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## STATE OF NEW HAMPSHIRE

## PUBLIC UTILITIES COMMISSION

November 6, 2014 - 9:07 a.m.  
Concord, New Hampshire

NHPUC NOV20'14 PM 3:20

RE: DE 13-063  
GRANITE STATE ELECTRIC COMPANY  
d/b/a LIBERTY UTILITIES:  
Notice of Intent to File Rate Schedules.  
(Hearing regarding Settlement Agreement  
on Step Increase and Rate Case Expense)

**PRESENT:** Commissioner Robert R. Scott, Presiding  
Commissioner Martin P. Honigberg

Sandy Deno, Clerk

**APPEARANCES:** Reptg. Granite State Electric Company  
d/b/a Liberty Utilities:  
Sarah B. Knowlton, Esq.

Reptg. Residential Ratepayers:  
Susan Chamberlin, Esq., Consumer Advocate  
Office of Consumer Advocate

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.

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

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**E X H I B I T S**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N S</b>	<b>PAGE NO.</b>
13	Settlement Agreement - Step Increase and Rate Case Expenses (10-30-14)	7
14	One-page document entitled "Granite State Electric Company Settlement Agreement on Step Adjustment and Rate Case Expenses Rates Effective December 1, 2014"	7

**P R O C E E D I N G**

1  
2 CMSR. SCOTT: Good morning. We'll open  
3 the hearing on Docket DE 13-063, Liberty Utilities/Granite  
4 State Electric distribution case regarding a step  
5 adjustment agreement. By background, on March 17th, 2014,  
6 the Commission issued Order 25,638 approving the Company's  
7 request for a permanent increase in distribution rates in  
8 the amount of approximately \$9.76 million. In addition,  
9 the Commission also approved the Company's request for an  
10 estimated \$1.1 million step increase in distribution rates  
11 effective 1 April 2014. The order also approved recovery  
12 of approximately \$390,000 of rate case expenses over two  
13 years, subject to an audit by Staff.

14 On July 14th, 2014, the Commission Staff  
15 issued its Final Audit Report on the step adjustment  
16 approved in that order. The report noted that the plant  
17 additions identified in the Settlement Agreement were  
18 originally anticipated to cost approximately \$7.5 million.  
19 The Company's actual costs for these capital investments  
20 as of December 31st, 2013 were on the order of  
21 \$5.9 million. The Final Audit Report concluded that, of  
22 the total plant additions included in the step  
23 adjustments, approximately \$677,000 was posted to the FERC  
24 plant accounts, while the remaining balance remained in

1 construction work in progress, as opposed to completed  
2 construction.

3 In response, on July 29th, 2014, Staff  
4 filed a memorandum recommending that the Commission order  
5 the Company to reduce its current rates for the step  
6 adjustment and refund the revenues over-collected since  
7 April 1st. On August 6th, the Company responded to the  
8 Staff's recommendations, stating that all of the capital  
9 additions in the step increase were used and useful as of  
10 December 31st, 2013, despite the account in which they  
11 resided, and requested a hearing on Staff's proposed rate  
12 decrease.

13 On September 25th, the Commission Staff  
14 issued a Final Audit Report on follow-up review. In that  
15 report, the total plant costs were revised to 5. --  
16 roughly \$5.9 million, after certain adjustments. From  
17 that total, the Company has removed costs related to a  
18 portion of a project that was not included in the original  
19 request for a step adjustment, resulting in a final total  
20 agreed-upon capital costs to be recovered through the step  
21 adjustments of \$4.8 million, roughly.

22 On October 7th, the Settling Parties  
23 engaged in settlement discussions at which the agreement  
24 was reached on the amount of step increase, as well as the

1 amount of rate case expenses to be recovered by Granite  
2 State. The Settlement Agreement regarding Step Increase  
3 and Rate Case Expense was filed on October 30th, which is  
4 why we're here.

5 So, first, let's start with appearances  
6 please.

7 MS. KNOWLTON: Good morning,  
8 Commissioners. My name is Sarah Knowlton. I'm here today  
9 for Liberty Utilities (Granite State Electric) Corp. And,  
10 with me today from the Company is the Company's witness,  
11 Steven Mullen, and also sitting at counsel's table is  
12 Stephen Hall and Heather Tebbetts.

13 CMSR. SCOTT: Thank you. Good morning.

14 MS. CHAMBERLIN: Good morning. Susan  
15 Chamberlin, Consumer Advocate, for the residential  
16 ratepayers.

17 MS. AMIDON: Good morning. Suzanne  
18 Amidon, for Commission Staff. With me today is Grant  
19 Siwinski, an Analyst in the Electric Division.

20 CMSR. SCOTT: Thank you. Do we have  
21 premarked exhibits?

22 MS. KNOWLTON: Yes. The Company  
23 proposes to mark for identification as "Exhibit 13" the  
24 Settlement Agreement on the Step Increase and Rate Case

[WITNESS PANEL: Mullen~Siwinski]

1 Expense, that was filed with the Commission on  
2 October 30th, 2014.

3 CMSR. SCOTT: Thank you.

4 (The document, as described, was  
5 herewith marked as **Exhibit 13** for  
6 identification.)

7 MS. KNOWLTON: And, as "Exhibit 14", a  
8 one-page document that we've brought to the Commission  
9 today, which is entitled "Granite State Electric Company  
10 Settlement Agreement on Step Adjustment and Rate Case  
11 Expenses Rates Effective December 1st, 2014".

12 CMSR. SCOTT: Thank you.

13 (The document, as described, was  
14 herewith marked as **Exhibit 14** for  
15 identification.)

16 CMSR. SCOTT: So, how do we wish to  
17 proceed? Is there a panel or how --

18 MS. KNOWLTON: Yes. I believe Mr.  
19 Mullen and Mr. Siwinski will sit as a panel.

20 MS. AMIDON: Yes.

21 CMSR. SCOTT: Okay. We will do that.

22 MS. KNOWLTON: So, the Company calls  
23 Steven Mullen.

24 (Whereupon **Steven E. Mullen** and

{DE 13-063} {11-06-14}

[WITNESS PANEL: Mullen~Siwinski]

1                   **Grant W. Siwinski** were duly sworn by the  
2                   Court Reporter.)

3                   **STEVEN E. MULLEN, SWORN**

4                   **GRANT W. SIWINSKI, SWORN**

5                   **DIRECT EXAMINATION**

6 BY MS. KNOWLTON:

7 Q.    Good morning, Mr. Mullen.  Would you please state your  
8           full name for the record.

9 A.    (Mullen) My name is Steven -- Steven Mullen.

10 Q.   By whom are you employed?

11 A.    (Mullen) I am employed by Liberty Energy Utilities New  
12           Hampshire Corp.

13 Q.    What is your position with the Company?

14 A.    (Mullen) I am the Manager of Rates and Regulatory.

15 Q.    In that capacity, what are your responsibilities?

16 A.    (Mullen) I'm responsible for rate and regulatory  
17           matters for Liberty Utilities (Granite State Electric)  
18           Corp. and Liberty Utilities (EnergyNorth Natural Gas)  
19           Corp.

20 Q.    Do you have before you the document that we've marked  
21           for identification as "Exhibit 13"?

22 A.    (Mullen) Yes, I do.

23 Q.    Did you have any role in the development of this  
24           Settlement Agreement?

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[WITNESS PANEL: Mullen~Siwinski]

1 A. (Mullen) Yes, I did. I was involved in the  
2 negotiations of this agreement.

3 Q. Would you describe the events that led to the  
4 Settlement Agreement. As last time the Company was  
5 here on this case was at the end of January 2014 on a  
6 Settlement Agreement on permanent rates, which also  
7 included the step increase. So, if you would provide  
8 some background on what brings us here today.

9 A. (Mullen) Certainly. And, as Commissioner Scott went  
10 through some of the history, in March, the Commission  
11 approved a Settlement Agreement in Granite State  
12 Electric's recent distribution rate case. That  
13 Settlement Agreement was dated in January of 2014. As  
14 part of that Settlement Agreement, it provided for a  
15 step increase to Granite State's rates related to  
16 certain capital projects that were to be placed in --  
17 that were placed in service up through December 31st of  
18 2013, which was 12 months after the test year in that  
19 rate case. The capital improvements were at the time  
20 estimated to cost approximately seven and a half  
21 million dollars, but the costs were subject to audit.  
22 The actual costs came in lower, for a variety of  
23 reasons. Some of which were cost efficiencies because  
24 certain transmission work was going on at the same

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[WITNESS PANEL: Mullen~Siwinski]

1 time, and some of the costs just came in lower, which  
2 is a good thing.

3 Following the audit, the total -- well,  
4 the total costs that we submitted for audit were  
5 \$5.9 million. And, following the audit, there were  
6 some adjustments, and there was a follow-up audit that  
7 was done in September. As a result of all that, the  
8 final total costs were roughly \$5.9 million. And, from  
9 that total, we removed the costs of one of the  
10 projects, the Enfield Supply Project, that was  
11 completed in two phases. Only Phase 1 was originally  
12 intended to be part of the step increase, and so that  
13 brought the total costs down to \$4.8 million, which is  
14 reflected in the Settlement Agreement.

15 Q. The Settlement Agreement describes a situation  
16 involving the Company's FERC plant accounts. Would you  
17 describe the issue that was raised by the Staff and the  
18 Company's response to that.

19 A. (Mullen) Sure. That issue really relates to a timing  
20 difference. In accordance with the FERC Chart of  
21 Accounts, the way that these projects are supposed to  
22 be accounted for is that, as they're being constructed,  
23 they are recorded in Account 107, "Construction Work in  
24 Progress". Once they are completed and placed in

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[WITNESS PANEL: Mullen~Siwinski]

1 service, there's another account, Account 106, which is  
2 "Completed Construction Not Classified. They are moved  
3 into that account, and all the final invoices come in,  
4 and once that -- once all the final invoices come in,  
5 they are then to be moved from Account 106 to Account  
6 101, or, basically, a lot of different FERC plant  
7 accounts, depending on whether they are conductors or  
8 poles or whatever they are.

9 The Company's books -- let me back up a  
10 little bit. At the time of the acquisition of Granite  
11 State Electric from National Grid, the Account 106 on  
12 National Grid's books was cleared out to help  
13 facilitate the transfer. So, any amounts that were in  
14 there were moved to the various plant accounts. So, at  
15 the time of the transfer, the balance in that account  
16 was zero. So, when the books of account were  
17 established for Granite State Electric, that account  
18 started with zero. When the computer systems were set  
19 up, the -- it was set up so all the projects in Account  
20 107, Construction Work in Progress, would go through --  
21 be transferred to Account 101, the "FERC Plant  
22 Accounts". That involved setting up job codes, project  
23 codes, all sorts of things. And, so, by going directly  
24 from 107 to 101, the 106 Account was, in effect, not

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1 useable.

2 So, what that -- what happens with that  
3 is, because Account -- the projects in Account 107 were  
4 then waiting for all of the final project costs to come  
5 in, some late invoices or other things, there became a  
6 delay in those projects being transferred from the 107  
7 Account to the actual FERC plant accounts, because the  
8 106 Account was not in use. That did not take away  
9 from when the projects were actually placed in service.  
10 And, the projects were placed in service either -- some  
11 of them were in May/June of 2013, and one of them  
12 became on December 31st, 2013. So, they were all  
13 placed in service at a time, serving customers  
14 sometimes for many months before the end of the year,  
15 but the actual transfer of the accounts on the books  
16 had not happened.

17 Q. Has the Company remedied that situation?

18 A. (Mullen) Yes, it has. In July of 2014, the procedures  
19 were put in place, so, as soon as a project is placed  
20 in service, it is moved from Account 107, Construction  
21 Work in Progress, to Account 106, Completed  
22 Construction Not Classified. Again, it wasn't just a  
23 matter of simply transferring a dollar amount. All of  
24 the job codes and project codes had to be set up within

[WITNESS PANEL: Mullen~Siwinski]

1 the 106 Account to allow for that transfer so the  
2 computer system would operate properly.

3 Q. Is there any ongoing review that will occur at the  
4 Company with regard to the amounts that are contained  
5 in the Construction Work in Progress Account?

6 A. (Mullen) Yes. Our Accounting and Operational  
7 Departments meet periodically, as often as monthly, to  
8 review the status of jobs. And, as soon as they are  
9 placed in service, they are moved from the 107 Account  
10 to the 106 Account.

11 Q. Now turning to the Settlement Agreement, would you walk  
12 through, starting with the revenue requirement for the  
13 step increase, what the Company has agreed to do?

14 A. (Mullen) Sure. On Page 3 of Exhibit 13, the Parties  
15 have agreed to an annual revenue requirement of roughly  
16 719,000. This is less than the 1.1 million that was  
17 included in the -- as the estimated amount in the  
18 original step adjustment -- in the original Settlement  
19 Agreement, excuse me. And, the calculation of that  
20 amount is on Attachment 1 to the Settlement, which  
21 details the costs of all the projects that total  
22 \$4.8 million. Related to that amount, there's really  
23 two adjustments to rates that happen. One is that the  
24 permanent -- on a permanent basis, the rates will be

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[WITNESS PANEL: Mullen~Siwinski]

1 reduced going forward, to recognize the reduction from  
2 \$1.1 million on an annual basis to 719,000. Second is,  
3 for the period from April 1st until the end of  
4 November, we calculated how much would have been  
5 over-collected because of the original higher estimates  
6 from customers. And, we will be giving that back to  
7 customers over a five-month period, from December 1st  
8 of 2014 through April 30th of 2015.

9 Q. Will that include interest payable to customers?

10 A. (Mullen) Yes, it will.

11 Q. At what rate is the interest paid?

12 A. (Mullen) It's at the same as the customer deposit rate,  
13 which is the prime interest rate, which is currently  
14 three and a quarter percent.

15 Q. When is the Company proposing that this rate change  
16 take effect?

17 A. (Mullen) On December 1st of 2014.

18 Q. Would you walk us through the second component of the  
19 rate change, which relates to the rate case expense  
20 charged to customers.

21 A. (Mullen) As described on the bottom of Page 3 to Page 4  
22 of the Settlement Agreement, what this really does is  
23 it reflects our actual costs of \$318,944, as compared  
24 to the original estimate of 390,000. So, again, where

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[WITNESS PANEL: Mullen~Siwinski]

1 the costs came in lower than estimated, we've  
2 calculated the over-collection for that same period of  
3 time, from April 1st through November 30th. And, we  
4 are giving that back over the same five-month period  
5 that I discussed related to the change in the  
6 over-collection for the step adjustment.

7 Q. What was the basis for the estimated amount of rate  
8 case expense?

9 A. (Mullen) The estimated amount was essentially what was  
10 provided for in the DG 11-040 Settlement, which was the  
11 acquisition proceeding, where Liberty acquired Granite  
12 State and EnergyNorth. That amount was written into  
13 the terms of that agreement, so that was our original  
14 estimate. And, we actually came in lower than that for  
15 the case.

16 Q. Mr. Mullen, on Page 3, and carrying over to Page 4 of  
17 the Settlement Agreement, the Settlement indicates that  
18 the refund associated with the rate case expense is  
19 going to be accomplished over a period of time starting  
20 in December of 2014 through April of 2015. How does  
21 the Company effectuate that change in April 2015, when  
22 the full amount of the rate case expense has been  
23 recovered, as far as the change in rates to customers  
24 at that time?

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[WITNESS PANEL: Mullen~Siwinski]

- 1 A. (Mullen) Once the refund has been finished, at the end  
2 of April 30th, 2015, the rates -- that per  
3 kilowatt-hour refund amount will be removed from the  
4 rates. And, this is actually shown on Exhibit 14.  
5 Looking at Exhibit 14, the Column (b) that says "Step  
6 Adjustment Proposed Distribution Decrease", that shows  
7 the reduction to rates on a permanent basis going  
8 forward to recognize the reduction related to the step  
9 adjustment, to go from 1.1 million on an annual basis  
10 to \$719,000 on an annual basis. In Column (d), that  
11 shows the credit to rates related to the five-month  
12 refund for the change in the step adjustment revenue  
13 requirement and the rate case expense collection.  
14 Column (e) shows what the net effect of those two  
15 adjustments will be on December 1st going forward  
16 through April 30th. After April 30th, the rates will  
17 revert back to what's in Column (c), which is titled  
18 "May 1st, 2015 Proposed Distribution Charges".
- 19 Q. Is that a change that the Company programs into its  
20 computer system, so that, when the bills are rendered  
21 for service on or after May the 1st, 2015, that rate  
22 reduction is reflected in the customer bills?
- 23 A. (Mullen) Yes. We will make sure that that adjustment  
24 is correctly reflected at the right time.

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[WITNESS PANEL: Mullen~Siwinski]

1 MS. KNOWLTON: The Company has no  
2 further questions for Mr. Mullen.

3 MS. AMIDON: Thank you. Oh, I'm sorry.  
4 Well, I just want to qualify my witness. And, then, I'll  
5 turn them over to Ms. Chamberlin.

6 CMSR. SCOTT: Please do.

7 BY MS. AMIDON:

8 Q. Good morning, Mr. Siwinski. Would you state your full  
9 name and your employment for the record.

10 A. (Siwinski) My name is Grant Siwinski. And, I am an  
11 Analyst with the New Hampshire Public Utilities  
12 Commission, in the Electric Division.

13 Q. Have you previously testified before this Commission?

14 A. (Siwinski) I have.

15 Q. Have you reviewed Exhibit 13, which you should have a  
16 copy in front of you?

17 A. (Siwinski) I have.

18 Q. And, did you participate in the settlement discussions  
19 that led to the development of the Settlement  
20 Agreement?

21 A. (Siwinski) Yes, I did.

22 Q. And, Staff supported the Settlement Agreement by  
23 agreeing and signing onto the document, is that  
24 correct?

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[WITNESS PANEL: Mullen~Siwinski]

1 A. (Siwinski) That's correct.

2 MS. AMIDON: Okay. Thank you.

3 Mr. Siwinski is available for cross.

4 (Telephone ringing in hearing room.)

5 CMSR. HONIGBERG: Someone is calling in  
6 with questions, I think.

7 MS. DENO: No, wrong number. Really a  
8 wrong number.

9 CMSR. SCOTT: Sorry for the  
10 interruption.

11 MS. CHAMBERLIN: Is it my turn?

12 CMSR. SCOTT: It's your turn.

13 MS. CHAMBERLIN: Okay.

14 **CROSS-EXAMINATION**

15 BY MS. CHAMBERLIN:

16 Q. Mr. Siwinski, could you please summarize the importance  
17 of adhering to the FERC Form 1 Accounts.

18 A. (Siwinski) The FERC Form 1 Accounts are listed as --  
19 it's in the regulations that the FERC Form 1 Accounts  
20 should be adhered to.

21 MS. CHAMBERLIN: Thank you. That's all  
22 I have.

23 MS. AMIDON: I did have a question for  
24 Mr. Mullen.

[WITNESS PANEL: Mullen~Siwinski]

1 CMSR. SCOTT: Why don't you go ahead.

2 MS. AMIDON: Thank you. Good morning,  
3 Mr. Mullen.

4 WITNESS MULLEN: Good morning.

5 BY MS. AMIDON:

6 Q. Have you done a calculation of what the rate impact  
7 would be on a typical residential customer?

8 A. (Mullen) I have.

9 Q. Would you please state that for the record.

10 A. (Mullen) Sure. For a residential customer using an  
11 average of 679 kilowatt-hours per month, the impact of  
12 the change -- of the two changes for the period of  
13 April -- excuse me, December of 2014 through April of  
14 2015 is \$1.05 per month reduction. Once that  
15 five-month period is done, the reduction will be 46  
16 cents per month beginning May 1st, 2015, to reflect the  
17 change in the annual revenue requirement for the step  
18 adjustment.

19 Q. Thank you. Further, Mr. Mullen, did you review the  
20 Audit Report prepared by the Staff Audit?

21 A. (Mullen) I reviewed both of them.

22 Q. Okay. In that audit, did the auditors determine that  
23 there was a need to go back and readdress or refile any  
24 of the FERC forms?

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[WITNESS PANEL: Mullen~Siwinski]

1 A. (Mullen) No.

2 MS. AMIDON: Thank you. I have no  
3 further questions.

4 CMSR. SCOTT: Thank you. Commissioner.

5 CMSR. HONIGBERG: Mr. Mullen, good  
6 morning.

7 WITNESS MULLEN: Good morning.

8 BY CMSR. HONIGBERG:

9 Q. How did the Company find out that it had the accounting  
10 problem?

11 A. (Mullen) Well, some of this predated my employment, but  
12 I know that the Company was -- there had been  
13 discussions internally about the process that was used.  
14 And, through the course of those discussions, which  
15 were also ongoing at the same time the audit was being  
16 performed.

17 Q. Was it the audit that really produced the "aha" moment  
18 within the Company that they needed to fix something?

19 A. (Mullen) Well, I think that -- I think the knowledge of  
20 the issue already existed. I think the audit certainly  
21 spurred things along.

22 Q. In going back and trying to figure out what happened,  
23 has anybody figured out why this happened?

24 A. (Mullen) I've had discussions with a number of people.

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[WITNESS PANEL: Mullen~Siwinski]

1 And, you know -- you know, I'd rather not speculate,  
2 but I don't know, it could have been -- it could have  
3 been even just maybe a matter of trying to be efficient  
4 and just eliminate a step. But, in doing that, you  
5 know, that creates another timing issue.

6 Q. And, it has created a lot of work for some other  
7 people, hasn't it?

8 A. (Mullen) It has.

9 Q. It would be wise not to recreate mistakes like that,  
10 wouldn't it?

11 A. (Mullen) Correct. And, we have changed the processes  
12 going forward, so we won't run into this again.

13 Q. Mr. Siwinski, just confirm for me, that the issue  
14 really is an accounting issue, and not a substantive  
15 issue about when the capital projects were put into  
16 service, correct?

17 A. (Siwinski) That is correct.

18 CMSR. HONIGBERG: All right. I have no  
19 further questions. Thank you.

20 BY CMSR. SCOTT:

21 Q. On the same lines, you've mentioned the fixes that have  
22 been in place, I just want to understand. Are those  
23 same fixes -- or, is this an issue for your other New  
24 Hampshire entity, the gas side of things, for instance?

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[WITNESS PANEL: Mullen~Siwinski]

1 A. (Mullen) The same issue did exist, but it no longer  
2 does.

3 Q. So, we shouldn't have to go through this for every  
4 entity then?

5 A. (Mullen) Correct.

6 CMSR. SCOTT: Great. Okay. That's all  
7 I have. Is there any need for redirect?

8 MS. KNOWLTON: I have none.

9 CMSR. SCOTT: Okay. Any objection to  
10 admitting these as full exhibits?

11 MS. AMIDON: No.

12 MS. KNOWLTON: No.

13 CMSR. SCOTT: Okay. Great. Any  
14 outstanding issues we need to address before we do  
15 closings?

16 MS. AMIDON: No.

17 CMSR. SCOTT: Okay. Why don't we do  
18 closing statements then.

19 MS. CHAMBERLIN: Should I go first?

20 CMSR. SCOTT: Yes, please.

21 MS. CHAMBERLIN: Thank you. In agreeing  
22 to the Settlement, the OCA emphasized with the Company  
23 that adherence to the FERC Form Accounts is particularly  
24 important, because we, as people on the outside, rely on

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[WITNESS PANEL: Mullen~Siwinski]

1 that information. And, there can be issues down the line  
2 that follow from this information.

3 Now, I applaud Staff for finding this in  
4 the audit, and I applaud the Company for responding to it.  
5 But it was clearly a mistake that shouldn't have happened.  
6 It sounds like the Company has taken steps to prevent it  
7 from the future. And, with that, we're satisfied with the  
8 terms of the Settlement.

9 CMSR. SCOTT: Thank you. Staff.

10 MS. AMIDON: Thank you. Staff had  
11 participated in the settlement discussions. And, we  
12 believe that the Company resolved the issue to the  
13 satisfaction of Staff. We are, you know, hoping that the  
14 issues with respect to the accounting continue to receive  
15 scrutiny by the Company.

16 But we're satisfied with this result,  
17 and we would request that the Commission approve the  
18 Settlement for rates effective December 1.

19 CMSR. SCOTT: Okay. Thank you.

20 MS. KNOWLTON: Thank you. The Company  
21 is certainly apologetic for this, you know, that this  
22 issue existed, and that it has been necessary to take the  
23 time of the Commission, its Staff, the OCA, to work  
24 through and resolve this. I think the importance of

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[WITNESS PANEL: Mullen~Siwinski]

1 proper FERC accounting has the attention of the Company,  
2 and I think the necessary changes have been made  
3 internally to assure that this is not something that's  
4 going to happen again. And, so, we again appreciate  
5 everybody's time and patience as we go through this, which  
6 I think, in large part, is a growing pain associated with  
7 being a new company.

8 That said, I do think there are some  
9 positives that come out of this Settlement, which is a  
10 rate decrease to customers. As Mr. Mullen testified, some  
11 of the projects did come in under the estimated cost,  
12 which is always good. Rate case expense came in lower  
13 than was estimated at the time of the Settlement in DG  
14 11-040, which also I think is quite a positive thing.  
15 And, I would note for the record that, you know, rate  
16 cases, you know, the Company I think worked very hard to  
17 maintain the rate case expense at the lowest level  
18 possible, when, and if the Commission were to look at that  
19 rate case expense level compared to some other utilities,  
20 I think you would see that, even if the Company had come  
21 in at \$390,000, as opposed to 318, it's -- you know,  
22 that's pretty darn good, I think. So, while we recognize  
23 there's been some bumps and difficulties associated with  
24 this step, there also has been some good things.

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[WITNESS PANEL: Mullen~Siwinski]

1                   So, with that, I believe that the  
2 testimony demonstrates that the proposed decrease in rates  
3 is just and reasonable. And, the Company would ask that  
4 the Commission approve the Settlement without conditions,  
5 and to take effect as of December 1st, 2014. Thank you.

6                   CMSR. SCOTT: All right. Thank you. If  
7 that's the case, we will close the hearing and take the  
8 matter under advisement. Thank you.

9                   **(Whereupon the hearing was adjourned at**  
10                   **9:34 a.m.)**

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