

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

July 20, 2016 - 10:05 a.m.
Concord, New Hampshire

NHPUC AUG05'16 0012 18

RE: DE 16-668
UNITIL ENERGY SYSTEMS, INC.:
*Annual Reconciliation and Rate
Filing.*

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: Reptg. Unitil Energy Systems, Inc.:
Gary Epler, Esq.

Reptg. PUC Staff:
David K. Wiesner, Esq.

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



ORIGINAL

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LISA S. GLOVER

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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.**

1	1	Annual Stranded Cost Recovery and External Delivery Charge Reconciliation and Rate Filing, including the Petition, Proposed Tariffs, Testimony of Linda S. McNamara with attachments, and Testimony of Lisa S. Glover with attachments (06-17-16)	5
2	2	Revised Annual Stranded Cost Recovery and External Delivery Charge Reconciliation and Rate Filing, including Proposed Tariffs, Testimony of Linda S. McNamara (with redlined version) with attachments, and Testimony of Lisa S. Glover (with redlined version) with attachments (07-14-16)	5

P R O C E E D I N G

CHAIRMAN HONIGBERG: We're here this morning in Docket DE 16-668, Unitil Energy Systems' Annual Reconciliation and Rate Filing of their Stranded Cost Charge and External Delivery Charge. The Company filed a tariff, which we suspended, so it could be reviewed. This is a hearing on the merits.

And, before we do anything else, let's take appearances.

MR. EPLER: Good morning. Gary Epler, attorney for Unitil Energy Systems, appearing on behalf of that company. Good morning. Thank you.

MR. WIESNER: Good morning, Commissioners. David Wiesner, Staff attorney for the Commission. With me today is Rich Chagnon of the Electric Division.

CHAIRMAN HONIGBERG: I see witnesses already in position. Any preliminary matters we need to deal with, before we turn to the witnesses? Mr. Epler.

MR. EPLER: Yes, Mr. Chairman. If it pleases the Commission, we have two documents

[WITNESS PANEL: McNamara~Glover]

1 that I'd like premarked as exhibits. The first
2 is the entire filing that was filed with the
3 Commission. I believe you received it on June
4 17th, the cover letter is marked "June 16th".
5 That's in a blue binder. And the second does
6 not have a binder, it was, I believe, filed on
7 July 14th, the cover letter states "July 13th".

8 So, if these can be marked as Unitil
9 exhibits -- premarked as "Exhibits 1" and "2".

10 CHAIRMAN HONIGBERG: All right.

11 (The documents, as described,
12 were herewith marked as
13 **Exhibit 1** and **Exhibit 2**,
14 respectively, for
15 identification.)

16 CHAIRMAN HONIGBERG: Anything else?

17 MR. EPLER: No. There's nothing
18 else. With that, I'm ready to proceed.

19 CHAIRMAN HONIGBERG: All right.
20 Then, we'll turn things over to Mr. Patnaude.

21 (Whereupon **Linda S. McNamara** and
22 **Lisa S. Glover** were duly sworn
23 by the Court Reporter.)

24 MR. EPLER: Thank you.

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[WITNESS PANEL: McNamara~Glover]

1 **LINDA S. McNAMARA, SWORN**

2 **LISA S. GLOVER, SWORN**

3 **DIRECT EXAMINATION**

4 BY MR. EPLER:

5 Q. Turning to the witness who's closest to me in
6 the corner of the witness box, would you please
7 state your name and the position you hold with
8 Unitil.

9 A. (Glover) My name is Lisa Glover. And I'm an
10 Energy Analyst for Unitil Service Corp.

11 Q. And the witness to your left please.

12 A. (McNamara) My name is Linda McNamara. And I'm
13 a Senior Regulatory Analyst at Unitil Service
14 Corp.

15 Q. Okay. Thank you. Ms. Glover, could you please
16 turn to the two documents, one that's been
17 premarked as "Exhibit No. 1", and the second
18 "Exhibit No. 2". And, in the first one, could
19 you turn to the tabs that are marked Exhibit
20 LSG-1 and the Schedules LSG-1 through LSG-5.
21 And were these prepared by you or under your
22 direction?

23 A. (Glover) Yes, they were.

24 Q. Thank you. And, just looking at this original

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[WITNESS PANEL: McNamara~Glover]

1 filing, not considering the second filing, do
2 you have any changes or corrections to that
3 first filing?

4 A. (Glover) I do not.

5 Q. Okay. Now, I'm looking at document number "2",
6 it has a revised Exhibit LSG-1, in clean and
7 redlined versions, and a revised Schedule
8 LSG-2. Were these prepared by you or under
9 your direction?

10 A. (Glover) Yes, they were.

11 Q. And do you have any changes or corrections to
12 those?

13 A. (Glover) No, I do not.

14 Q. Thank you. And, Ms. McNamara, turning to you,
15 could you please turn to Exhibit No. 1, and
16 Exhibit LSM-1 and Schedules LSM-1 through
17 LSM-4. Were these prepared by you or under
18 your direction?

19 A. (McNamara) They were.

20 Q. And do you have any changes or corrections to
21 those, considering the initial filing?

22 A. (McNamara) No.

23 Q. Okay. And, if you could turn to what's been
24 premarked as "Exhibit No. 2", and the revised

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[WITNESS PANEL: McNamara~Glover]

1 Exhibit LSM-1, in clean and redlined versions,
2 and revised Schedules LSM-2 LSM-3, and LSM-4.
3 Were these prepared by you?

4 A. (McNamara) They were.

5 Q. And do you have any changes or corrections?

6 A. (McNamara) No.

7 Q. Okay. Thank you. Ms. Glover, could you,
8 referring to whichever documents you need to,
9 could you just explain why it was necessary for
10 the Company to file a revised filing on
11 July 14th?

12 A. (Glover) Sure. So, the revised filing includes
13 a change to the Third Party Transmission
14 Providers' estimate for the EDC, which is on
15 Schedule LSG-2. Let me get you a --

16 Q. And should we be looking at the revised filing
17 for that?

18 A. (Glover) Yes.

19 Q. Thank you.

20 A. (Glover) Bates number 065 and 066. The change
21 itself is on Bates number 066, which is the
22 period August '16 through July '17.

23 CHAIRMAN HONIGBERG: Hold on. We're
24 not finding the page. And, so, can you give us

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[WITNESS PANEL: McNamara~Glover]

1 a second up here?

2 WITNESS GLOVER: Sure.

3 MR. EPLER: I believe it's the
4 last -- it's the last two pages of the revised
5 filing.

6 CHAIRMAN HONIGBERG: Yes. It looks
7 like the last page of the revised filing is
8 065.

9 WITNESS GLOVER: That's correct.
10 It's 065.

11 WITNESS McNAMARA: No, that's -- the
12 last page is 066.

13 WITNESS GLOVER: Was it
14 doubled-sided?

15 *[Court reporter interruption.]*

16 CHAIRMAN HONIGBERG: It is
17 double-sided, 065 is the last page. Let's go
18 off the record for a minute.

19 *[Brief off-the-record discussion*
20 *ensued, followed by a short*
21 *recess.)*

22 CHAIRMAN HONIGBERG: All right.
23 Let's go back on the record. Okay. We've
24 located that appeared to be a missing page.

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[WITNESS PANEL: McNamara~Glover]

1 So, let's pick up where we left off.

2 Mr. Epler, why don't you --

3 MR. EPLER: Sure.

4 CHAIRMAN HONIGBERG: -- reask

5 whatever you were asking of Ms. Glover.

6 MR. EPLER: Sure.

7 BY MR. EPLER:

8 Q. Ms. Glover, could you turn to Schedule LSG-2
9 revised, and also, in the original filing,
10 Schedule LSG-2, and explain where we would find
11 the difference.

12 A. (Glover) The difference is on Bates Page 065,
13 Column (a), which is labeled "Third Party
14 Transmission Providers (Eversource Network
15 Integration Transmission Services)", that is
16 the total between August '15 to July '16, that
17 total changed -- hold on here. The change
18 began on Page 065 and flows through to
19 Page 066, where we added an extra month of
20 actuals starting in May 2016, and the forecast
21 going through July 2017, which goes onto
22 Page 066, Bates Page 066, changed as a result
23 of getting the new revenue requirement from
24 Eversource that I did not have at the time of

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[WITNESS PANEL: McNamara~Glover]

1 the first filing. And the revenue requirement
2 increased, which changed the total on Page 066,
3 it increased it from what it was before. It
4 was previously "767,000" -- "764", sorry, and
5 it went up to 1.7 million.

6 Q. And that revenue requirement from Eversource,
7 that's a pass-through obligation of UES, is
8 that correct?

9 A. (Glover) That's correct.

10 Q. Okay.

11 A. (Glover) We didn't receive that until into
12 July.

13 Q. Okay. Thank you. And, Ms. McNamara, can you
14 explain then what happens to your schedules
15 when this change was made?

16 A. (McNamara) Sure. That change affects Schedules
17 LSM-2, which is the calculation of the External
18 Delivery Charge, it also then -- and affected
19 Schedule 3, LSM -- Schedule LSM-3, which is our
20 redlined tariffs, and then Schedule LSM-4,
21 which is Typical Bill Impacts.

22 On Schedule LSM-2, Bates stamp Page 019,
23 that shows the calculation of the EDC.

24 Q. Okay. If I could just stop you just for a

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[WITNESS PANEL: McNamara~Glover]

1 second. So, this is Bates stamp Page 019 in
2 both the original and the revised filing, is
3 that correct?

4 A. (McNamara) Correct.

5 Q. Okay.

6 A. (McNamara) Because of the addition of May
7 actual data, and the change to the revenue
8 requirement that Ms. Glover provided beginning
9 in June, the balance as of August 1, 2016
10 changed, which is shown on Line 1. The
11 estimated costs, shown on Line 2, for the
12 upcoming period August 2016 to July 2017 also
13 changed. Initially, the Company filed for a
14 proposed rate of \$0.02036 per kilowatt-hour,
15 and the revised filing includes an EDC proposed
16 for effect August 1 of \$0.02144 per
17 kilowatt-hour.

18 Q. Okay. And could you turn to the bill impacts,
19 LSM-4, in both the original and revised. And,
20 if you can just briefly describe what the bill
21 impact is for the typical residential customer?

22 A. (McNamara) A typical residential customer using
23 634 kilowatt-hours a month, under the proposed
24 rates -- the revised proposed rates would see a

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[WITNESS PANEL: McNamara~Glover]

1 net decrease of 15 cents versus current bill.
2 That includes the proposed change to the EDC
3 and the SCC.

4 Q. And that compares to what amount was proposed
5 in the original filing?

6 A. (McNamara) The initial filing included a
7 decrease of 83 cents.

8 Q. Okay. So, it's still a decrease, but it's a
9 small increase?

10 A. (McNamara) Correct.

11 Q. And is it correct that there are no changes to
12 the Stranded Cost Charge portion of the filing?

13 A. (McNamara) No changes from the original filing.

14 Q. From the original filing?

15 A. (McNamara) Correct.

16 MR. EPLER: Thank you. I have no
17 further questions.

18 CHAIRMAN HONIGBERG: Mr. Wiesner.

19 MR. WIESNER: I only have a few
20 questions, and these are all for Ms. Glover. I
21 apologize to Ms. McNamara for ignoring her.

22 WITNESS GLOVER: Lucky me.

23 **CROSS-EXAMINATION**

24 BY MR. WIESNER:

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[WITNESS PANEL: McNamara~Glover]

1 Q. The first question is in regard to Table 1 in
2 your testimony, which is on Page 6 of your
3 testimony, which is Bates Page 052 in the
4 revised filing exhibit marked as "Exhibit 2".

5 A. (Glover) I am there.

6 Q. Okay. Thank you. And this is the table that
7 compares the estimated contract release
8 payments for the current period with those that
9 are estimated for the upcoming period. In Line
10 3, I'm looking at Hydro-Quebec support
11 payments, and I see that there's a substantial
12 decrease year over year, from a positive charge
13 of \$138,974, to a credit, it appears, of
14 \$16,123. And I just wondered if you could
15 explain in some greater detail your
16 understanding of the basis for that change from
17 a charge to a credit?

18 A. (Glover) Sure. In November of 2015, we amended
19 our service agreement with Central Vermont
20 Public Service, to extend the purchase period
21 for transmission rights from one month to one
22 year, and also extended that to firm and
23 non-firm transmission. And that has increased
24 the revenue that we are now receiving from

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1 them.

2 Q. So, it's the net amount reflecting the revenues
3 you receive from sale of those rights that is
4 accounting for the decrease, if you will?

5 A. (Glover) Correct. Yes.

6 Q. And is that a trend that the Company would
7 expect to continue going forward?

8 A. (Glover) Yes.

9 Q. Okay. Thank you. My second question is on
10 Table 2 in your testimony, which is Page 10 of
11 the revised testimony, and Bates Page 056.

12 A. (Glover) I'm there.

13 Q. This is a similar table that compares the
14 current period EDC rate components with the
15 upcoming period. And, as you mentioned before,
16 the primary driver of the increase here is the
17 change in the Eversource third party
18 transmission provider rate. You mentioned it
19 before, that's their revenue requirement. Can
20 you explain in a little bit more detail what
21 the basis for that increase in revenue
22 requirement is?

23 A. (Glover) I'm not entirely sure what Eversource
24 is basing their increase for the revenue

[WITNESS PANEL: McNamara~Glover]

1 requirement. We don't necessarily see that
2 background. It's what they need to maintain
3 their transmission. We just get a share of
4 that allocated to us. And that, typically,
5 what I've seen when I've gone back and looked
6 is it is -- it goes in an ebb and a flow. So,
7 for one period it's higher, then the next
8 period we see it is lower. And, then, at the
9 end of the -- I guess it must be a fiscal year,
10 so around June, we get a reconciliation and a
11 new revenue requirement. And, at the end of
12 the year, so next June, we'll get a bill to
13 reconcile that amount, and then the revenue
14 requirement may change. So, they're basing
15 this on their projections of how much they will
16 need, and then they will true it up at the end
17 of the year.

18 Q. And that's a June 30 year-end or is that tied
19 to the ISO power year, which I believe ends --
20 when does it end? April 30?

21 A. (Glover) We -- it's effective June 1st. We get
22 the bill around early to mid July. I'm not
23 sure that answers your question. So, maybe I
24 don't know the answer specifically.

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[WITNESS PANEL: McNamara~Glover]

1 Q. Thank you. That's fine. And my final question
2 is on the displaced revenue from net metering.
3 This is in reference to your question and
4 answer on Page 11 of the revised testimony,
5 which is Bates Page 057. No, I'm sorry.
6 That's wrong. I misspoke. Page 13 of your
7 testimony, which is Bates Page 059. And
8 there's a separate docket at the Commission, DE
9 15-147, in which displaced distribution revenue
10 due to net metering is under consideration.
11 And you testified that there's a Settlement
12 Agreement that is expected to be considered and
13 perhaps approved by the Commission.

14 Just a clarifying question. Is it the
15 Company's intent to include those charges in
16 the EDC rate upon approval by the Commission,
17 assuming it is approved? Or would that be an
18 increase that would not occur until the next
19 annual rate filing next year?

20 A. (McNamara) I'll actually answer that one. My
21 understanding is that it is the Company's
22 intent to include the costs in the EDC
23 mechanism itself effective, if the Commission
24 does approve that. However, the rate, we don't

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[WITNESS PANEL: McNamara~Glover]

1 anticipate a rate change because of it. It
2 would just be included in the reconciliation
3 for consideration next year. I don't believe
4 it's of a magnitude that it would cause a
5 significant under-collection to the EDC. The
6 Company --

7 Q. So that would --

8 A. (McNamara) I'm sorry.

9 Q. Sorry.

10 A. (McNamara) The Company would certainly look at
11 that, if that were to be the case. But, based
12 on the other costs that are included in the
13 EDC, and the size of the other costs that are
14 included in the EDC, I don't believe that it
15 would cause a significant under-collection.

16 MR. WIESNER: Okay. Thank you. I
17 have no further questions.

18 CHAIRMAN HONIGBERG: Commissioner
19 Scott.

20 CMSR. SCOTT: Thank you. And good
21 morning. My usual caveat for it seems like
22 every panelist, whoever feels best to answer
23 it, please do so.

24 BY CMSR. SCOTT:

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[WITNESS PANEL: McNamara~Glover]

1 Q. I wanted to -- Attorney Wiesner asked one of
2 the questions I was going to ask, which is to
3 understand the -- I'd like to understand the
4 Eversource transmission service costs that are
5 flowed through to you a little bit more. So,
6 can somebody give me a little bit more idea
7 what goes into their charges that they pass
8 through to you?

9 A. (Glover) I would have to get back to you. I
10 don't -- I can't answer this right now.

11 Q. All right. Thank you. All right. Hopefully,
12 a question you can answer. I'm interested in,
13 obviously, you have some line items for RGGI
14 costs, Regional Greenhouse Gas Initiative
15 costs. I was curious, how do you estimate
16 future costs for that? As an example, I think
17 the allowance price yesterday was at a two-year
18 low on the secondary market. So, it's a fairly
19 dynamic market for those allowances. How are
20 you projecting costs for that?

21 A. (McNamara) May I ask a clarifying question?

22 Q. Sure.

23 A. (McNamara) Are you referring to the "RGGI
24 auction proceeds" line, the credit?

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[WITNESS PANEL: McNamara~Glover]

1 Q. Yes, I am.

2 A. (McNamara) The estimate for that is pretty
3 simple. We actually just look at the last four
4 auction receipts, credits that have come
5 through to the Company, and then average those
6 for the next four as an estimate.

7 Q. Okay. That seems as good as any, I suppose.

8 A. (McNamara) I agree. I have come up with a
9 bunch of ways to try to guesstimate it in the
10 past, and that seems to be to get us the
11 closest.

12 CMSR. SCOTT: All right. Thank you.
13 That's all I have.

14 CHAIRMAN HONIGBERG: Commissioner
15 Bailey.

16 CMSR. BAILEY: Good morning.

17 BY CMSR. BAILEY:

18 Q. Can one of you tell me what the
19 "non-distribution portion of the PUC
20 assessment" is?

21 A. (McNamara) That piece is, I don't -- it's the
22 portion of the New Hampshire PUC assessment
23 that is, for lack of a better way of saying,
24 "not distribution". So, the bill comes in from

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[WITNESS PANEL: McNamara~Glover]

1 the Commission, and a portion, and maybe
2 Mr. Epler could help me remember the docket
3 number that that was decided in, all the
4 utilities were involved in that.

5 Q. I think I may have been involved in it as well.

6 A. (McNamara) Okay. And I apologize, I don't
7 remember the docket number.

8 Q. I don't remember it.

9 A. (McNamara) A portion of the bill is carved out,
10 if you will, to base, to distribution, and then
11 another \$10,000, and that was decided, I guess
12 it was a settlement, I don't really recall what
13 specifically that it was in, goes to default
14 service. And, then, whatever is remaining,
15 whether it be a charge or a credit, goes into
16 the EDC.

17 Q. So, the \$10,000, I think that might be
18 statutory.

19 A. (McNamara) Okay. That sounds.

20 Q. That's the part that's "non-distribution"?

21 A. (McNamara) The non-distribution portion is what
22 you're seeing on, for example, Bates stamp Page
23 066, would be a good example of one of the cost
24 pages. Column (j), in this page we actually

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[WITNESS PANEL: McNamara~Glover]

1 refer to it as the "EDC Portion", but that is
2 the non-distribution portion. That's what we
3 refer to.

4 Q. I'm still confused. I'm sorry.

5 (Witnesses conferring.)

6 **BY THE WITNESS:**

7 A. (McNamara) Would you like me to try to say what
8 I said again?

9 BY CMSR. BAILEY:

10 Q. Yes, please.

11 A. (McNamara) Okay. So, let's see. For example,
12 the most recent bill the Company -- that I have
13 a copy of and the Company received in April for
14 fiscal year 2016, the bill was approximately
15 \$537,000. The Company takes a portion of that,
16 I believe it's about \$180,000, right about
17 there, that goes to base. That was, again,
18 decided, I wish I had the docket number, so we
19 could reference that.

20 Q. When you say "base" --

21 A. (McNamara) Distribution.

22 Q. Okay. Thank you.

23 A. (McNamara) Non flow-through.

24 Q. Non what?

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[WITNESS PANEL: McNamara~Glover]

1 A. (McNamara) Non flow-through, non EDC, non --
2 it's --

3 CHAIRMAN HONIGBERG: Mr. Epler.

4 MR. EPLER: If I may? It's assumed
5 to be recovered through base rates. So, you
6 assign it to base rates, and there's no special
7 recovery, like through a reconciliation charge,
8 such as the EDC.

9 CMSR. BAILEY: Oh, I see. Okay.
10 Thank you.

11 MR. EPLER: So, you take that charge,
12 and you assign it. We're going to assume
13 you're recovering that in your base rates
14 because of how we set base rates last time.
15 You're going to take this other portion and
16 assign it to a special recovery charge that
17 gets reconciled.

18 CMSR. BAILEY: Thank you.

19 BY CMSR. BAILEY:

20 Q. So, the reconciled part of it, some of it gets
21 assigned to non-distribution? Is that a
22 different allocation?

23 A. (McNamara) The "non-distribution" is in
24 reference to what is in everything outside of

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1 what Mr. Epler just referred to.

2 Q. Okay.

3 A. (McNamara) So, after you've done -- subtracted
4 out the part that goes to base, another \$10,000
5 is recovered through default service. And,
6 then, the remainder, whether it be positive or
7 a credit, is recovered or credited, to date its
8 been a charge, but it could go the other way,
9 through the External Delivery Charge.

10 Q. Thank you. Ms. Glover, can we look at LSG-5?

11 A. (Glover) Okay.

12 Q. Can you tell me what a "PTF (AC) facility" is?

13 A. (Glover) No, I can not.

14 Q. Do you know?

15 A. (McNamara) No, I don't, I'm sorry.

16 A. (Glover) I'll be happy to get the answer for
17 you.

18 Q. Well, I was looking at this spreadsheet.

19 A. (Glover) Yes.

20 Q. And there's a difference -- well, maybe we
21 already covered this. But there's a difference
22 between the August 2015 through July 2016
23 period and the projected period. And it looks
24 like your projections are higher than what has

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[WITNESS PANEL: McNamara~Glover]

1 occurred in the recent past. And I was just
2 trying to understand why you believe that to be
3 the case?

4 A. (Glover) So, to understand your question, the
5 projection from August '15 to June 2016 was
6 "395,320" and the new projection was "415,796".

7 Q. Hold on a second.

8 A. (Glover) I'm just looking at like Line 1, the
9 "Hydro-Quebec Support Payments for the Non-PTF
10 (DC) facilities".

11 Q. Oh. Okay. And I was looking at things like,
12 well, the resale increase, and we covered that,
13 from the first block to the second block. And
14 the third block isn't that fair off. And I'm
15 looking at the total. So, I was trying to
16 figure out where the big difference was on this
17 sheet. And --

18 A. (Glover) So, we had a large credit in
19 February 2016 of "91,973". I believe, as I
20 recall, we had some back owed revenue from
21 Vermont Public Service. They hadn't paid the
22 revenue that they owed us for brokering
23 services for several months. So, that was
24 trued up in February 2016.

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[WITNESS PANEL: McNamara~Glover]

1 Q. Okay.

2 A. (Glover) I wouldn't expect that large amount to
3 flow forward. So, the overall net credit has
4 decreased to about, you know, 1,344, to offset
5 the costs for the transmission.

6 Q. Okay. Do you know what "ISO-New England OATT
7 Payments" stands for?

8 A. (Glover) Their Open Access Transmission
9 Tariffs.

10 CMSR. BAILEY: All right. Thank you.
11 That's it.

12 CHAIRMAN HONIGBERG: Commissioner
13 Scott.

14 CMSR. SCOTT: I just wanted to offer
15 that PTF is "Pool Transmission Facility", if
16 that helps anybody's memory.

17 CHAIRMAN HONIGBERG: I have a couple
18 of questions looking at Page 066.

19 BY CHAIRMAN HONIGBERG:

20 Q. Does either of you know, looking at Column (b),
21 why the charges for the ISO are so much higher
22 in June, July, August, and September?

23 A. (Glover) I'm sorry. What page?

24 Q. Looking at the elusive Page 066.

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[WITNESS PANEL: McNamara~Glover]

1 A. (Glover) I'm sorry. Can you repeat the
2 question?

3 Q. Sure. Does either of you know why, in Column
4 (b), the charges are so much higher in June,
5 July, August, and September, than they are in
6 the other months?

7 A. (Glover) Well, these charges are based on
8 network load. And the network load tends to go
9 up in the summertime. And also, in June, the
10 RNS rate changes.

11 Q. Thank you. And, in the "rounding error"
12 department, looking at Column (i), what happens
13 in February? Why are the administrative
14 service charges 50 times higher in February
15 than they are in every other month,
16 understanding that that number is only \$5,200?

17 A. (Glover) That \$5,000 is a NEPOOL charge that we
18 get once a year.

19 CHAIRMAN HONIGBERG: All right.
20 That's all I had.

21 Mr. Epler, do you have any furthers
22 questions for your witnesses?

23 MR. EPLER: No, I do not.

24 CHAIRMAN HONIGBERG: All right. Is

1 there anything else, before we allow these
2 witnesses to be excused?

3 *[No verbal response.]*

4 CHAIRMAN HONIGBERG: I didn't think
5 so. Ladies, you can probably stay where you
6 are.

7 However, I assume there's no
8 objection to striking ID on Exhibits 1 and 2?

9 *[No verbal response.]*

10 CHAIRMAN HONIGBERG: All right. They
11 are full exhibits.

12 Mr. Wiesner, why don't you sum up
13 first.

14 MR. WIESNER: Thank you, Mr.
15 Chairman. The Commission -- based on
16 Commission Staff's review, we believe the
17 Company has appropriately calculated the
18 proposed changes in both the Stranded Cost
19 Charge and in the External Delivery Charge
20 rates based on the relevant agreements and
21 Commission precedent.

22 And Staff, therefore, recommends that
23 the Commission approve the rate changes
24 effective for service rendered on or after

1 August 1st.

2 CHAIRMAN HONIGBERG: Mr. Epler.

3 MR. EPLER: Yes. Thank you, Mr.
4 Chairman.

5 Mr. Chairman, I would just draw the
6 Commission's attention to the request for
7 approvals that's in our Petition filed with the
8 original filing, in Exhibit No. 1, but with the
9 revised tariffs that are contained in Exhibit
10 No. 2.

11 CHAIRMAN HONIGBERG: Is there a need
12 to get this order out before August 1?

13 I see nodding heads, yes. All right.
14 So, we will take this matter under advisement
15 and issue an order as quickly as we can. We
16 are adjourned.

17 MR. EPLER: Thank you.

18 ***(Whereupon the hearing was***
19 ***adjourned at 10:43 a.m.)***