ability
21 to look at the peak and behave differently. And so in the
22 sense that that might lead to different economic responses.
23 Ultimately, if the ISO New England is recovering the same
24 amount of money, it is, in my opinion, possible that that

1 would spill over to the other classes, even in the relatively
2 short-term period. So I do not necessarily think that is, you
3 know, you can assume that just looking at the intraclass rate
4 design, you don't have to worry about the other rate classes.
5 So that's -- that's my first reaction.

6 As far as the testimony by the Large Customers
7 Consortium is concerned, you touched upon the large customer
8 rates and you have touched upon the rate B, right?

9 MR. PERKINS: Correct.

10 COMMISSIONER CHATTOPADHYAY: And rate B, which is
11 part of the tariff, I think it appears in Eversource's tariff
12 at the revised page 66. Though right now that's, you know, on
13 the web page, it's sorry, it's actually 60- -- I'm not right.
14 It's original page 70. So the question I have is that doesn't
15 describe anything about transmission. It's really about
16 distribution, right?

17 MR. PERKINS: Sorry, you just cut out there,
18 Commissioner, could you please ask the question again?

19 COMMISSIONER CHATTOPADHYAY: No problem. Where I'm
20 going is, rate B, do you believe it is about transmission or
21 it's about distribution?

22 MR. PERKINS: It's about both. There is a -- the
23 backup contract demand that's defined in the rate LG tariff,
24 that's used to assess both a distribution demand related

1 charge and a transmission demand related charge to applicable
2 customers. We are not proposing any changes with how
3 distribution charges are assessed to customers who take
4 service under rate B, but that backup contract demand input
5 for transmission demand, that is covered in our testimony.

6 MR. PERKINS: Is that the coincident peak of the
7 entire system, meaning the ISO New England's system?

8 MR. PERKINS: Under our proposed solution, demand
9 would only be measured during PSNH's monthly peak load hour.
10 So that may end up coinciding or occurring with ISO New
11 England's peak hour as well. But no, it will be measured and
12 defined based on PSNH's aggregate transmission load.

13 COMMISSIONER CHATTOPADHYAY: How often does PSNH's
14 coincident peak in a month align with the coincident peak of
15 the system; do you know?

16 MR. PERKINS: At this time we don't know the answer
17 to that question. No. We would need to go back and look at
18 some of the data PSNH provided. We did not do that analysis.

19 COMMISSIONER CHATTOPADHYAY: Would you agree that
20 the transmission cost is allocated based on the system peak of
21 the entire ISO New England system?

22 MR. PERKINS: Respectfully, no. We detailed this in
23 our testimony. PSNH's monthly peak load hour is the input
24 that, those 12 coincident peak hours and the associated loads

1 measured by PSNH. Those are what are used by ISO New England
2 to allocate regional network service costs.

3 COMMISSIONER CHATTOPADHYAY: My question is that
4 coincident peak that you're talking about, are we looking at
5 the peak of the entire ISO New England system and then seeing
6 during that peak, what is PSNH's contribution, or is it
7 separately looking at whatever the peak was for PSNH's --

8 MR. PERKINS: It was --

9 COMMISSIONER CHATTOPADHYAY: -- what the peak was
10 for PSNH.

11 MR. PERKINS: Separately, looking at what PSNH's
12 monthly peak load hour was because that is the hour, those 12
13 hours throughout the year, that is what dictates the
14 transmission allocation that PSNH receives from ISO New
15 England.

16 COMMISSIONER CHATTOPADHYAY: Okay. Can you tell me
17 how the Massachusetts West and Massachusetts East discussion
18 that happened last time, how were the rate designs
19 contemplated? Was it part of a rate case, or was it done
20 separately in, you know, in standalone dockets?

21 MR. PERKINS: Both were done as part of a
22 distribution rate case. The first was done back in 2012,
23 prior to Eversource acquiring WMECO. In 2022 a number of
24 large customers, including the University of Massachusetts,

1 advocated for the expansion of that rate design to
2 Eversource's Eastern Massachusetts service territory.
3 However, that did also include a change to what is now known
4 as rate G3 in Western Massachusetts. So it was an expansion
5 both across geography but also across other classes. The
6 other large class, the non-T5 class in Western Massachusetts.
7 But to put it more simply, both came out of distribution rate
8 cases.

9 COMMISSIONER CHATTOPADHYAY: And if you -- if you
10 recall, did the utility say that that is just about
11 transmission, so let's not deal with it in the rate case? The
12 distribution rate case, or was it ultimately that it was
13 decided that everything should be part of the case; if you
14 recall?

15 MR. PERKINS: The Department of Public Utilities
16 ultimately decided it should be part of those cases. I don't
17 recall, you know, Competitive Energy Services provided
18 testimony on behalf of the University of Massachusetts as part
19 of the 2022 case, from memory, and I'd be happy to go and
20 confirm this. I don't recall a motion to strike any testimony
21 that Eversource filed in that 2022 case. That was DPU docket
22 number 22-22.

23 COMMISSIONER CHATTOPADHYAY: Do you have the docket
24 numbers handy?

1 MR. PERKINS: Yes. The 2022 case was DPU 22-22. I
2 can pull it up. It was in our -- we had listed the 2012 case
3 in our testimony. I -- apologies, don't recall the docket
4 number offhand, but we'd be glad to look it up if that would
5 be helpful. But that is listed in our testimony.

6 MS. CHIAVARA: Excuse me. Commissioner
7 Chattopadhyay, just a point of order. Massachusetts, I'm not
8 an expert on Massachusetts. I don't practice there. But I
9 believe that Massachusetts has a statute that directs all
10 rates to be included in rate cases, and New Hampshire has no
11 such statute.

12 MR. PERKINS: May I respond to that?

13 COMMISSIONER CHATTOPADHYAY: Please do.

14 MR. PERKINS: You know, I think closer to home here,
15 I think the Liberty Utilities ongoing rate case is a good
16 example. You know, in that case, Liberty posed no opposition
17 to Dartmouth College, one of the interveners in the case,
18 proposing the exact same rate design solution for large
19 customers in Liberty's territory. Ultimately, as we noted on
20 Tuesday and in our testimony, this same solution was adopted
21 by Liberty as part of its proposed settlement agreement,
22 appreciating there hasn't been a final order on that yet. But
23 I think there is a pretty sharp contrast within New Hampshire
24 around how one utility has treated this rate case solution

1 versus what PSNH is doing today. So I think between both the
2 New Hampshire example with Liberty and these other Maine and
3 Massachusetts examples, it's just puzzling to us why somebody
4 would oppose this type of rate design improvement that
5 improves price signals for large customers. I just, I simply
6 don't get it.

7 COMMISSIONER CHATTOPADHYAY: This is just to help me
8 understand what's going on. So a very simple question. For
9 both the large customers' rate and the rate B that you are
10 talking about and sort of saying that you have a different
11 proposal, are there -- the current rates that are, you know,
12 in effect, they are part of the delivery rates category,
13 correct?

14 MR. PERKINS: Correct.

15 COMMISSIONER CHATTOPADHYAY: Thank you. That's all
16 I have. Thanks.

17 CHAIRMAN GOLDNER: Okay. My first question is for
18 the Company. Would the Company object to the Commission
19 opening an investigation on this issue?

20 MS. CHIAVARA: In a separate docket?

21 CHAIRMAN GOLDNER: Yes.

22 MS. CHIAVARA: No.

23 CHAIRMAN GOLDNER: No objection. And would the
24 Company object to the Commission opening an adjudication on

1 this issue? Meaning that where we're trying to sort through
2 here is 365:5, and how the Company would -- how the Company
3 would recommend going forward.

4 MS. CHIAVARA: Yes. That's a great question. Thank
5 you very much. I think if it's going to be an adjudication, I
6 think the most straightforward and clearest path forward is
7 for there to be a petitioner, because there should be a burden
8 of proof if there's going to be a proposal at hand, and if the
9 rights, duties, and obligations of any party are going to be
10 affected. So I would say that rather than the Commission
11 opening an adjudication, as I mentioned, I think the LCC group
12 should file a petition with their proposal. And Eversource
13 would be obviously quite willing to, and I'm assuming the
14 Commission would make us obligated to, participate in that
15 docket.

16 CHAIRMAN GOLDNER: And what statutory authority
17 would that -- your proposal or the adjudication, what would
18 that be under? It doesn't look like it fits under 365:5.

19 MS. CHIAVARA: The adjudication -- like, to open an
20 adjudication on a change in rates? It would be one of the
21 378s. It depends. It's a rate design proposal, so I imagine
22 we'd have to meet the just and reasonable test. I don't have
23 the citation. I know it's one of them. I want to say maybe
24 378:7.

1 CHAIRMAN GOLDNER: Okay.

2 MS. CHIAVARA: But it would have to -- the proposal
3 would have to demonstrate that the rate being proposed is just
4 and reasonable. Here it's rate design and allocation of
5 transmission rates. I will note that I am not down in the
6 weeds on the particulars of the LCC proposal, and I am not a
7 rates expert, and everybody should be glad for that. But I
8 will say that usually when there's a change in allocation of
9 transmission costs, that a change in allocation does spill
10 over to other groups. And so I'm not sure that that can
11 happen in isolation. And as I mentioned, at the three rate
12 design dockets that I cited to you, there were a lot of
13 complex considerations there on how, you know, on cost of
14 service, on subsidization, on cost shifting. And I think any
15 proposal that is a proposal to change rate design needs to
16 have as comprehensive an investigation and an examination as
17 possible.

18 CHAIRMAN GOLDNER: And I'll turn to the Rate LG in a
19 moment with the same series of questions, but would the
20 Company have a recommendation on if it weren't -- if this
21 weren't adjudicated in this docket, what would be the
22 Company's recommendation in terms of how to move forward and
23 address this issue? Would the Company prefer an investigative
24 docket? Would it prefer that Rate LG files an adjudicate

1 docket? Does the Company have a preference?

2 MS. CHIAVARA: Without speaking to anybody else, and
3 just speaking from my lawyer's corner of the store, from a
4 procedural perspective, I think an investigation might --
5 might be appropriate because then we could open the -- we can
6 look at the transmission rate, allocate the TCAM allocation as
7 a whole and do a holistic investigation of that. But I
8 don't -- I also don't think we'd be opposed to an
9 adjudication. If the LCC wanted to put forward a particular
10 proposal, then that could be examined specifically. It just
11 might end up that in examining that specific proposal, we may
12 need to back out and look at the larger rate and see if any --
13 if there is any, you know, if there are any unintended
14 consequences or spill out into the other rate classes.

15 CHAIRMAN GOLDNER: Okay. And if an investigation
16 was launched, can the testimony in this docket be withdrawn
17 and refiled in the IR docket from Eversource's legal point of
18 view?

19 MS. CHIAVARA: Investigations usually don't have
20 pre-filed testimony. With investigations, there are no
21 rights, duties, or obligations that are implicated. But
22 all -- you don't have to have party status. Anybody's invited
23 to participate and participants can file comments. So I
24 believe that LCC could file comments along the lines of what

1 they are advocating for, to which the Company could -- and
2 others could respond. So it would basically, I think, be sort
3 of a test case or not even a test case, but it would be an
4 exploration of what an adjudication would look like in the
5 future.

6 CHAIRMAN GOLDNER: Okay. And from a legal point of
7 view, from Eversource's legal point of view, does a customer
8 have standing to propose rates?

9 MS. CHIAVARA: Does a customer have standing to
10 propose rates? I believe as a -- the LCC group are all LG
11 Eversource customers. And by that status, they are directly
12 affected by Eversource's rates. So I won't speak to legal
13 standing because I don't know that that's necessarily the
14 threshold that they would have to meet. But given that they
15 are directly impacted by Eversource rates, I would say that
16 they are entitled to file a petition seeking a change to the
17 design of those rates.

18 CHAIRMAN GOLDNER: Okay. Thank you.

19 And now I'll turn to Rate LG with effectively the
20 same series of questions. I'll just start with, if the
21 Commission were to determine that this issue needed to be
22 decided in a different docket, does Rate LG have a preference
23 for how it would like to move forward? Meaning an
24 investigative docket, an adjudicative docket, how would Rate

1 LG prefer to move forward if it was -- if this was put forward
2 in a different docket?

3 MR. BOROWSKI: I'm not sure I can give you a
4 complete answer on that right now. We'd need to do -- take
5 this back to the members of the Consortium and see what their
6 appetite is for additional process and expense. I'll just --
7 I guess I'll just generally note, because I don't think I'm
8 going to have a specific answer for any of your series of
9 questions, any of the questions in your series. But I believe
10 PSNH counsel said something. I'm paraphrasing here, I
11 don't -- if I get it slightly wrong, I don't mean to, but she
12 mentioned it would be an exploration for what a rate design
13 might look like in the future. And that is exactly what I
14 think the Consortium can't get involved in. And that shows
15 precisely what the problem is.

16 Large customers don't have the time and the money to
17 do that sort of thing. And we've already gone out on a limb
18 in this case, the rate design, precisely because PSNH hasn't
19 done it for 32 years. So we just kick the can and then we
20 have the burden and the expense to prove that it -- PSNH
21 should be doing what it should have done a long time ago when
22 ISO New England formed and coincident peak transmission
23 allocation first occurred. So I think that's sort of the
24 general problem and the -- and the frustration that the

1 Consortium has with -- with -- with having to do -- attempt to
2 do this again in another proceeding that may or may not be an
3 exploration for what rate design might look like in the
4 future. That seems a lot more like a rulemaking that could
5 get expensive. I'll let Eben chime in, because he's done this
6 in other states.

7 MR. PERKINS: If I could, Mr. Chairman,
8 respectfully, I think that outcome would be highly
9 inefficient. We are very respectful of the Commission's time
10 and the amount of work you all have on your plate. It would
11 also be unprecedented with how other utilities in the region
12 have dealt with this question of optimizing transmission rate
13 design. In no other cases has a customer or a consortium of
14 customers been forced to set up a standalone petition to
15 address this type of issue. It's been incorporated,
16 rightfully so in our view, in existing rate design proceedings
17 or rate case proceedings. So we think this would be an
18 extremely inefficient outcome for the Consortium, but also for
19 any other large customer.

20 CHAIRMAN GOLDNER: Thank you. And just one final
21 question for the Consortium. Can you just, from your
22 perspective, share with the Commission and the parties how
23 it's more inefficient to be in a new docket? I'm just trying
24 to understand your perspective of trying to deal with the

1 issue here in this docket versus opening a new docket and your
2 perspective on why that would be less efficient and take more
3 time. Can you just share a little bit about why that would
4 be?

5 MR. PERKINS: In our view, the amount of time and
6 effort that went into putting the data request together,
7 having the Company respond to those data requests, having the
8 Consortium prepare expert testimony, socialize that with all
9 Consortium members. Both the level of effort -- also, I'd
10 remind the Commission that this is the single issue in which
11 the Consortium is opining on in this case, and we've been
12 clear on that point throughout since our initial petition to
13 intervene. So it's a mix of both the amount of extensive work
14 that has been done to date to flesh out this proposal, but
15 also the fact, like Benji said on Tuesday, we have all of the
16 appropriate players here in the room. This is the right
17 venue. And as Liberty concluded, you know, this is not
18 something that is going to impact other rate classes. So I
19 just, it's the venue. It's the amount of work that's been
20 done. We'd be starting back from square one and duplicating a
21 lot of time, effort, and expense that these customers have
22 already put into this effort.

23 CHAIRMAN GOLDNER: Okay. Thank you. The Commission
24 will take a short break to confer. But before I do that, I'll

1 just ask Attorney Chiavara if there's anything that you would
2 like to add before the break?

3 MS. CHIAVARA: Just a couple of things, and I will
4 be mercifully brief. I will try to be mercifully brief. I
5 just want to reiterate, it is very late to bring in a new
6 proposal in this case. I know they mentioned, the LCC
7 attorneys mentioned starting at square one with a new
8 petition. We are effectively at square one. They just
9 submitted this testimony. We had no indication. It was not
10 in their petition to intervene. We had no indication that
11 this was coming.

12 So we would still need to serve discovery on this.
13 We would still need to put it through the vetting process. It
14 would essentially be a micro docket within a larger docket.
15 So there's no vetting, unless they just -- unless the LCC is
16 expecting the Company to simply build their proposal into a
17 settlement agreement, no questions asked, which I doubt would
18 happen. I don't see how we avoid the process that they're
19 talking about. That's just necessary process to vet -- to
20 appropriately vet a change in rate design.

21 Regarding their statements that Eversource should
22 have done this years ago, and what Eversource should have done
23 years ago, we have to assume the truth of their proposal. And
24 that's kind of skipping to the end and skipping over the

1 process, because we do have great -- great rate design
2 experts, again, not in the room, but we have them. And they
3 would want to thoroughly vet anything that gets proposed. And
4 I think there would be a robust discussion on rate design
5 principles and the equity surrounding those principles. It is
6 not just a handful of large customers. It is -- it's all
7 customer classes. So you know, as far as what Eversource
8 should or should not have done, I think is a conclusion that
9 is without a valid premise at this point, because that hasn't
10 been borne out yet.

11 So I don't see how we -- the things that LCC seems
12 to be suggesting is circumventing the process. I cannot speak
13 to how Liberty arrived at its settlement agreement. Again,
14 it's not the Company's position that it's -- that transmission
15 rate design cannot be included in a rate case. It's just the
16 specific circumstances of this particular case, the timing of
17 where we are in this case. We are a month from finishing this
18 case. It's too late to start anew and start considering a
19 brand-new proposal that has not been noticed in the docket and
20 has not been yet considered. So thank you.

21 CHAIRMAN GOLDNER: Thank you. And before we take a
22 break, I just want to give the Department or the Office of the
23 Consumer Advocate an opportunity to ask any questions. When
24 we come back from the break we'll begin with sort of the final

1 rebuttal from Rate LG. So Rate LG, you'll get another
2 opportunity here to speak. But I wanted to give the Consumer
3 Advocate and the Department a chance to comment, if they wish,
4 before the break. That looks like a no, but I'm just
5 checking.

6 Attorney Ladwig?

7 MS. LADWIG: No comment from the Department.

8 MR. FOSSUM: And from the OCA, I suppose the only
9 comment I would have asked is a process comment. I believe if
10 the -- and I'm not advocating that the Commission either
11 retain or move this issue to another docket, simply noting
12 that if it does, I believe that the Commission would be able
13 to take official notice of anything filed in this docket. And
14 so that -- take that for what it's worth. Beyond that, we
15 don't have anything to add.

16 CHAIRMAN GOLDNER: Thank you, Attorney Fossum.

17 Commissioner Dell'Orfano, do you have something you
18 wanted to ask before the break?

19 COMMISSIONER DELL'ORFANO: No. It's okay. Okay.
20 Thank you.

21 CHAIRMAN GOLDNER: Okay. Let's take a break.
22 Returning at five after. Off the record.

23 (Recess at 9:53 a.m., recommencing at 10:08 a.m.)

24 CHAIRMAN GOLDNER: We'll go back on the record. The

1 Commissioners have no further questions. And we'll turn now
2 to a closing statement if desired, by the Large Customers
3 Consortium, followed by Eversource.

4 MR. BOROWSKI: Oh, it looks like Eben is frozen.

5 CHAIRMAN GOLDNER: Okay. We'll go to --

6 MR. BOROWSKI: I can -- Eben, are you all set now?

7 MR. PERKINS: Yeah, sorry about that. Apologies.
8 My internet's giving me some issues this morning. I'll start
9 and Benji, you can hop in.

10 We respectfully disagree with Eversource's
11 contention that this is an entirely new rate design solution
12 that is foreign to them. You know, as we've laid out here
13 verbally and in our testimony, Eversource has over a decade of
14 experience with this exact rate design solution in
15 Massachusetts. It's directly relevant to this proceeding.
16 One of the four core PBR metrics aims to basically reduce
17 customer load during peak system strong demand. We think
18 sending price signals to incentivize that type of behavior
19 before resorting to ratepayer-funded energy efficiency
20 payments is the right way to approach that issue. We are in
21 full agreement with Eversource of the value of reducing system
22 peak demand for all ratepayers.

23 And finally, what we've offered here is a very
24 targeted solution. We are not proposing adjustments to TCAM.

1 We are not proposing adjustments to interclass transmission
2 cost allocations. We've offered a intraclass rate design
3 solution that is voluntary and opt-in. This is not being
4 forced on large customers. We do not think this has cost
5 shifting consequences that are negative for other classes.

6 Benji, would you like to close?

7 MR. BOROWSKI: Sure. Thank you.

8 I would just like to say that I think it is
9 fundamentally unfair and borderline absurd, and I don't use
10 that term lightly, to suggest that large customers have to
11 carry the burden of a rate design change that is in the public
12 interest. PSNH, as the entity serving the public interest,
13 recovers rate case costs from ratepayers. PSNH wants large
14 customers, a small group of them, to be their own public
15 utility. Other states have versions of public advocates that
16 represent not only residential, but also small commercial,
17 medium commercial, and large industrial. New Hampshire does
18 not. We're alone here. PSNH has had 32 years to propose
19 anything and has done nothing. That is the public utility
20 that is obligated to serve large customers at just and
21 reasonable rates.

22 And that's why we think the Commission's inherent
23 ratemaking authority is so important. This is a comprehensive
24 proposal. I used the analogy of squeezing the balloon on

1 Tuesday, and I don't have a better one today, unfortunately.
2 But you have to think about squeezing the balloon here. The
3 Commission has the authority to look at PSNH's proposal and
4 all that it does, and consider where the pressure points are,
5 and also consider the bulges that PSNH hasn't considered to
6 get a comprehensive scheme that is just and reasonable,
7 including to large ratepayers. We believe the Commission must
8 exercise its authority and not force large customers to
9 effectively be their own public utility. Thank you.

10 CHAIRMAN GOLDNER: Thank you.

11 And finally, Eversource.

12 MS. CHIAVARA: Thank you, Mr. Chairman.

13 LCC mentioned that this is not -- a concept that's
14 not foreign to us, and I will assume the truth of that,
15 although I can't confirm it, but it's still, this issue has
16 not been noticed in this proceeding. LCC does not represent
17 all LG customers or all rate B customers. This issue would
18 have to be renoticed in this docket. That would -- the -- the
19 statute that triggers renoticing, 203.07(d), I want to say,
20 would trigger a series of processes that would compromise the
21 Company's statutory right to a decision within 12 months in
22 this matter.

23 As far as -- as far as LCC's frustration with the
24 fact that they want their issue put front and center in this

1 case, I'm not entirely unsympathetic to that. But
2 transmission rates were not noticed in this case. In the
3 Massachusetts case 22-22, transmission rates were noticed in
4 that case. That sets up an entirely different process.
5 People are ready to deal with those issues from the get-go.
6 All issues can be properly vetted. Just because Eversource is
7 the utility here, just because they are our rates, doesn't
8 mean that any proposal should lack the scrutiny of being just
9 and reasonable and in the public interest. And LCC wants to
10 see, cut to the punchline that their proposal is all of those
11 things, and Eversource would want to examine those things
12 closely and afford it proper process.

13 And if the Commission were to want to open an
14 investigation into transmission rate allocation, it's well
15 within its rights to do that. And Eversource would be a very
16 willing participant if -- and wherever that -- there have been
17 previous Commission investigations that led to the open --
18 opening of an adjudication where utilities were directed to
19 file proposals. And if LCC's main contention is they don't
20 want to be the petitioner bearing the burden of proof, I
21 imagine through an investigatory docket the Commission could
22 direct the utilities to come up with proposals if they thought
23 alternative proposals were warranted for the allocation of
24 transmission rates. So that is an alternative.

1 But proper process is required no matter what. And
2 these proposals deserve a full vetting. And I just -- yeah, I
3 will note that I'm not trying to keep LCC's proposal out of
4 consideration altogether. I just am advocating for a proper
5 process. I'm also advocating for the Company's statutory
6 right for a timely decision in this matter. Thank you.

7 CHAIRMAN GOLDNER: Okay. Okay. Thank you.

8 Is there anything else that we need to cover today?
9 All right. Seeing none, the Commission will take the matter
10 under advisement and issue a written order by early March,
11 earlier, if possible.

12 Thank you. And this hearing is adjourned.

13 MR. BOROWSKI: Thank you.

14 (Whereupon the pre-hearing conference/tech session was
15 adjourned at 10:15 a.m.)

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CERTIFICATE

I, Traci Fine, a court-approved proofreader, do hereby certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, to the best of my professional skills and abilities.

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March 3, 2025